ORIENTAL EXPLORER HOLDINGS LIMITED

(the "Company")

(Incorporated in Bermuda with limited liability)

(Stock Code: 430)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2011

	Notes	**2011** **HK$'000**	2010 *HK$'000*
REVENUE	3	**(34,594)**	46,310
Cost of sales		**(494)**	(100)
Gross (loss)/profit		**(35,088)**	46,210
Other income and gains	3	**15,503**	6,888
Selling and distribution costs		**(3)**	(17)
Operating and administrative expenses		**(2,427)**	(11,891)
Finance costs	5	**(1,785)**	(183)
Share of profits of an associate		**5,499**	14,543
(LOSS)/PROFIT BEFORE TAX	4	**(18,301)**	55,550
Income tax credit	6	**1,375**	–
(LOSS)/PROFIT FOR THE YEAR		**(16,926)**	55,550
OTHER COMPREHENSIVE (LOSS)/INCOME			
Available-for-sale investments:			
Changes in fair value		**(21,270)**	1,345
Reclassification adjustments for gains included in the consolidated statement of comprehensive income – gain on disposal		**(991)**	–
		(22,261)	1,345
Share of other comprehensive income of an associate		**3,611**	5,189
Exchange differences on translation of foreign operations		**12**	–
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		**(18,638)**	6,534
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		**(35,564)**	62,084
(LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		**(16,926)**	55,550
Non-controlling interests		**–**	–
		(16,926)	55,550
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		**(35,564)**	62,084
Non-controlling interests		**–**	–
		(35,564)	62,084
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	8	**(0.94) cents**	3.09 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2011

	2011	2010
	HK$'000	*HK$'000*
NON-CURRENT ASSETS		
Property, plant and equipment	**913**	1,518
Prepaid land lease payments	**434**	441
Investment properties	**103,150**	23,700
Investment in an associate	**92,890**	85,282
Club debenture	**670**	670
Available-for-sale investments	**40,854**	38,960
Loan to an investee company	**330**	330
Total non-current assets	**239,241**	150,901
CURRENT ASSETS		
Prepayments, deposits and other receivables	**23,744**	12,454
Available-for-sale investments	**128,950**	61,751
Equity investments at fair value through profit or loss	**160,468**	186,599
Pledged deposits	**645**	70
Cash and cash equivalents	**33,765**	28,667
Total current assets	**347,572**	289,541
TOTAL ASSETS	**586,813**	440,442
CURRENT LIABILITIES		
Other payables and accruals	**9,275**	9,028
Interest-bearing bank and other borrowings	**215,608**	34,918
Tax payable	**3,818**	5,338
Total current liabilities	**228,701**	49,284
NET CURRENT ASSETS	**118,871**	240,257
TOTAL ASSETS LESS CURRENT LIABILITIES	**358,112**	391,158
NON-CURRENT LIABILITIES		
Due to a director	**2,736**	363
Deferred tax liabilities	**145**	–
Total non-current liabilities	**2,881**	363
Net assets	**355,231**	390,795
EQUITY		
Equity attributable to owners of the Company		
Issued capital	**18,000**	18,000
Reserves	**337,231**	372,795
Total equity	**355,231**	390,795

NOTES TO FINANCIAL STATEMENTS

1.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and certain financial instruments, which have been measured at fair value. These financial statements are presented in Hong Kong dollars (HK$) and all values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2011. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate.

1.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 Amendment	Amendment to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters*
HKAS 24 (Revised)	*Related Party Disclosures*
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments: Presentation – Classification of Rights Issues*
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC) – Int 14 *Prepayments of a Minimum Funding Requirement*
HK(IFRIC)-Int 19	*Extinguishing Financial Liabilities with Equity Instruments*
Improvements to HKFRSs 2010	Amendments to a number of HKFRSs issued in May 2010

Other than as further explained below regarding the impact of HKAS 24 (Revised), and amendments to HKFRS 3, HKAS 1 and HKAS 27 included in *Improvements to HKFRSs 2010*, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKAS 24 (Revised) *Related Party Disclosures*

HKAS 24 (Revised) clarifies and simplifies the definitions of related parties. The new definitions emphasise a symmetrical view of related party relationships and clarify the circumstances in which persons and key management personnel affect related party relationships of an entity. The revised standard also introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The accounting policy for related parties has been revised to reflect the changes in the definitions of related parties under the revised standard. The adoption of the revised standard did not have any impact on the financial position or performance of the Group.

(b) *Improvements to HKFRSs 2010* issued in May 2010 sets out amendments to a number of HKFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments has had a significant financial impact on the financial position or performance of the Group. Details of the key amendments most applicable to the Group are as follows:

- HKFRS 3 *Business Combinations*: The amendment clarifies that the amendments to HKFRS 7, HKAS 32 and HKAS 39 that eliminate the exemption for contingent consideration do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of HKFRS 3 (as revised in 2008).

In addition, the amendment limits the scope of measurement choices for non-controlling interests. Only the components of non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another HKFRS.

The amendment also added explicit guidance to clarify the accounting treatment for non-replaced and voluntarily replaced share-based payment awards.

- HKAS 1 *Presentation of Financial Statements*: The amendment clarifies that an analysis of each component of other comprehensive income can be presented either in the statement of changes in equity or in the notes to the financial statements. The Group elects to present the analysis of each component of other comprehensive income in the statement of changes in equity.

- HKAS 27 *Consolidated and Separate Financial Statements*: The amendment clarifies that the consequential amendments from HKAS 27 (as revised in 2008) made to HKAS 21, HKAS 28 and HKAS 31 shall be applied prospectively for annual periods beginning on or after 1 July 2009 or earlier if HKAS 27 is applied earlier.

1.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*[1]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets*[1]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*[4]
HKFRS 9 and HKFRS 7 Amendments	Amendments to HKFRS 9 *Financial Instruments* and HKFRS 7 – *Mandatory Effective Date of HKFRS 9 and Transition Disclosures*[6]
HKFRS 9	*Financial Instruments*[6]
HKFRS 10	*Consolidated Financial Statements*[4]
HKFRS 11	*Joint Arrangements*[4]
HKFRS 12	*Disclosure of Interests in Other Entities*[4]
HKFRS 13	*Fair Value Measurement*[4]
HKAS 1 Amendments	*Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*[3]
HKAS 12 Amendments	Amendments to HKAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets*[2]
HKAS 19 (2011)	*Employee Benefits*[4]
HKAS 27 (2011)	*Separate Financial Statements*[4]
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*[4]

HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*[5]
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*[4]

1 Effective for annual periods beginning on or after 1 July 2011
2 Effective for annual periods beginning on or after 1 January 2012
3 Effective for annual periods beginning on or after 1 July 2012
4 Effective for annual periods beginning on or after 1 January 2013
5 Effective for annual periods beginning on or after 1 January 2014
6 Effective for annual periods beginning on or after 1 January 2015

Further information about those changes that are expected to significantly affect the Group is as follows:

HKFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace HKAS 39 *Financial Instruments: Recognition and Measurement*. This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of HKAS 39.

In November 2010, the HKICPA issued additions to HKFRS 9 to address financial liabilities (the "Additions") and incorporated in HKFRS 9 the current derecognition principles of financial instruments of HKAS 39. Most of the Additions were carried forward unchanged from HKAS 39, while changes were made to the measurement of financial liabilities designated at fair value through profit or loss using the fair value option ("FVO"). For these FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in other comprehensive income ("OCI"). The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. However, loan commitments and financial guarantee contracts which have been designated under the FVO are scoped out of the Additions.

HKAS 39 is aimed to be replaced by HKFRS 9 in its entirety. Before this entire replacement, the guidance in HKAS 39 on hedge accounting and impairment of financial assets continues to apply. The Group expects to adopt HKFRS 9 from 1 January 2015.

HKFRS 10 establishes a single control model that applies to all entities including special purpose entities or structured entities. It includes a new definition of control which is used to determine which entities are consolidated. The changes introduced by HKFRS 10 require management of the Group to exercise significant judgement to determine which entities are controlled, compared with the requirements in HKAS 27 and HK(SIC)-Int 12 *Consolidation – Special Purpose Entities.* HKFRS 10 replaces the portion of HKAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements. It also includes the issues raised in HK(SIC)-Int 12.

HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures* and HK(SIC)-Int 13 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*. It describes the accounting for joint arrangements with joint control. It addresses only two forms of joint arrangements, i.e., joint operations and joint ventures, and removes the option to account for joint ventures using proportionate consolidation.

HKFRS 12 includes the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities that are previously included in HKAS 27 *Consolidated and Separate Financial Statements*, HKAS 31 *Interests in Joint Ventures* and HKAS 28 *Investments in Associates*. It also introduces a number of new disclosure requirements for these entities.

Consequential amendments were made to HKAS 27 and HKAS 28 as a result of the issuance of HKFRS 10, HKFRS 11 and HKFRS 12. The Group expects to adopt HKFRS 10, HKFRS 11, HKFRS 12, and the consequential amendments to HKAS 27 and HKAS 28 from 1 January 2013.

HKFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The standard does not change the circumstances in which the Group is required to use fair value, but provides guidance on how fair value should be applied where its use is already required or permitted under other HKFRSs. The Group expects to adopt HKFRS 13 prospectively from 1 January 2013.

Amendments to HKAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items which will never be reclassified. The Group expects to adopt the amendments from 1 January 2013.

HKAS 12 Amendments clarify the determination of deferred tax for investment property measured at fair value. The amendments introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, the amendments incorporate the requirement previously in HK(SIC)-Int 21 *Income Taxes - Recovery of Revalued Non-Depreciable Assets* that deferred tax on non-depreciable assets, measured using the revaluation model in HKAS 16, should always be measured on a sale basis. The Group expects to adopt HKAS 12 Amendments from 1 January 2012. This amendment is not expected to have a material impact on the Group's financial statements.

HKAS 19 (2011) includes a number of amendments that range from fundamental changes to simple clarifications and re-wording. The revised standard introduces significant changes in the accounting for defined benefit pension plans including removing the choice to defer the recognition of actuarial gains and losses. Other changes include modifications to the timing of recognition for termination benefits, the classification of short-term employee benefits and disclosures of defined benefit plans. The Group expects to adopt HKAS 19 (2011) from 1 January 2013.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three (2010: three) reportable operating segments as follows:

(a) the property investment segment mainly comprises rental income from investment properties;

(b) the trading and investments segment includes the trading of securities and investment income from securities investment and investment holding; and

(c) the corporate and others segment.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment (loss)/profit, which is a measure of adjusted (loss)/profit before tax from operations. The adjusted (loss)/profit before tax is measured consistently with the Group's (loss)/profit before tax from operations except that interest income from loans and receivables, finance costs and other gains are excluded from such measurement.

Segment assets exclude pledged deposits and cash and cash equivalents as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings, amount due to a director, tax payable, and deferred tax liabilities as these liabilities are managed on a group basis.

There are no sales or other transactions between the operating segments during the year (2010: Nil).

Years ended 31 December 2011 and 2010

	Property investment		Trading and investments		Corporate and others		Total	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010
	HK\$'000	*HK\$'000*	***HK\$'000***	*HK\$'000*	***HK\$'000***	*HK\$'000*	***HK\$'000***	*HK\$'000*
Segment revenue:								
Sales to external customers	**1,636**	569	**(49,530)**	45,741	**13,300**	–	**(34,594)**	46,310
Segment results	**563**	81	**(51,673)**	41,241	**13,592**	(7,020)	**(37,518)**	34,302
Reconciliation:								
Interest income from loans and receivables							**108**	138
Other gains							**15,395**	6,750
Finance costs							**(1,785)**	(183)
Share of profits of an associate	**5,499**	14,543					**5,499**	14,543
(Loss)/profit before tax							**(18,301)**	55,550

	Property investment		Trading and investments		Corporate and others		Total	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010
	HK\$'000	*HK\$'000*	***HK\$'000***	*HK\$'000*	***HK\$'000***	*HK\$'000*	***HK\$'000***	*HK\$'000*
Segment assets	**103,255**	26,592	**314,122**	249,744	**42,136**	39,534	**459,513**	315,870
Reconciliation:								
Unallocated assets							**34,410**	39,290
Investment in an associate	**92,890**	85,282	**–**	–	**–**	–	**92,890**	85,282
Total assets							**586,813**	440,442
Segment liabilities	**324**	242	**168**	83	**8,783**	8,703	**9,275**	9,028
Reconciliation:								
Unallocated liabilities							**222,307**	40,619
Total liabilities							**231,582**	49,647
Other segment information:								
Depreciation and amortisation	**–**	–	**–**	–	**962**	1,001	**962**	1,001
Change in fair value of investment properties	**14,139**	6,750	**–**	–	**–**	–	**14,139**	6,750
Capital expenditure*	**65,311**	8,754	**–**	–	**350**	–	**65,661**	8,754
Impairment loss recognised in the statement of comprehensive income	**–**	–	**–**	7,800	**–**	30	**–**	7,830

* *Capital expenditure consists of additions to property, plant and equipment and investment properties.*

Geographical information

(a) Revenue from sales to external customers are all generated from Hong Kong. No customer accounted for 10% or more of the total revenue for the years ended 31 December 2011 and 2010.

(b)

	Hong Kong		Mainland China		Total	
	2011	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Non-current assets	**103,913**	25,031	**584**	628	**104,497**	25,659

The non-current asset information above is based on the location of assets and excludes financial instruments.

3. REVENUE, OTHER INCOME AND GAINS

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

	2011	2010
	HK$'000	*HK$'000*
Revenue		
Rental income from property letting	**1,636**	569
Dividend income from listed investments	**6,199**	4,648
Dividend income from unlisted investments	**13,300**	–
Fair value (losses)/gains, net:		
Equity investments at fair value through profit or loss	**(66,022)**	36,999
Derivative financial instruments	**–**	351
Interest income from available-for-sale investments	**10,293**	3,743
	(34,594)	46,310
Other income and gains		
Interest income from loans and receivables	**108**	138
Fair value gains on available-for-sale investments (transfer from equity on disposal)	**991**	–
Fair value gains on investment properties	**14,139**	6,750
Others	**265**	–
	15,503	6,888

4. (LOSS)/PROFIT BEFORE TAX

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

	2011	2010
	HK$'000	*HK$'000*
Cost of services provided	**494**	100
Depreciation	**955**	992
Amortisation of prepaid land lease payments	**7**	9
Minimum lease payments under operating leases for land and buildings	**–**	7
Auditors' remuneration	**200**	200
Loss on disposal of items of property, plant and equipment	**–**	2
Foreign exchange differences, net	**(4,247)**	(389)
Impairment of other receivables*	**–**	30
Impairment of available-for-sale investments*	**–**	7,800
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	**548**	192
Employee benefits expense (including directors' remuneration):		
Salaries, wages and other benefits	**3,341**	2,120
Pension scheme contributions (defined contribution scheme) *(Note)*	**42**	16
	3,383	2,136

* *Included in "Operating and administrative expenses" on the face of the consolidated statement of comprehensive income.*

Note:

At 31 December 2011, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2010: Nil).

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2011	2010
	HK$'000	*HK$'000*
Interest on bank loans, overdrafts and other loans wholly repayable within five years	**1,785**	183

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable in Mainland China have been calculated at the rate of tax prevailing in Mainland China, based on existing legislation, interpretations and practices in respect thereof.

	2011	2010
	HK$'000	*HK$'000*
Current tax – Hong Kong		
Overprovision in prior years	**(1,520)**	–
Deferred tax	**145**	–
Total tax credit for the year	**(1,375)**	–

A reconciliation of the tax expense applicable to (loss)/profit before tax at the applicable rates for the jurisdictions in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	2011	2010
	HK$'000	*HK$'000*
(Loss)/profit before tax	**(18,301)**	55,550
Tax at the applicable tax rate	**(749)**	(4,622)
Adjustments in respect of current tax of prior years	**(1,520)**	–
Profits attributable to an associate	**(3,180)**	11,380
Income not subject to tax	**(4,405)**	(8,146)
Expenses not deductible for tax	**217**	1,531
Tax losses utilised from prior years	**(75)**	(190)
Tax losses not recognised	**8,416**	47
Others	(79)	–
Tax credit at the Group's effective rate	**(1,375)**	–

The share of tax expense attributable to an associate amounting to approximately HK$3,180,000 (2010: tax credit of HK$11,380,000) is included in "Share of profits of an associate" on the face of the consolidated statement of comprehensive income.

7. DIVIDENDS

The directors do not recommend the declaration of a final dividend for the year ended 31 December 2011 (2010: 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 year attributable to ordinary equity holders of the Company of approximately HK$16,926,000 (2010: profit for the year: HK$55,550,000), and the weighted average number of ordinary shares of 1,800,000,000 (2010: 1,800,000,000) in issue during the year.

No adjustment has been made to the basic (loss)/earnings per share amounts presented for the years ended 31 December 2011 and 2010 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those years.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 24th May 2012 to 28th May 2012, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the forthcoming annual general meeting and 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 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 23rd May 2012.

REVIEW OF OPERATION

For the year ended 31 December 2011, the Group recorded a net loss attributable to equity holders of the Company of about HK$17 million (2010: net profit of HK$56 million).

PROPERTY INVESTMENT

The property market persists under the low-interest environment and many new companies were established through initial public offerings in Hong Kong in the past few years. These drive the demand for office spaces to remain stable and positive. In view of these factors, the Group has acquired quality properties at considerations of around HK$65 million in order to capture the potential of property appreciation and enhance the stable source of rental income on leasing out the properties in future. Indeed, the Group's investment properties generated a stable rental of approximately HK$2 million (2010: HK$0.6 million) for the year ended 31 December 2011.

TRADING AND INVESTMENTS

During the year under review, there was a large degree of uncertainties in the external environment, especially with the European debt crisis and the downgrading of the US debt rating which caused considerable volatility in the global economy. In view of this, the Group took a more prudent approach to acquire available-for-sale investments of around HK$117 million with an average coupon rate of around 10%. Nevertheless, the Group's equity investments recorded a net fair value loss of approximately HK$66 million (2010: gain of HK$37 million) when marking the investment portfolios to market valuation as at 31 December 2011.

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. In order to preserve liquidity and enhance interest yields, liquid assets were maintained in the form of highly liquid equity investments and available-for-sale investments of approximately HK$289 million (2010: HK$248 million) as at 31 December 2011. The Group's cash and cash equivalents as at 31 December 2011 amounted to approximately HK$34 million (2010: HK$29 million). As at 31 December 2011, the Group had outstanding interest-bearing bank and other borrowings of approximately HK$216 million (2010: HK$35 million) which were secured by legal charges on certain investment properties in Hong Kong and certain equity investments and available-for-sale investments. Taking into account the total liquid assets of approximately HK$348 million and total interest-bearing bank and other borrowings of approximately HK$216 million, the Group was debt-free as at 31 December 2011.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2011, the Group had approximately 5 employees in Hong Kong. Remuneration is reviewed annually. In addition to the basic salaries, the Group also provides staff benefits including discretionary bonus, provident fund and tuition/training subsidies in order to retain competent employees.

PROSPECT

The escalation of the Euro zone crisis and downgrading of the US debt rating have brought considerable uncertainties to the world market. It is most likely that the sovereign debt problems in the Euro zone and the US economy require time to be resolved. Thus, the Group believes that the global economy will continue to face a higher degree of uncertainty over the medium term.

Economic growth of the Mainland is expected to stay higher than many other economies in the meantime. According to the National Bureau of Statistics of China, the gross domestic product ("GDP") of 2011 was RMB47.16 trillion, an increase of 9.2% over that of 2010. In order to sustain the economic development, the PRC government has continued to roll out measures to contain the notably inflationary pressure. Above all, the Group remains confident in the Mainland's long-term emerging as an anchor for the global economy.

Given the deteriorating external environment and the cooling measures implemented by the HKSAR government, the property market growth has been restrained. However, the increasing wealth, especially in China, has brought international branded retailers and manufacturers to expand their presence in Hong Kong. Together with new companies established in the past few years and the relocation of offices from central business district ("CBD") to decentralized districts, the demand for the Group's office spaces is expected to remain stable and positive.

The Group will adhere to its prudent financial policy and maintain high liquidity and low gearing. We strongly believe that we have the necessary skills and expertise to enable us to work towards the goal of maximizing our shareholders' wealth through paying attention to investment opportunities that have a promising outlook.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the directors of the Company (the "Director(s)"), save as disclosed below, the Company has complied with the code provisions contained 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 year ended 31 December 2011.

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.

AUDIT COMMITTEE

The Company has established an audit committee in compliance with Rule 3.21 of the Listing Rules. The audit committee's terms of reference includes those specific duties as set out in the code provision C.3.3 of the Code.

The audit committee comprises four independent non-executive Directors, namely Lo Yick Wing, Wong Yim Sum, Lee Siu Man, Ervin and Tsui Ka Wah. The chairman of the audit committee, Wong Yim Sum, has extensive experience in the finance and auditing fields.

In the presence of the representatives of the Company's independent external auditors, the Group's draft audited consolidated financial statements for the year ended 31 December 2011 have been reviewed by the audit committee, and with recommendation to the Board for approval.

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, the Directors have complied with the required standards as set out in the Model Code for the year ended 31 December 2011.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The annual 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 annual report of the Company for 2011 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 are Mr. Lau Chi Yung and Mr. Lau Michael Kei Chi and the independent non-executive Directors are Mr. Lo Yick Wing, Mr. Wong Yim Sum, Mr. Lee Siu Man, Ervin and Mr. Tsui Ka Wah.

By Order of the Board
Lau Chi Yung
Chairman

Hong Kong, 23 March 2012