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ASIA ORIENT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code:214)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST MARCH 2011

FINANCIAL HIGHLIGHTS

(In HK\$ million, except otherwise indicated)

	2011	2010	Change
Consolidated profit and loss account			
Revenue	194	50	+288%
Operating profit	483	326	+48%
Share of profits of associated companies	831	1,142	-27%
Gain on business combination	1,496	-	N/A
Profit attributable to shareholders of the Company	2,657	1,689	+57%
Basic earnings per share (HK\$)	3.74	2.48	+51%
Consolidated balance sheet			
Total assets	19,934	4,195	+375%
Net assets	14,404	4,134	+248%
Equity attributable to shareholders of the Company	6,755	4,134	+63%
Net (debt)/cash	(3,716)	25	N/A

During the year, the Group's shareholdings in Asia Standard International Group Limited ("Asia Standard") increased from 49.2% to 50.3%. The increase changed the status of Asia Standard from an associated company of the Group to a subsidiary in January 2011. Accordingly, results of Asia Standard were equity accounted for up to January 2011 and then consolidated thereafter. As a result of this business combination, a gain of HK\$1,496 million is recognised.

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 2011 together with the comparative figures for the year ended 31st March 2010 were as follows:

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31st March 2011

	Note	2011 HK\$'000	2010 HK\$'000
Revenue	2	194,078	49,916
Cost of sales		(38,311)	(8,846)
Gross profit		155,767	41,070
Selling and administrative expenses		(42,286)	(9,670)
Depreciation		(27,573)	(366)
Net investment gain	3	344,146	296,198
Fair value change of investment properties		58,600	-
Other gain and charges	4	(6,140)	(1,581)
Operating profit		482,514	325,651
Finance costs		(16,989)	(7,573)
Share of profits less losses of			
Jointly controlled entities		(4,923)	1,039
Associated companies		830,520	1,141,754
Negative goodwill arising from acquisition of additional interest in associated companies		77,497	228,146
Gain on business combination	1(a)	1,495,835	-
Profit before income tax		2,864,454	1,689,017
Income tax expense	6	(19,863)	(185)
Profit for the year		2,844,591	1,688,832
Attributable to:			
Shareholders of the Company		2,657,240	1,688,832
Non-controlling interests		187,351	-
		2,844,591	1,688,832
Dividends	7	16,007	19,371
Earnings per share (HK\$)			
Basic	8	3.74	2.48
Diluted	8	3.73	2.33

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March 2011

	2011 HK\$'000	2010 HK\$'000
Profit for the year	2,844,591	1,688,832
Other comprehensive income		
Net fair value (loss)/gain on available-for-sale investments		
Company and subsidiaries	(9,836)	-
Associated companies	3,515	37,953
Impairment of available-for-sale investments charged to profit and loss account	146	-
Currency translation differences	7,823	12,508
	<u>1,648</u>	<u>50,461</u>
	-----	-----
Total comprehensive income for the year	<u>2,846,239</u>	<u>1,739,293</u>
Total comprehensive income attributable to:		
Shareholders of the Company	2,661,067	1,739,293
Non-controlling interests	185,172	-
	<u>2,846,239</u>	<u>1,739,293</u>
	=====	=====

CONSOLIDATED BALANCE SHEET

As at 31st March 2011

	Note	2011 HK\$'000	2010 HK\$'000
Non-current assets			
Property, plant and equipment		6,897,728	85
Investment properties		3,393,017	-
Jointly controlled entities		821,543	-
Associated companies		819,840	3,713,848
Available-for-sale investments		230,257	-
Mortgage loans receivable		81,729	-
Deferred income tax assets		5,852	51
		<u>12,249,966</u>	<u>3,713,984</u>
Current assets			
Properties under development for sale		1,133,217	-
Completed properties held for sale		170,536	-
Hotel and restaurant inventories		2,341	-
Mortgage loans receivable		3,664	-
Trade and other receivables	9	244,290	56,922
Amount due from a jointly controlled entity		65,000	-
Income tax recoverable		513	-
Financial assets at fair value through profit or loss		5,718,781	391,595
Warrant assets		-	1,439
Bank balances and cash		346,156	31,064
		<u>7,684,498</u>	<u>481,020</u>
Current liabilities			
Trade and other payables	10	160,624	54,297
Amount due to an associated company		14,850	494
Income tax payable		36,857	-
Derivative financial instruments		26,242	-
Borrowings		1,791,956	6,000
		<u>2,030,529</u>	<u>60,791</u>
Net current assets		<u>5,653,969</u>	<u>420,229</u>
Total assets less current liabilities		<u>17,903,935</u>	<u>4,134,213</u>
Non-current liabilities			
Long term borrowings		2,270,071	-
Deferred income tax liabilities		1,230,063	-
		<u>3,500,134</u>	<u>-</u>
Net assets		<u>14,403,801</u>	<u>4,134,213</u>
Equity			
Share capital		71,243	70,871
Reserves		6,684,154	4,063,342
Equity attributable to shareholders of the Company		<u>6,755,397</u>	<u>4,134,213</u>
Non-controlling interests		7,648,404	-
		<u>14,403,801</u>	<u>4,134,213</u>

NOTES TO THE FINANCIAL STATEMENTS

1 Basis of preparation

- a) During the year, the Group's shareholdings in Asia Standard International Group Limited ("Asia Standard") increased from 49.2% to 50.3%. The increase changed the status of Asia Standard from an associated company of the Group to a subsidiary in January 2011. As a result, the Group would consolidate the results of Asia Standard Group from February 2011 onwards and recognised a gain on business combination. Prior to that, the results and net assets of Asia Standard were equity accounted for in the Group's financial statements.
- b) The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale investments, financial assets at fair value through profit or loss and derivative financial instruments, which are carried at fair value, and in accordance with Hong Kong Financial Reporting Standards ("HKFRS").
- c) The following new and revised standards, interpretation and amendments to existing standards ("new HKFRS") are relevant to the Group's operations and are mandatory for accounting periods beginning on or after 1st January 2010:

HKAS 1 (Amendment)	Presentation of Financial Statements
HKAS 17 (Amendment)	Leases
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 36 (Amendment)	Impairment of Assets
HKFRS 3 (Revised)	Business Combinations
HK-Int 5	Presentation of Financial Statements – Classification by The Borrower of a Term Loan that Contains a Repayment on Demand Clause

Except for certain changes in accounting policies as described below, the adoption of the new HKFRS in the current year did not have any significant effect on the consolidated financial statements or result in any substantial changes in the Group's significant accounting policies.

- HKAS 1 (Amendment) provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time.

In order to comply with the requirements of HK-Int 5, the Group has changed its accounting policy on the classification of term loans that contain a repayment on demand clause. Under the new policy, term loans with clauses which give the lender the unconditional right to call the loan at any time are classified as current liabilities in the consolidated balance sheet. Previously such term loans were classified in accordance with the agreed repayment schedule unless the Group had breached any of the loan covenants set out in the agreement as of the reporting date or otherwise had reason to believe that the lender would invoke its rights under the immediate repayment clause within the foreseeable future.

1 Basis of preparation (continued)

- HKAS 17 (Amendment) deletes specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating using the general principles of HKAS 17. Prior to the amendment, land interest which title is not expected to pass to the Group by the end of the lease term was classified as operating lease under “Leasehold land”, and amortised over the lease term. HKAS 17 (Amendment) has been applied retrospectively for annual periods beginning 1st January 2010 in accordance with the effective date and transitional provisions of the amendment. The Group has reassessed the classification of leasehold land on the basis of information existing at the inception of those leases, and recognised the leasehold land in Hong Kong as finance lease retrospectively. As a result of the reassessment, the Group has reclassified the leasehold land from operating lease to finance lease. Since the property interest is held for own use, that land interest classified as finance lease is accounted for as land and hotel buildings and is depreciated from the land interest available for its intended use over the lease term. In addition, leasehold land included in properties under development for sale and completed properties held for sale would be accounted for in accordance with HKAS 2. No amortisation on leasehold land was recognised and the leasehold land was measured at the lower of cost and net realisable value. However, no retrospective adjustment was made to prior year financial statements as this change had no material impact to the consolidated financial statements.
- HKAS 27 (Revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value and a gain or loss is recognised in the profit and loss account. The change in the accounting policy in respect of the adoption of HKAS 27 (Revised) has been applied prospectively to transactions during the year ended 31st March 2011.
- HKAS 36 (Amendment) clarifies that the largest cash-generating unit (or group of units) to which goodwill should be allocated for the purposes of impairment testing is an operating segment, as defined by paragraph 5 of HKFRS 8, ‘Operating segments’ (that is, before the aggregation of segments with similar economic characteristics).
- HKFRS 3 (Revised) continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the consolidated profit and loss account. There is a choice on an acquisition by acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s net assets. All acquisition-related costs should be expensed.

Certain new and revised standards, interpretations and amendments to existing standards have been issued but not yet effective for the year ended 31st March 2011 and have not been early adopted by the Group.

2 Turnover and segment information

Turnover comprises revenue from property sales and leasing, hotel and travel agency, management services, interest income and dividend income, together with gross proceeds from disposal of financial assets at fair value through profit or loss and derivative financial instruments. Revenue includes revenue from property sales and leasing, hotel and travel agency, management services, interest income and dividend income.

Current year segment results include two-month segment results of Asia Standard, which is consolidated from February 2011 onwards. Prior to that, its result was included as share of profits less losses of associated companies. As a result of this change, certain comparative figures were re-presented to conform to current year's presentation of segment results.

	Property management HK\$'000	Property sales HK\$'000	Property leasing HK\$'000	Hotel and travel HK\$'000	Investments HK\$'000	Others HK\$'000	Total HK\$'000
2011							
Turnover	<u>11,181</u>	<u>175</u>	<u>14,524</u>	<u>97,843</u>	<u>135,420</u>	<u>6,801</u>	<u>265,944</u>
Segment revenue	<u>11,181</u>	<u>175</u>	<u>14,524</u>	<u>97,843</u>	<u>63,554</u>	<u>6,801</u>	<u>194,078</u>
Contribution to segment results	3,160	14,550	14,467	34,728	63,554	6,801	137,260
Depreciation	(43)	-	-	(27,036)	-	(494)	(27,573)
Net investment gain	-	-	-	-	344,146	-	344,146
Fair value change of investment properties	-	-	58,600	-	-	-	58,600
Other gain and charges	-	(6,140)	-	-	-	-	(6,140)
Segment results	3,117	8,410	73,067	7,692	407,700	6,307	506,293
Unallocated corporate expenses							<u>(23,779)</u>
Operating profit							482,514
Finance costs							(16,989)
Share of profits less losses of							
Jointly controlled entities	-	(4,923)	-	-	-	-	(4,923)
Associated companies	-	88,221	447,991	14,260	265,205	14,843	830,520
Negative goodwill arising from acquisition of additional interest in associated companies							77,497
Gain on business combination							<u>1,495,835</u>
Profit before income tax							2,864,454
Income tax expense							<u>(19,863)</u>
Profit for the year							<u>2,844,591</u>

2 Turnover and segment information (continued)

	Property management HK\$'000	Property sales HK\$'000	Property leasing HK\$'000	Hotel and travel HK\$'000	Investments HK\$'000	Others HK\$'000	Total HK\$'000
2010							
Turnover	<u>11,825</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>606,731</u>	<u>-</u>	<u>618,556</u>
Segment revenue	<u>11,825</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,091</u>	<u>-</u>	<u>49,916</u>
Contribution to segment results	2,979	-	-	-	38,091	-	41,070
Depreciation	(52)	-	-	-	-	(314)	(366)
Net investment gain	-	-	-	-	296,198	-	296,198
Other gain and charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,581)</u>	<u>(1,581)</u>
Segment results	2,927	-	-	-	334,289	(1,895)	335,321
Unallocated corporate expenses							<u>(9,670)</u>
Operating profit							325,651
Finance costs							(7,573)
Share of profits less losses of							
Jointly controlled entities	-	-	-	-	-	1,039	1,039
Associated companies	-	200,079	287,674	9,934	636,155	7,912	1,141,754
Negative goodwill arising from acquisition of additional interest in associated companies							<u>228,146</u>
Profit before income tax							1,689,017
Income tax expense							<u>(185)</u>
Profit for the year							<u>1,688,832</u>

2 Turnover and segment information (continued)

	Property management HK\$'000	Property sales HK\$'000	Property leasing HK\$'000	Hotel and travel HK\$'000	Investments HK\$'000	Others HK\$'000	Total HK\$'000
2011							
Segment assets	21,714	2,237,605	4,170,993	6,813,618	6,070,249	407,205	19,721,384
Other unallocated assets							<u>213,080</u>
							<u>19,934,464</u>
Segment assets include:							
Jointly controlled entities and associated companies	-	932,409	773,043	-	-	931	1,706,383
Addition to non-current assets*	15	874,916	4,055,413	6,673,932	-	249,276	11,853,552
Segment liabilities							
Borrowings	-	775,000	498,484	1,097,683	1,690,860	-	4,062,027
Other unallocated liabilities							<u>1,468,636</u>
							<u>5,530,663</u>
2010							
Segment assets	13,919	663,133	1,173,477	596,178	1,591,105	138,015	4,175,827
Other unallocated assets							<u>19,177</u>
							<u>4,195,004</u>
Segment assets include:							
Jointly controlled entities and associated companies	-	663,133	1,173,477	596,178	1,143,045	138,015	3,713,848
Addition to non-current assets*	28	-	-	-	-	-	28
Segment liabilities							
Borrowings	-	-	-	-	6,000	-	6,000
Other unallocated liabilities							<u>54,791</u>
							<u>60,791</u>

* The amounts include those acquired through business combination but exclude financial instruments and deferred income tax assets.

2 Turnover and segment information (continued)

	2011 HK\$'000	2010 HK\$'000
Revenue		
Hong Kong	120,863	14,328
Overseas	73,215	35,588
	194,078	49,916
Non-current assets*		
Hong Kong	11,079,443	3,713,933
Overseas	852,685	-
	11,932,128	3,713,933

* The amounts exclude financial instruments and deferred income tax assets.

3 Net investment gain

	2011 HK\$'000	2010 HK\$'000
Financial assets at fair value through profit or loss		
- net unrealised gain from market value movements	267,352	91,866
- net unrealised exchange gain/(loss)	67,953	(22,865)
- net realised gain	7,590	208,552
- provision for interest receivable	-	(3,678)
Available-for-sale investments		
- net realised gain	-	21,992
- impairment	(146)	-
Derivative financial instruments		
- net unrealised gain	1,397	-
- net realised gain	-	331
	344,146	296,198

During the year, HK\$22,198,000 unrealised gain (2010: HK\$35,550,000 unrealised loss) on financial assets at fair value through profit or loss accumulated in prior years had been realised upon disposal.

4 Other gain and charges

	2011 HK\$'000	2010 HK\$'000
Provision for diminution in value of properties under development for sale	(6,140)	-
Net fair value loss on warrant assets and convertible bonds	-	(1,923)
Net exchange gain	-	342
	<u>(6,140)</u>	<u>(1,581)</u>

5 Income and expenses by nature

	2011 HK\$'000	2010 HK\$'000
Income		
Interest income		
- Listed investments	59,153	21,201
- Unlisted investments	64	-
- A jointly controlled entity	4,950	-
- Other receivables	611	-
- Bank deposits	106	33
Dividend income		
- Listed investments	4,305	16,365
	<u>4,305</u>	<u>16,365</u>
Expenses		
Operating lease rental expense for land and buildings	2,082	630
Cost of properties and goods sold	21,910	-
	<u>21,910</u>	<u>-</u>

6 Income tax expense

	2011 HK\$'000	2010 HK\$'000
Current income tax		
Hong Kong profits tax	(7,140)	-
Deferred income tax	(12,723)	(185)
	<u>(19,863)</u>	<u>(185)</u>

Hong Kong profits tax is provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profit for the year. Income tax on overseas profits has been calculated on the estimated assessable profit for the year at the rates of tax prevailing in the countries in which the Group operates.

Shares of HK\$969,000 income tax credit (2010: Nil) of jointly controlled entities and HK\$77,021,000 (2010: HK\$76,660,000) income tax expenses of associated companies for the year are included in the profit and loss account as share of profits less losses of jointly controlled entities and associated companies respectively.

7 Dividends

	2011 HK\$'000	2010 HK\$'000
Interim, paid, of HK1 cent per share (2010: HK1.5 cents per share in scrip)	7,102	10,512
Final, proposed, of HK1.25 cents per share (2010: HK1.25 cents per share)	<u>8,905</u>	<u>8,859</u>
	<u>16,007</u>	<u>19,371</u>

At a meeting held on 24th June 2011, the Board of Directors has proposed to pay a final dividend of HK1.25 cents (2010: HK1.25 cents) per share with a scrip option. The 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 2012.

The amount of HK\$8,905,000 is based on 712,431,720 issued shares as at 24th June 2011.

8 Earnings per share

The calculation of basic and diluted earnings per share for the year a based on the following:

	2011 HK\$'000	2010 HK\$'000
Profit attributable to shareholders of the Company	2,657,240	1,688,832
Effect of dilutive potential shares:		
Interest expense saved on convertible bonds	-	3,795
Decrease in share of profit arising from exercise of warrants of an associated company	<u>-</u>	<u>(351)</u>
Profit for calculation of diluted earnings per share	<u>2,657,240</u>	<u>1,692,276</u>

	Number of shares	
Weighted average number of shares for calculation of basic earnings per share	709,753,236	680,763,526
Effect of dilutive potential shares:		
A portion of share options assumed to be exercised	2,058,433	-
Convertible bonds assumed to be converted at beginning of the year	<u>-</u>	<u>45,521,602</u>
Weighted average number of shares for calculation of diluted earnings per share	<u>711,811,669</u>	<u>726,285,128</u>

Diluted earnings per share for the year ended 31st March 2011 did not assume the exercise of the outstanding warrants of Asia Standard Hotel since their exercise would have an anti-dilutive effect.

Diluted earnings per share for the year ended 31st March 2010 did not assume the exercise of the outstanding share options of the Company, Asia Standard and Asia Standard Hotel since their exercise would have an anti-dilutive effect.

9 Trade and other receivables

Trade and other receivables of the Group include trade receivables, utility and other deposits, accrued interest receivable and accrued dividend receivable.

Trade receivables of the Group amounted to HK\$68,300,000 (2010: HK\$495,000). 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 evaluation of customers are performed periodically.

Aging analysis of trade receivables net of provision for impairment is as follows:

	2011	2010
	HK\$'000	HK\$'000
0 - 60 days	67,777	495
61 - 120 days	500	-
More than 120 days	23	-
	68,300	495

10 Trade and other payables

Trade and other payables of the Group include trade payables, rental and management fee deposits, retentions payable of construction costs and various accruals. Trade payables of the Group amounted to HK\$58,321,000 (2010: HK\$38,995,000).

Aging analysis of trade payables is as follows:

	2011	2010
	HK\$'000	HK\$'000
0 - 60 days	58,132	38,899
61 - 120 days	83	67
More than 120 days	106	29
	58,321	38,995

11 Comparative figures

Certain comparative figures have been restated as a result of the adoption of new HKFRS and to conform with the current year's presentation.

The figures in this preliminary announcement of the Group's result for the year ended 31st March 2011 have been agreed by the Group's auditor, PricewaterhouseCoopers ("PwC HK") to the amounts set out in the Group's consolidated financial statements for the year. The work performed by PwC HK in this respect did not constitute an 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 HK for this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

CHANGE OF SHAREHOLDINGS IN ASIA STANDARD

During the year, the Group's shareholdings in Asia Standard International Group Limited ("Asia Standard") increased from 49.2% to 50.3%. The increase changed the status of Asia Standard from an associated company of the Group to a subsidiary in January 2011. Accordingly, results of Asia Standard were equity accounted for up to January 2011 and then consolidated thereafter. At the same time, an accounting gain of HK\$1,496 million was recorded.

RESULTS

The Group's revenue amounted to HK\$194 million (2010: HK\$50 million). The increase is mainly the result of including two months' revenue from Asia Standard upon it becoming a subsidiary.

Profit attributable to shareholders amounted to HK\$2,657 million (2010: HK\$1,689 million). Excluding the accounting gain arising from the business combination of Asia Standard, there is a decrease in profit due to lesser contribution from Asia Standard and decrease in net investment gain of the parent group.

ASIA STANDARD

The 50.3% owned Asia Standard reported a profit attributable to shareholders of HK\$2,040 million (2010: HK\$2,383 million) with a revenue of HK\$1,065 million (2010: HK\$1,865 million). It contributed profit of HK\$950 million (2010: HK\$1,129 million) to the Group.

Property sales, development and leasing

Property sales amounted to HK\$134 million (2010: HK\$1,053 million). Development profit was HK\$79 million (2010: HK\$375 million). The substantial decrease is because the majority of the property sale activities for the year were in The Westminster Terrace, a 50% joint venture development by Asia Standard group, which by accounting convention, is excluded from Asia Standard Group's revenue and segment results but separately accounted for as share of profit from jointly controlled entity.

The Westminster Terrace was completed last year. Cumulative sales recognised for the two financial years was HK\$1.7 billion, with HK\$824 million recognised in the current year. Total profit amounted to HK\$745 million of which HK\$375 million profit was recognised in current year. Sales continue after the financial year end and is expected to generate further proceeds of some HK\$800 million when all units are sold.

On the property development side, the lease modification of the approximately 590,000 sq. ft. GFA residential development at Hung Shui Kiu is under discussion with government. It's 50% owned 2 million sq. ft. GFA joint venture waterfront residential/commercial development project in Beijing has recently obtained planning parameters from the government. During the year, Asia Standard acquired a 186,000 sq. ft. site in Macau which is under planning application for residential development. After the financial year end, jointly with its partner, it acquired a 1.5 million sq. ft. site in Shanghai for low density residential development. Asia Standard has a 47.5% stake in this project.

On the property leasing side, rental income attributable to its investment properties portfolio increase to HK\$94 million from last year's HK\$86 million, a result mainly of improved occupancies. Revaluation gain net of deferred tax (including that generated from property owned by its associated company) of HK\$989 million was recorded, compared to HK\$546 million of last year.

Financial investments

Asia Standard's financial investment portfolio recorded a net unrealized fair value gain of HK\$676 million (2010: HK\$948 million) and a net realised gain of HK\$30 million (2010: HK\$383 million) from disposals during the year. These investments generated dividend and interest income of HK\$194 million (2010: HK\$200 million) during the year. Its investment portfolio stood at HK\$5,250 million (2010: HK\$3,257 million) at 31st March 2011.

Hotel

Asia Standard increased its stake in its listed hotel subsidiary by 2.5% to 69.9%. The hotel group reported a HK\$326 million profit (2010: HK\$435 million) for the year.

The decrease is due to a lesser investment gain during this reporting period. Income generated from the hotel operations improved due to higher occupancies and room rates, as well as the full operation of Causeway Bay Empire Hotel.

FINANCIAL REVIEW

At 31st March 2011, the Group's net asset increased to HK\$14.4 billion (2010: HK\$4.1 billion). The 2.5 fold increase was mainly the direct result of consolidating Asia Standard (recognising its assets and liabilities at fair value as the Group's carrying value at the date when it became subsidiary).

Net debt at 31st March 2011 was HK\$3.7 billion (2010: net cash HK\$25 million), of which HK\$145 million belong to the parent group and the remaining HK\$3.57 billion belong to the separately listed subsidiary. Gearing (net debt/ net asset) was 26% (2010: net cash). The increase in debt is due to consolidation of ASI's debt in this year

At 31st March 2011, the Group's financial investment portfolio amounted to HK\$5,949 million (2010: HK\$393 million, without consolidating those of Asia Standard). Excluding Asia Standard, the parent group has a net unrealized fair value gain of HK\$104 million (2010: HK\$65 million) and a net realised gain of HK\$1 million (2010: HK\$231 million) was recognised in the profit and loss account, and generated dividend and interest income of HK\$27 million during the year (2010: HK\$38 million).

As at 31st March 2011, the Group's financial investments are denominated in different currencies, with 48% in Sterling, 31% in US dollar, 12% in Hong Kong dollar and 9% in Euro. During the year, HK\$68 million unrealised exchange gain (2010: HK\$23 million unrealised exchange loss) was recorded.

About 75% of the Group's borrowings are in Hong Kong dollar. All the debts are at floating rates and interest rate fluctuation is partly managed through interest rate swaps. As at 31st March 2011, a total of HK\$200 million interest rate swap contracts were held for hedging purpose against our borrowings. The maturity of our debts spread over a long period of up to 15 years, with approximately 42% repayable within one year and 42% repayable after five years. As at 31st March 2011, the Group had net current assets of HK\$5,654 million (2010: HK\$420 million).

As at 31st March 2011, property assets with an aggregated net book value of HK\$12,129 million (2010: Nil) were pledged to secure banking facilities of the Group. There were no guarantees provided to financial institutions (2010: Nil).

EMPLOYEES AND REMUNERATION POLICIES

At 31st March 2011, the Group employed 639 full time employees. Their remuneration packages, commensurate with job nature and experience level, include basic salary, annual bonus, retirement and other benefits.

FUTURE PROSPECTS

Substantial rebound is evidenced in the equities market worldwide. Economic recovery is however slow at best, particularly in Euro zone economies.

Tightening policies in Mainland to combat escalating property prices appears to slowly gain effect, and local cooling measures are also in place to curb the heated property market.

Management is alert to capitalize on investment opportunities whenever it arises.

DIVIDEND

The Directors recommend a final dividend for the year ended 31st March 2011 of HK1.25 cents per share (2010: HK1.25 cents). The shareholders will be given an option to elect to receive shares of the Company credited as fully paid in lieu of cash in respect of part or all of the proposed final dividend (the “Scrip Dividend Scheme”). Total dividend for the year, including interim dividend of HK1 cent per share in scrip (2010: HK1.5 cents), amounts to HK2.25 cents per share (2010: HK2.75 cents).

The Scrip Dividend Scheme will be subject to (i) the approval of the proposed final dividend at the 2011 annual general meeting to be held on 25th August 2011 (the “Annual General Meeting”); 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. Full details of the Scrip Dividend Scheme will be set out in a circular to be despatched to the shareholders.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Tuesday, 23rd August 2011 to Thursday, 25th August 2011 both days inclusive, for the purpose of determining the identity of members who are entitled to attend and vote at the Annual General Meeting. During which period no transfer of shares of the Company will be registered and no shares will be allotted and issued on the exercise of the subscription rights attached to the outstanding share options granted by the Company. In order to qualify for attending the Annual General Meeting, all transfers of shares of the Company accompanied by the relevant share certificates and the appropriate transfer forms must be lodged with the Company’s Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 22nd August 2011.

The proposed final dividend is subject to the approval of the shareholders at the Annual General Meeting. The record date for entitlement to the proposed final dividend is 1st September 2011. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed on both days of Wednesday, 31st August 2011 to Thursday, 1st September 2011, during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company’s Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 30th August 2011. The final dividend will be paid on 3rd October 2011.

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 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 the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The Company has made specific enquiry of all directors regarding any non-compliance with the Model Code during the year, and they all confirmed that they have fully complied with the required standard set out in the Model Code throughout the year ended 31st March 2011.

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, except for the deviation from code provision A.4.1 which states that non-executive directors should be appointed for a specific term, subject to re-election. All non-executive director and independent non-executive directors of the Company are not appointed for specific terms, but subject to retirement by rotations and re-elections at the annual general meeting of the Company in accordance with the Bye-Laws of the Company.

AUDIT COMMITTEE

The Audit Committee has reviewed the annual results of the Group for the year ended 31st March 2011.

By Order of the Board
Asia Orient Holdings Limited
Fung Siu To, Clement
Chairman

Hong Kong, 24th June 2011

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, Mr. Hung Yat Ming and Mr. Wong Chi Keung.