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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 2012

FINANCIAL HIGHLIGHTS

(In HK\$ million, except otherwise indicated)

	2012	2011 (Restated)	Change
Consolidated profit and loss account			
Revenue	1,253	194	+546%
Operating (loss) / profit	(285)	483	N/A
Share of profits of associated companies	236	916	-74%
(Loss) / profit attributable to shareholders of the Company	(89)	2,791	N/A
Basic (loss) / earnings per share (HK\$)	(0.13)	3.93	N/A
Consolidated balance sheet			
Total assets	19,795	20,045	-1%
Net assets	14,833	14,944	-1%
Equity attributable to shareholders of the Company	6,980	7,046	-1%
Net debt	3,513	3,716	-5%
Gearing – net debt to net assets	24%	25%	-1%

The Group's shareholdings in Asia Standard International Group Limited ("Asia Standard") increased to over 50% in end of January 2011. As a result, the status of Asia Standard changed from an associated company of the Group to a subsidiary from February 2011 onwards. Prior to that, the results of Asia Standard were equity accounted for as share of results of associated companies.

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 2012 together with the comparative figures for the year ended 31st March 2011 were as follows:

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31st March 2012

	Note	2012 HK\$'000	2011 HK\$'000 (Restated)
Revenue	2	1,252,744	194,078
Cost of sales		<u>(375,557)</u>	<u>(38,311)</u>
Gross profit		877,187	155,767
Selling and administrative expenses		(199,639)	(42,286)
Depreciation		(171,204)	(27,573)
Net investment (loss) / gain	3	(1,689,809)	344,146
Fair value gain of investment properties		898,194	58,600
Other charge	4	<u>-</u>	<u>(6,140)</u>
Operating (loss) / profit		(285,271)	482,514
Finance costs		(21,987)	(16,989)
Share of profits less losses of Jointly controlled entities		(6,267)	(4,923)
Associated companies		236,301	915,789
Negative goodwill arising from acquisition of additional interest in associated companies		-	81,418
Gain on business combination	1(a)	<u>-</u>	<u>1,539,265</u>
(Loss) / profit before income tax		(77,224)	2,997,074
Income tax expense	6	<u>(6,237)</u>	<u>(10,194)</u>
(Loss) / profit for the year		<u><u>(83,461)</u></u>	<u><u>2,986,880</u></u>
Attributable to:			
Shareholders of the Company		(89,210)	2,791,155
Non-controlling interests		<u>5,749</u>	<u>195,725</u>
		<u><u>(83,461)</u></u>	<u><u>2,986,880</u></u>
Dividends	7	<u>-</u>	<u>16,007</u>
(Loss) / earnings per share (HK\$)			
Basic	8	(0.13)	3.93
Diluted	8	<u>(0.13)</u>	<u>3.92</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March 2012

	2012 HK\$'000	2011 HK\$'000 (Restated)
(Loss) / profit for the year	(83,461)	2,986,880
Other comprehensive (charge) / income		
Net fair value loss on available-for-sale investments		
Company and subsidiaries	(37,215)	(9,836)
Associated companies	-	3,515
Impairment of available-for-sale investments charged to profit and loss account	2,261	146
Currency translation differences	8,389	7,823
	(26,565)	1,648
Total comprehensive (charge) / income for the year	(110,026)	2,988,528
Total comprehensive (charge) / income attributable to:		
Shareholders of the Company	(97,562)	2,794,982
Non-controlling interests	(12,464)	193,546
	(110,026)	2,988,528

CONSOLIDATED BALANCE SHEET

As at 31st March 2012

	Note	31st March 2012 HK\$'000	31st March 2011 HK\$'000 (Restated)	1st April 2010 HK\$'000 (Restated)
Non-current assets				
Property, plant and equipment		6,727,239	6,897,728	85
Investment properties		4,297,374	3,393,017	-
Jointly controlled entities		1,089,587	821,543	-
Associated companies		1,138,238	929,967	3,870,548
Available-for-sale investments		197,295	230,257	-
Mortgage loans receivable		14,073	81,729	-
Deferred income tax assets		1,466	5,852	51
		<u>13,465,272</u>	<u>12,360,093</u>	<u>3,870,684</u>
Current assets				
Properties under development for sale		1,532,123	1,133,217	-
Completed properties held for sale		132,053	170,536	-
Hotel and restaurant inventories		2,342	2,341	-
Mortgage loans receivable		1,156	3,664	-
Trade and other receivables	9	221,426	244,290	56,922
Amount due from a jointly controlled entity		91,000	65,000	-
Income tax recoverable		173	513	-
Financial assets at fair value through profit or loss		3,908,913	5,718,781	391,595
Warrant assets		-	-	1,439
Bank balances and cash		440,160	346,156	31,064
		<u>6,329,346</u>	<u>7,684,498</u>	<u>481,020</u>
Current liabilities				
Trade and other payables	10	142,503	160,624	54,297
Amount due to a jointly controlled entity		55,357	-	-
Amount due to an associated company		-	14,850	494
Income tax payable		21,734	36,857	-
Derivative financial instruments		6,001	26,242	-
Borrowings		1,526,688	1,791,956	6,000
		<u>1,752,283</u>	<u>2,030,529</u>	<u>60,791</u>
Net current assets		<u>4,577,063</u>	<u>5,653,969</u>	<u>420,229</u>
Total assets less current liabilities		<u>18,042,335</u>	<u>18,014,062</u>	<u>4,290,913</u>
Non-current liabilities				
Long term borrowings		2,364,093	2,270,071	-
Convertible bonds		62,348	-	-
Deferred income tax liabilities		782,951	800,472	-
		<u>3,209,392</u>	<u>3,070,543</u>	<u>-</u>
Net assets		<u>14,832,943</u>	<u>14,943,519</u>	<u>4,290,913</u>
Equity				
Share capital		71,416	71,243	70,871
Reserves		6,908,343	6,974,770	4,220,042
Equity attributable to shareholders of the Company		<u>6,979,759</u>	<u>7,046,013</u>	<u>4,290,913</u>
Non-controlling interests		7,853,184	7,897,506	-
		<u>14,832,943</u>	<u>14,943,519</u>	<u>4,290,913</u>

NOTES TO THE FINANCIAL STATEMENTS

1 Basis of preparation

- a) The Group's shareholdings in Asia Standard International Group Limited ("Asia Standard") increased to over 50% in end of January 2011. As a result, the status of Asia Standard changed from an associated company of the Group to a subsidiary from February 2011 onwards and recognised a gain on the business combination. Prior to that, the results of Asia Standard were equity accounted for as share of results of associated companies.
- 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").

The following new HKFRSs are relevant to the Group's operations and are mandatory for accounting periods beginning on or after 1st January 2011:

HKAS 24 (Revised)	Related Party Disclosures
Amendment to HKAS 34	Interim Financial Reporting

The adoption of new HKFRSs in the current year did not have any significant effect on the financial statements or result in any substantial changes in the Group's significant accounting policies.

The Group has decided to early adopt the amendments to HKAS 12, Deferred tax: recovery of underlying assets ("HKAS 12 (Amendment)"), in respect of the recognition of deferred tax on investment properties carried at fair value under HKAS 40, Investment property. The amendments are effective for annual periods beginning on or after 1st January 2012, but early adoption is permitted.

The change in policy arising from the adoption of HKAS 12 (Amendment) is the only change which has had a material impact on the current and comparative periods. The Group does not have to provide deferred tax on fair value changes arising from revaluation of investment properties in Hong Kong. Previously, deferred tax was generally provided on fair value changes arising from this class of assets.

1 Basis of preparation (continued)

This change in accounting policy has been applied retrospectively. The impact of the adoption of HKAS 12 (Amendment) is as follows:

Consolidated profit and loss account

	For the year ended 31st March	
	2012	2011
	HK\$'000	HK\$'000
Increase in:		
Share of profits less losses of associated companies	35,927	85,269
Negative goodwill arising from acquisition of interest in associated companies	-	3,921
Gain on business combination	-	43,430
Decrease in income tax expense	148,515	9,669
Decrease in loss/increase in profit for the year attributable to Shareholders of the Company	93,217	133,915
Non-controlling interests	91,225	8,374
	<u>0.13</u>	<u>0.19</u>
Decrease in loss/increase in earnings per share (HK\$)		

Consolidated balance sheet

	31st March	31st March	1st April
	2012	2011	2010
	HK\$'000	HK\$'000	HK\$'000
Increase/(decrease) in:			
Associated companies	146,054	110,127	156,700
Deferred income tax liabilities	(578,106)	(429,591)	-
Net assets	<u>724,160</u>	<u>539,718</u>	<u>156,700</u>

Except for disclosure above, certain new and revised standards have been issued but not yet effective for the year ended 31st March 2012 and have not been early adopted by the Group. The Group has already commenced an assessment of the related impact to the Group. The Group is not yet in a position to state whether they will have substantial changes to the Group's accounting policies and presentation of the consolidated financial statements.

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 consideration 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.

	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
2012							
Turnover	<u>12,199</u>	<u>38,132</u>	<u>88,942</u>	<u>698,218</u>	<u>3,831,118</u>	<u>22,755</u>	<u>4,691,364</u>
Segment revenue	<u>12,199</u>	<u>38,132</u>	<u>88,942</u>	<u>698,218</u>	<u>392,498</u>	<u>22,755</u>	<u>1,252,744</u>
Contribution to segment results	4,437	304	83,028	275,323	392,498	22,755	778,345
Depreciation	(76)	-	-	(165,855)	-	(5,273)	(171,204)
Net investment loss	-	-	-	-	(1,689,809)	-	(1,689,809)
Fair value gain of investment properties	-	-	898,194	-	-	-	898,194
Segment results	4,361	304	981,222	109,468	(1,297,311)	17,482	(184,474)
Unallocated corporate expenses							<u>(100,797)</u>
Operating loss							(285,271)
Finance costs							(21,987)
Share of profits less losses of							
Jointly controlled entities	-	(6,267)	-	-	-	-	(6,267)
Associated companies	-	(30)	236,348	-	-	(17)	<u>236,301</u>
Loss before income tax							(77,224)
Income tax expense							<u>(6,237)</u>
Loss for the year							<u>(83,461)</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 (Restated)							
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 gain of investment properties	-	-	58,600	-	-	-	58,600
Other charge	-	<u>(6,140)</u>	-	-	-	-	<u>(6,140)</u>
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	533,260	14,260	265,205	14,843	915,789
Negative goodwill arising from acquisition of additional interest in associated companies							81,418
Gain on business combination							<u>1,539,265</u>
Profit before income tax							2,997,074
Income tax expense							<u>(10,194)</u>
Profit for the year							<u>2,986,880</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
2012							
Segment assets	23,547	2,891,170	5,395,688	6,676,895	4,198,216	335,011	19,520,527
Other unallocated assets							<u>274,091</u>
							<u>19,794,618</u>
Segment assets include:							
Jointly controlled entities and associated companies	-	1,226,443	1,091,468	-	-	914	2,318,825
Addition to non-current assets*	308	500,000	6,163	7,397	-	5,937	519,805
Segment liabilities							
Borrowings	-	1,543,000	486,495	1,044,007	817,279	-	3,890,781
Other unallocated liabilities							<u>1,070,894</u>
							<u>4,961,675</u>
2011 (Restated)							
Segment assets	21,714	2,237,605	4,281,120	6,813,618	6,070,249	407,205	19,831,511
Other unallocated assets							<u>213,080</u>
							<u>20,044,591</u>
Segment assets include:							
Jointly controlled entities and associated companies	-	932,409	883,170	-	-	931	1,816,510
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>1,039,045</u>
							<u>5,101,072</u>

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

2 Turnover and segment information (continued)

	2012 HK\$'000	2011 HK\$'000 (Restated)
Revenue		
Hong Kong	798,468	120,863
Overseas	<u>454,276</u>	<u>73,215</u>
	<u>1,252,744</u>	<u>194,078</u>
Non-current assets*		
Hong Kong	11,832,338	11,189,570
Overseas	<u>1,420,100</u>	<u>852,685</u>
	<u>13,252,438</u>	<u>12,042,255</u>

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

3 Net investment (loss) / gain

	2012 HK\$'000	2011 HK\$'000
Financial assets at fair value through profit or loss		
- net unrealised (loss) / gain from market price movements	(782,649)	267,352
- net unrealised exchange (loss) / gain	(37,079)	67,953
- net realised (loss) / gain (note)	(863,457)	7,590
Available-for-sale investments		
- impairment	(2,261)	(146)
Derivative financial instruments		
- net realised loss	(4,363)	-
- net unrealised gain	<u>-</u>	<u>1,397</u>
	<u>(1,689,809)</u>	<u>344,146</u>

Note:

Net realised (loss)/gain on financial assets at fair value through profit or loss		
Gross consideration	3,434,945	71,865
Cost of investments	<u>(3,316,979)</u>	<u>(42,077)</u>
Total gain	117,966	29,788
Less: net unrealised gain recognised in prior years	<u>(981,423)</u>	<u>(22,198)</u>
Net realised (loss) / gain recognised in current year	<u>(863,457)</u>	<u>7,590</u>

4 Other charge

	2012 HK\$'000	2011 HK\$'000
Provision for diminution in value of properties under development for sale	<u>-</u>	<u>(6,140)</u>

5 Income and expenses by nature

	2012 HK\$'000	2011 HK\$'000
Income		
Interest income		
- Listed investments	356,248	59,153
- Unlisted investments	379	64
- A jointly controlled entity	7,948	4,950
- Other receivables	6,014	611
- Bank deposits	952	106
Dividend income		
- Listed investments	<u>35,522</u>	<u>4,305</u>
Expenses		
Operating lease rental expense for land and buildings	8,041	2,082
Cost of properties and goods sold	<u>207,495</u>	<u>21,910</u>

6 Income tax expense

	2012 HK\$'000	2011 HK\$'000 (Restated)
Current income tax		
Hong Kong profits tax	(16,560)	(7,140)
Over-provision in prior years	<u>19,433</u>	<u>-</u>
	2,873	(7,140)
Deferred income tax	<u>(9,110)</u>	<u>(3,054)</u>
	<u>(6,237)</u>	<u>(10,194)</u>

Hong Kong profits tax is provided at the rate of 16.5% (2011: 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.

Share of income tax expenses of jointly controlled entities and associated companies for the year of HK\$21,031,000 (2011: income tax credit of HK\$969,000) and HK\$3,561,000 (2011: HK\$28,016,000, as restated) are included in the profit and loss account as share of profits less losses of jointly controlled entities and associated companies respectively.

7 Dividends

	2012	2011
	HK\$'000	HK\$'000
Interim, paid, of nil (2011: HK1 cent) per share	-	7,102
Final, proposed, of nil (2011: HK1.25 cents) per share	<u>-</u>	<u>8,905</u>
	<u>-</u>	<u>16,007</u>

At a meeting held on 22nd June 2012, the Board of Directors does not recommend the payment of a final dividend for the year ended 31st March 2012 (2011: HK1.25 cents per share with a scrip option).

8 (Loss) / earnings per share

The calculation of basic and diluted (loss) / earnings per share for the year is based on the following:

	2012	2011
	HK\$'000	HK\$'000 (Restated)
(Loss) / profit attributable to shareholders of the Company for calculation of diluted (loss) / earnings per share	<u>(89,210)</u>	<u>2,791,155</u>

Number of shares

Weighted average number of shares for calculation of basic (loss) / earnings per share	713,280,543	709,753,236
Effect of dilutive potential shares: a portion of share options assumed to be exercised	<u>-</u>	<u>2,058,433</u>
Weighted average number of shares for calculation of diluted (loss) / earnings per share	<u>713,280,543</u>	<u>711,811,669</u>

Diluted loss per share for the year ended 31st March 2012 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.

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.

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\$34,884,000 (2011: HK\$68,300,000). 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:

	2012 HK\$'000	2011 HK\$'000
0 - 60 days	33,832	67,777
61 - 120 days	992	500
More than 120 days	60	23
	<u>34,884</u>	<u>68,300</u>

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\$22,446,000 (2011: HK\$58,321,000).

Aging analysis of trade payables is as follows:

	2012 HK\$'000	2011 HK\$'000
0 - 60 days	22,243	58,132
61 - 120 days	126	83
More than 120 days	77	106
	<u>22,446</u>	<u>58,321</u>

11. Subsequent event

Subsequent to the balance sheet date, the Group has entered into provisional sale and purchase agreements in relation to acquisition of a building in Hong Kong for an aggregate consideration of approximately HK\$177 million. This is part of a hotel development project undertaken by the Group to increase its hotel capacity. The acquisition is expected to be completed by September 2012.

The figures in this preliminary announcement of the Group's result for the year ended 31st March 2012 have been agreed by the Group's auditor, PricewaterhouseCoopers to the amounts set out in the Group's consolidated financial statements for the year. The work performed by PricewaterhouseCoopers 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 PricewaterhouseCoopers for this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

The Group's revenue for the year amounted to HK\$1,253 million (2011: HK\$194 million), it recorded a HK\$89 million loss attributable to shareholders (2011: HK\$2,791 million profit). The loss is mainly due to net investment loss, both realised and unrealised, arising from its securities investment while the Group has made profits from other business segments.

In January 2011, 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 are consolidated for the entire financial year ended 31st March 2012 but only for two months last year, while that of the first ten months of year ended 31st March 2011 were equity accounted for as share of profits of associated company.

ASIA STANDARD

The 50.5% owned major subsidiary Asia Standard reported a profit attributable to shareholders of HK\$383 million (2011: HK\$2,235 million) with a revenue of HK\$1,174 million (2011: HK\$1,065 million).

Property sales, development and leasing

Property sales amounted to HK\$38 million (2011: HK\$134 million). Development profit was HK\$5 million (2011: HK\$79 million).

The Westminster Terrace, a 50% joint venture luxurious residential development at Castle Peak Road, achieved sales of HK\$620 million in this year (2011: HK\$824 million). By accounting convention, the revenue and result of this joint venture project was excluded from Asia Standard's revenue and segment results but separately accounted for as share of profit from jointly controlled entity.

On development planning, the land exchange of the approximately 590,000 sq. ft. GFA residential development at Hung Shui Kiu, New Territories is at discussion with government. The 186,000 sq. ft. site in Macau is currently under planning application for residential development. During the year, planning parameters for the 50% owned joint venture project in Beijing to develop 2 million sq. ft. GFA of residential/commercial buildings was approved. Land premium was paid and details on demolition and resettlement are being worked out.

During the year, Asia Standard jointly with its 50% partner acquired a 1.5 million sq. ft. site in Shanghai, planning to develop into low rise residential houses of approximately 680,000 sq. ft. GFA. Demolition and resettlement is completed, the site is leveled and construction will commence in the latter part of the year.

On leasing, rental income attributable to its investment properties portfolio increased by about 20% to HK\$112 million from HK\$94 million of last year. Revaluation gain (including that from associated company) of HK\$1,118 million (2011: HK\$1,185 million) was recorded. Deferred tax on revaluation surplus of investment properties was written back with the adoption of revised accounting standard during the year.

Financial investments

At 31st March 2011, Asia Standard's financial investment portfolio amounted to HK\$3,704 million (2011: HK\$5,250 million). It recorded a net unrealised fair value loss of HK\$700 million (2011: HK\$676 million gain) and a net realised loss of HK\$754 million (2011: HK\$30 million gain) during the year. These investments generated coupon income of HK\$327 million (2011: HK\$194 million).

Hotel

The hotel group reported a loss of HK\$311 million (2011: profit of HK\$326 million) for the year.

Revenue increased for the entire hotel portfolio, slightly offset by minor reduction in the travel agency operation. Contribution to segment results before depreciation of HK\$275 million was registered for the year compared to HK\$211 million of last year, which is the result of both higher occupancies and room rates.

Due to the net investment loss on its securities investment, the hotel group reported loss on its overall result.

FINANCIAL REVIEW

The Group's total assets at end of both years amounted to approximately HK\$20 billion. Net assets were HK\$14.8 billion (2011: HK\$14.9 billion).

Net debt at 31st March 2012 was HK\$3,513 million (2011: HK\$3,716 million), of which HK\$20 million (2011: HK\$145 million) belong to the parent group. Gearing was 24% (2011: 25%).

All the bank borrowings are at floating rates and interest rate fluctuation is partly managed through interest rate swaps. At 31st March 2012, a total of HK\$150 million interest rate swap contracts were held for hedging purpose against our borrowings. Total interest costs increased due to increase in average loan balance during the year.

The maturity of our debts spread over a long period of up to 14 years. 20% of total borrowings are from revolving credit facilities secured by property assets. 6% are from revolving credit facilities through the pledge of financial assets investment. 21% are repayable between one to five years and 42% repayable after five years, which are also secured by property assets. At 31st March 2012, the Group had current assets of HK\$6,329 million (2011: HK\$7,684 million).

About 90% of the Group's borrowings are in Hong Kong dollar, 5% in Euro and remaining 5% in other currencies. With the weakening of these foreign currencies in which the borrowings are denominated, the Group recorded an exchange gain during the year upon these loan repayments, and netted off against finance costs.

At 31st March 2012, the Group's financial investment portfolio amounted to HK\$4,106 million (2011: HK\$5,949 million). These financial investments comprise 58% by debt securities and 42% by equity securities. They are denominated in different currencies with 39% in US dollar, 34% in Sterling, 19% in HK dollar and 8% in Euro.

Excluding Asia Standard, the parent group has a net unrealised fair value loss of HK\$120 million (2011: HK\$104 million unrealised gain) and a net realised loss of HK\$116 million (2011: HK\$1 million gain) recognised in the profit and loss account and generated dividend and interest income of HK\$65 million during the year (2011: HK\$27 million).

At 31st March 2012, approximately HK\$14 billion (2011: HK\$13.5 billion) book value of property assets and financial investments were pledged to banks as collateral for credit facilities granted to the Group. HK\$149 million guarantee (2011: Nil) was provided to financial institution against credit facilities granted to a jointly controlled entity.

In October 2011, the Company issued 3-year convertible bonds with principal amount of HK\$80 million, bearing interest at 6.5% per annum. Net proceeds of HK\$78.6 million were applied against repayment of short term borrowings.

EMPLOYEES AND REMUNERATION POLICIES

At 31st March 2012, the Group employed approximately 636 full time employees. Their remuneration packages, commensurate with job nature and experience level, include basic salary, annual bonus, retirement and other benefits.

FUTURE PROSPECTS

The Group had over the years developed a strong recurrent income base from property rental income, investment coupon and hotel operating income. This has provided a solid foundation to the Group to finance its operation and property development projects.

The Group has property development interests in Hong Kong, Shanghai, Beijing and Macau. We expect that these projects will in time bring profitable return to the shareholders. Meanwhile, the Group continues to hold a cautious approach in seeking development opportunities.

DIVIDEND

The Board of Directors does not recommend the payment of a final dividend (2011: HK1.25 cents per share with scrip option) for the year ended 31st March 2012.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Tuesday, 21st August 2012 to Thursday, 23rd August 2012 both days inclusive, for the purpose of determining the identity of members who are entitled to attend and vote at the 2012 annual general meeting to be held on 23rd August 2012 (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, 20th August 2012.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, the Company has not redeemed any of its shares. Neither the Company nor any of its subsidiaries have 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 of Hong Kong Limited (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 2012.

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 2012.

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

Hong Kong, 22nd June 2012

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.