



ASIA ORIENT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code 214)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST MARCH 2008

FINANCIAL HIGHLIGHTS

(In HK\$ million, except otherwise indicated)

	2008	2007	Change
Consolidated profit and loss account			
Turnover	35	119	-70%
Operating profit	78	45	+73%
Share of profits of associated companies	211	123	+72%
Profit attributable to shareholders	287	168	+71%
Earnings per share (HK dollars)			
Basic	0.52	0.40	+30%
Diluted	0.51	0.39	+31%
Consolidated balance sheet			
Total assets	2,644	2,062	+28%
Net assets	2,591	2,013	+29%
Net assets per share (HK dollars)	4.16	5.22	-20%
Net cash	124	115	+8%
Gearing	Nil	Nil	

The Directors of Asia Orient Holdings Limited (the “Company”) announce that the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31st March 2008 together with the comparative figures for the year ended 31st March 2007 were as follows:

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31st March 2008

	Note	2008 HK\$'000	2007 HK\$'000
Turnover	3, 4	<u>35,201</u>	<u>118,650</u>
Revenue	3, 4	28,471	15,157
Cost of sales		<u>(12,940)</u>	<u>(8,895)</u>
Gross profit		15,531	6,262
Administrative expenses	4	(13,181)	(22,302)
Other income and charges	5	<u>76,111</u>	<u>61,390</u>
Operating profit		78,461	45,350
Finance costs		(636)	(688)
Share of profits less losses of			
Jointly controlled entities		(800)	-
Associated companies		<u>210,642</u>	<u>122,873</u>
Profit before taxation		287,667	167,535
Income tax (expense)/credit	6	<u>(499)</u>	<u>36</u>
Profit for the year attributable to shareholders of the Company		<u>287,168</u>	<u>167,571</u>
Dividends	7	<u>23,371</u>	<u>23,791</u>
Earnings per share			
Basic	8	<u>HK\$ 0.52</u>	<u>HK\$ 0.40</u>
Diluted	8	<u>HK\$ 0.51</u>	<u>HK\$ 0.39</u>

CONSOLIDATED BALANCE SHEET

As at 31st March 2008

	Note	2008 HK\$'000	2007 HK\$'000
Non-current assets			
Property, plant and equipment		1,172	1,876
Jointly controlled entities		7,272	7,272
Associated companies		2,400,136	1,876,465
Available-for-sale investments		88,760	-
Deferred income tax assets		3,047	3,885
		<u>2,500,387</u>	<u>1,889,498</u>
Current assets			
Trade and other receivables	9	2,771	891
Financial assets at fair value through profit or loss		7,136	50,321
Warrant assets		10,163	-
Derivative financial instruments		-	5,902
Bank balances and cash		123,999	115,045
		<u>144,069</u>	<u>172,159</u>
Current liabilities			
Trade and other payables	10	35,633	39,100
Warrant liabilities		7,341	-
Amounts due to associated companies		1,925	1,641
Amounts due to minority shareholders		8,311	8,311
		<u>53,210</u>	<u>49,052</u>
Net current assets		<u>90,859</u>	<u>123,107</u>
Total assets less current liabilities		2,591,246	2,012,605
Non-current liabilities			
Deferred income tax liabilities		508	9
Net assets		<u>2,590,738</u>	<u>2,012,596</u>
Equity			
Share capital		62,332	38,572
Reserves		2,528,406	1,974,024
		<u>2,590,738</u>	<u>2,012,596</u>

NOTES TO THE FINANCIAL STATEMENT

1 Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale investments, financial assets at fair value through profit or loss, derivative financial instruments, warrant assets and warrant liabilities, which are carried at fair value, and in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

2 The adoption of new/revised HKFRS

During the year, the Group adopted the new standard, amendment and interpretations of HKFRS below, which are relevant to its operations.

HKAS 1 (Amendment)	Presentation of Financial Statements: Capital Disclosures
HK (IFRIC) – Int 8	Scope of HKFRS 2
HK (IFRIC) – Int 9	Reassessment of Embedded Derivatives
HK (IFRIC) – Int 11	HKFRS 2 - Group and Treasury Share Transactions
HKFRS 7	Financial Instruments: Disclosures

The Group has assessed the impact of the adoption of these standard, amendment and interpretations and considered that there were no significant impact on the Group’s results and financial position and no substantial changes in the Group’s accounting policies, except that additional disclosures relating to capital management and financial instruments are required under HKAS 1 (Amendment) and HKFRS 7 respectively.

3 Turnover and segment information

Turnover comprises revenue from property management, dividend and interest income, together with gross proceeds from securities investment. Revenues include revenue from property management, dividend and interest income, and net realised gains/(losses) on sale of financial assets at fair value through profit or loss.

An analysis of turnover, revenue and results of the Group by business segments and geographical segments is set out below:

Business segments

	Property management	Investment	Other operations	Group
2008 (in HK\$'000)				
Turnover	15,787	9,762	9,652	35,201
Segment revenue	<u>15,787</u>	<u>3,032</u>	<u>9,652</u>	<u>28,471</u>
Contribution to segment results	2,847	3,032	9,652	15,531
Other income and charges	-	91,109	(14,998)	76,111
Unallocated corporate expenses				<u>(13,181)</u>
Operating profit				78,461
Finance costs				(636)
Share of results of				
Jointly controlled entities (note)				(800)
Associated companies (note)				<u>210,642</u>
Profit before income tax				287,667
Income tax expense				<u>(499)</u>
Profit for the year				<u>287,168</u>
2007 (in HK\$'000)				
Turnover	11,838	98,893	7,919	118,650
Segment revenue	<u>11,838</u>	<u>(4,600)</u>	<u>7,919</u>	<u>15,157</u>
Contribution to segment results	2,943	(4,600)	7,919	6,262
Other income and charges	-	61,390	-	61,390
Unallocated corporate expenses				<u>(22,302)</u>
Operating profit				45,350
Finance costs				(688)
Share of results of				
associated companies (note)				<u>122,873</u>
Profit before income tax				167,535
Income tax credit				<u>36</u>
Profit for the year				<u>167,571</u>

Note: Share of results of jointly controlled entities and associated companies

	2008		2007	
	Jointly controlled entities HK\$'000	Associated companies HK\$'000	Jointly controlled entities HK\$'000	Associated companies HK\$'000
Property sales	-	35,530	-	47,457
Property leasing	-	174,051	-	114,129
Hotel and travel	-	21,473	-	33,276
Investment	-	255	-	(4,614)
Other operations	(800)	47,791	-	21,080
Finance costs	-	(27,632)	-	(45,561)
Unallocated corporate expenses	-	(40,826)	-	(42,894)
	<u>(800)</u>	<u>210,642</u>	<u>-</u>	<u>122,873</u>

Geographical segments

For the year ended 31st March 2008 and 2007, the activities of the Group are mainly based in Hong Kong. The Group derived all of its revenue and operating profit from Hong Kong.

4 Income and expenses by nature

	2008 HK\$'000	2007 HK\$'000
Income		
Interest income	9,143	7,508
Dividend income	534	480
Realised gains on financial assets at fair value through profit or loss	<u>2,498</u>	<u>-</u>
Expenses		
Depreciation	786	784
Net realised losses on financial assets at fair value through profit or loss	<u>-</u>	<u>5,080</u>

5 Other income and charges

	2008 HK\$'000	2007 HK\$'000
Unrealised losses on financial assets at fair value through profit or loss	(1,890)	(1,650)
Unrealised gains on derivative financial instruments	-	5,902
Fair value losses on warrant assets	(28,765)	-
Fair value gains on warrant liabilities	13,767	-
Negative goodwill recognised on acquisition of additional interest in listed associated companies	84,154	43,760
Gain on disposal of		
- Subsidiaries	-	163
- Associated companies	8,845	12,883
- Jointly controlled entities	-	332
	<u>76,111</u>	<u>61,390</u>

6 Income tax (expense)/credit

	2008 HK\$'000	2007 HK\$'000
Current income tax		
Over/(under) provisions in prior years	6	(73)
Deferred income tax	<u>(505)</u>	<u>109</u>
	<u>(499)</u>	<u>36</u>

No provision for Hong Kong profits tax and overseas income tax has been made as the Group has no estimated assessable profit for the year (2007: Nil).

Share of income tax of associated companies for the year of HK\$21,454,000 (2007: HK\$24,146,000) is included in the profit and loss account as share of profits of associated companies. There is no income tax for jointly controlled entities for the year (2007: Nil).

7 Dividends

	2008 HK\$'000	2007 HK\$'000
Interim, paid, of HK2.0 cents (2007: HK3.2 cents) per share	12,463	12,219
Final, proposed, of HK1.75 cents (2007: HK2.0 cents) per share	<u>10,908</u>	<u>11,572</u>
	<u>23,371</u>	<u>23,791</u>

At a meeting held on 10th July 2008, the Board of Directors has proposed to pay a final dividend of HK1.75 cents per share in scrip. This proposed dividend is not reflected in the financial statements, but will be reflected as an appropriation of revenue reserve in the year ending 31st March 2009.

8 Earnings per share

The calculation of basic earnings per share is based on profit attributable to shareholders of the Company of HK\$287,168,000 (2007: HK\$167,571,000) and divided by the weighted average number of 556,415,813 (2007: 423,803,159, adjusted for the effect of rights issue in July 2007) shares in issue during the year.

The calculation of diluted earnings per share for the year ended 31st March 2008 is based on profit attributable to shareholders of the Company of HK\$287,168,000 and divided by 561,288,934 shares equalling to the weighted average number of 556,415,813 shares in issue during the year with an increase of 4,873,121 potential shares deemed to be in issue assuming the Company's share options had been converted. The Company's outstanding warrants and the outstanding share options and warrants of Asia Standard International Group Limited ("Asia Standard") and Asia Standard Hotel Group Limited ("AS Hotel") did not have a dilutive effect on the earnings per share in 2008.

The calculation of diluted earnings per share for the year ended 31st March 2007 was based on HK\$164,964,000 equalling to the profit attributable to shareholders of the Company of HK\$167,571,000 with a decrease in share of profit after tax of HK\$2,607,000 from Asia Standard arising from potential conversion of the convertible notes of Asia Standard, and divided by the weighted average number of 423,803,159 (adjusted for the effect of rights issue in July 2007) shares in issue during the year. The outstanding share options of the Company, Asia Standard and AS Hotel did not have a dilutive effect on the earnings per share in 2007.

9 Trade and other receivables

Trade and other receivables of the Group include trade receivables, utility and other deposits, interest and other receivables. Trade receivables of the Group amounted to HK\$227,000 (2007: HK\$302,000). The credit terms given to the customers vary and are generally based on the financial strengths of individual customers. In order to effectively manage the credit risks associated with trade receivables, credit evaluations of customers are performed periodically.

Aging analysis of trade receivables is as follows:

	Group	
	2008	2007
	HK\$'000	HK\$'000
0 day to 60 days	227	226
61 days to 120 days	-	76
	<u>227</u>	<u>302</u>

10 Trade and other payables

Trade and other payables of the Group include trade payables, rental and management fee deposits, interest and other payables and various accruals. Trade payables of the Group amounted to HK\$3,170,000 (2007: HK\$4,181,000).

Aging analysis of trade payables is as follows:

	2008	2007
	HK\$'000	HK\$'000
0 day to 60 days	2,984	3,629
61 days to 120 days	75	28
More than 120 days	111	524
	<u>3,170</u>	<u>4,181</u>

11 Comparative figures

Certain comparative figures have been restated to conform with the current year's presentation.

The figures in this preliminary announcement have been agreed by PricewaterhouseCoopers ("PwC") to those in the Group's consolidated financial statements for the year ended 31st March 2008. The work performed by PwC in this respect was limited and did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PwC for this announcement.

DIVIDENDS

The Directors recommend a final dividend for the year ended 31st March 2008 of HK1.75 cents (2007: distribution HK2.0 cents, with scrip option) per share in scrip to shareholders whose names appear on the Company's Register of Members on 26th August 2008 ("Record Date") ("Scrip Dividend Scheme"). Total dividends for the year, including interim dividend of HK2.0 cents (2007: HK3.2 cents) per share, amounts to HK3.75 cents (2007: HK5.2 cents) per share.

The Scrip Dividend Scheme will be subject to (i) the approval of the shareholders at the 2008 annual general meeting to be held on 27th August 2008 ("2008 AGM"); and (ii) The Stock Exchange of Hong Kong Limited (the "Stock Exchange") granting listing of and permission to deal in the new shares to be allotted thereunder, and is expected to be paid on or around 3rd October 2008. For the purpose of determining the number of new shares to be allotted, the market value of new shares will be calculated as the average of the closing prices of the existing shares of the Company in the Stock Exchange for the three trading days prior to and including the Record Date.

PROPOSALS FOR INCREASE IN THE AUTHORISED SHARE CAPITAL OF THE COMPANY AND BONUS WARRANT ISSUE

On 10th July 2008, the Board proposes an increase in the authorised share capital of the Company from HK\$150,000,000 to HK\$300,000,000 by the creation of an additional 1,500,000,000 new shares of HK\$0.1 each in the capital of the Company. The proposal of increase in the authorised share capital of the Company is subject to approval of the shareholders of the Company at the 2008 AGM.

The Board also proposes a conditional bonus warrant issue (the “Bonus Warrant Issue”) to the shareholders. Further details of the Bonus Warrant Issue will be separately published in an announcement and the subsequent circular.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Friday, 22nd August 2008 to Tuesday, 26th August 2008, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend, the Bonus Warrant Issue and to ascertain the rights to attend the general meetings of the Company to be held on Wednesday, 27th August 2008, all transfers, accompanied by the relevant share certificates, must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:00 p.m. on Thursday, 21st August 2008.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

Profit attributable to shareholders increased by HK\$119 million (71%) to HK\$287 million compared to HK\$168 million of last year. The increase is directly the result of improved performance of Asia Standard International Group Limited (“Asia standard”), its major associated company.

ASIA STANDARD

Asia Standard remains the Group’s core investment. It achieved HK\$471 million (2007: HK\$288 million) profit attributable to shareholders for the year at a turnover of HK\$1,555 million (2007: HK\$1,374 million).

Property sales and leasing

Property sales turnover amounted to HK\$379 million compared to HK\$652 million of last year. Development profit this year amounted to HK\$80 million compared to HK\$134 million of last year. Inventory sale of Canaryside, a residential development in Lei Yue Mun completed in March 2007, makes up the majority of sales.

Construction of residential development projects at Aberdeen and Castle Peak Road are progressing. Sale of Jadewater, the 150,000 sq.ft. GFA Aberdeen project, has commenced in June.

Application of presale consent for the 200,000 sq.ft. Castle Peak Road joint venture development project is also under progress. Overall, Asia Standard has nearly 1 million sq.ft. gross floor area of properties under development in Hong Kong.

Asia Standard recently increased its presence in the mainland by investing in a 2 million square feet gross floor area waterfront residential/commercial development project in Beijing.

Attributable rental income from its investment portfolio increased by 10%, the increment is the result of increased unit rent upon tenancy renewal.

Hotel

Hotel group reported a HK\$96 million profit for the year.

Asia Standard has increased its stake in the Hotel group from 62.8% to 67.7% during the year.

FINANCIAL REVIEW

The Group had net cash position of HK\$124 million at 31st March 2008 (2007: HK\$115 million).

At 31st March 2008, the Group's net asset value rose to HK\$2.6 billion from HK\$2.0 billion at 31st March 2007. The increase is attributable to retained profit and new capital raised in the year.

Certain listed securities were pledged to secure general banking facilities of the Group. The Group did not provide any guarantees to banks and financial institutions on credit facilities to jointly controlled entities, associated companies and third parties.

EMPLOYEES AND REMUNERATION POLICIES

At 31st March 2008, the Group employed 200 full time employees with most of them working for building management and related logistics services. Their remuneration packages, which commensurate with job nature and experience level, include basic salary, annual bonus, retirement and other benefits.

FUTURE PROSPECTS

We expect the trend of strong influx of visitors to be continued in the coming year, with 2008 Olympic Games and Hong Kong positioned as the financial and business centre of the region, in particular for the whole of China. Exhibition business together with Macau gaming facilities are all attracting traveling demand.

We believe the coming year will be full of challenge for the property market for a number of external uncertainties such as concern for rising interest rate worldwide to combat inflation, escalating material costs, falling property prices in developed countries and credit tightening measures on Mainland China, are all but to stem down demand for properties. Nonetheless, we remain cautiously optimistic for the Group to face this adversity.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, the Company had not redeemed any of its shares. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the year.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own Code of Conduct for Securities Transactions by Directors on terms no less exacting than the required standard of dealings as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (Appendix 10) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“Listing Rules”). The Company has also made specific enquiry to the Directors and the Company was not aware of any non-compliance with the required standard of dealings and its Code of Conduct for Securities Transactions by Directors.

CODE ON CORPORATE GOVERNANCE PRACTICES

During the year, the Company has complied with the Code Provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules.

AUDIT COMMITTEE

The Audit Committee members are Mr. Hung Yat Ming, Mr. Cheung Kwok Wah, Ken and Mr. Wong Chi Keung. The principal activities of the Audit Committee include the review and supervision of the Group’s financial reporting process and internal controls.

The annual financial reports of the Group for the year ended 31st March 2008 has been reviewed by the Audit Committee.

By Order of the Board
Fung Siu To, Clement
Chairman

Hong Kong, 10th July 2008

As at the date of this announcement, the executive directors of the Company are Mr. Fung Siu To Clement, Dr. Lim Yin Cheng, Mr. Poon Jing, Mr. Lun Pui Kan and Mr. Kwan Po Lam Phileas; the non-executive director is Mr. Chan Sze Hung; and the independent non-executive directors are Mr. Cheung Kwok Wah Ken, Mr. Hung Yat Ming and Mr. Wong Chi Keung.