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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 2021

FINANCIAL HIGHLIGHTS

(In HK\$ million, except otherwise indicated)

	2021	2020	Change
Revenue	2,740	2,632	+4%
Operating profit	2,185	1,623	+35%
Profit attributable to shareholders of the Company	1,007	554	+82%
Earnings per share - basic (HK\$)	1.20	0.66	+82%
Total assets	48,565	43,893	+11%
Net assets	27,448	23,126	+19%
Equity attributable to shareholders of the Company	14,677	12,229	+20%
Net debt	15,819	17,920	-12%

Supplementary information with hotel properties at valuation:

Revalued total assets	54,091	49,448	+9%
Revalued net assets	33,499	29,219	+15%
Equity attributable to shareholders of the Company	17,452	15,023	+16%
Gearing – net debt to revalued net assets	47%	61%	-14%

The board of directors (the “Board”) 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 2021 together with the comparative figures for the year ended 31st March 2020 were as follows:

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31st March 2021

	Note	2021 HK\$'000	2020 HK\$'000
Interest revenue		2,488,923	2,031,758
Sales of goods and services, leasing and other revenue		251,440	600,280
Total revenue	2	2,740,363	2,632,038
Cost of sales		(66,084)	(241,103)
Gross profit		2,674,279	2,390,935
Selling and administrative expenses		(239,980)	(266,968)
Depreciation		(203,904)	(217,732)
Net investment gain/(loss)	3		
Net realised and unrealised gain/(loss)		335,714	(64,239)
Change in expected credit losses		(139,674)	(92,791)
Fair value loss of investment properties		(241,715)	(125,949)
Operating profit		2,184,720	1,623,256
Net finance costs	5	(406,686)	(625,394)
Share of profits less losses of Joint ventures		85,193	64,433
Associated companies		(82,650)	(142,835)
Profit before income tax		1,780,577	919,460
Income tax expense	6	(69,996)	(3,996)
Profit for the year		1,710,581	915,464
Attributable to:			
Shareholders of the Company		1,006,781	553,577
Non-controlling interests		703,800	361,887
		1,710,581	915,464
Earnings per share (HK\$)			
Basic	8	1.20	0.66
Diluted	8	1.20	0.66

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March 2021

	2021 HK\$'000	2020 HK\$'000
Profit for the year	<u>1,710,581</u>	<u>915,464</u>
Other comprehensive income/(charge)		
Items that have been reclassified or may be reclassified subsequently to profit or loss:		
Net fair value gain/(loss) on debt securities at fair value through other comprehensive income	2,274,183	(2,179,648)
Cash flow hedges		
- fair value loss	(44,007)	(35,061)
- deferred tax on derivative financial instruments	13,046	-
Currency translation differences	60,817	(30,811)
Share of currency translation differences of joint ventures	186,814	(141,188)
Items that will not be reclassified to profit or loss:		
Revaluation gain arising from transfer of property, plant and equipment to investment properties	-	22,225
Equity securities at fair value through other comprehensive income		
- net fair value gain/(loss)	113,666	(218,300)
- realised gain	6,134	186
	<u>2,610,653</u>	<u>(2,582,597)</u>
Total comprehensive income/(charge) for the year	<u>4,321,234</u>	<u>(1,667,133)</u>
Attributable to:		
Shareholders of the Company	2,447,420	(851,742)
Non-controlling interests	<u>1,873,814</u>	<u>(815,391)</u>
	<u>4,321,234</u>	<u>(1,667,133)</u>

CONSOLIDATED BALANCE SHEET

As at 31st March 2021

	Note	2021 HK\$'000	2020 HK\$'000
Non-current assets			
Investment properties		9,454,087	9,693,400
Property, plant and equipment		8,013,671	8,122,670
Investment in joint ventures and associated companies		4,791,881	4,652,194
Amount due from joint ventures and associated companies		2,126,982	1,981,167
Loan receivables		1,052	1,235
Financial investments		5,175,585	473,918
Derivative financial instruments		26,965	-
Deferred income tax assets		127,894	100,184
		<u>29,718,117</u>	<u>25,024,768</u>
Current assets			
Properties under development for sale		3,623,391	1,134,767
Completed properties held for sale		3,680	3,680
Hotel and restaurant inventories		18,546	20,144
Trade and other receivables	9	698,696	728,895
Income tax recoverable		855	5,545
Financial investments		12,326,746	15,856,713
Bank balances and cash		2,174,641	1,118,373
		<u>18,846,555</u>	<u>18,868,117</u>
Current liabilities			
Trade and other payables	10	1,274,840	176,719
Contract liabilities		224,843	197,582
Amount due to joint ventures		337,775	213,951
Amount due to an associated company		219,450	224,400
Amount due to non-controlling interests		46,640	44,511
Income tax payable		174,798	99,993
Borrowings		4,817,052	6,144,544
Medium term notes		-	249,940
		<u>7,095,398</u>	<u>7,351,640</u>
Net current assets		<u>11,751,157</u>	<u>11,516,477</u>
Non-current liabilities			
Long term borrowings		13,176,979	12,644,292
Lease liabilities		843	2,335
Derivative financial instruments		106,631	39,048
Deferred income tax liabilities		737,201	729,184
		<u>14,021,654</u>	<u>13,414,859</u>
Net assets		<u>27,447,620</u>	<u>23,126,386</u>
Equity			
Share capital		84,087	84,087
Reserves		14,593,013	12,145,593
Equity attributable to shareholders of the Company		<u>14,677,100</u>	<u>12,229,680</u>
Non-controlling interests		12,770,520	10,896,706
		<u>27,447,620</u>	<u>23,126,386</u>

NOTES TO THE FINANCIAL STATEMENTS

1 Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties, financial assets at fair value through profit or loss (“FVPL”), financial assets at fair value through other comprehensive income (“FVOCI”) and derivative financial instruments, which are carried at fair value, and in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”).

The accounting policies and methods of computation used in the preparation of these annual financial statements are consistent with those used in 2020, except for the adoption of the following new standard and amendments to standards that are effective for the first time for this year which are relevant to the Group’s operations and are mandatory for accounting periods beginning on or after 1st January 2020:

Amendments to HKAS 1 and HKAS 8	Definition of material
Amendments to HKFRS 3	Definition of a business
Amendments to HKAS 39, HKFRS 7 and HKFRS 9	Interest rate benchmark reform
Conceptual framework for financial reporting 2018	Revised conceptual framework for financial reporting

The adoption of the new standard and amendments to standards stated above did not have significant impact to the consolidated financial statements in the current and prior years.

Certain new/revised standards, amendments and interpretations to HKFRS have been issued but are not yet effective for the year ended 31st March 2021 and have not been early adopted by the Group.

2 Segment information

Revenue includes revenue from property management, property sales and leasing, hotel and travel operation, management services, interest income and dividend income.

	Property sales HK\$'000	Property leasing HK\$'000	Hotel and travel HK\$'000	Financial investments HK\$'000	Others HK\$'000	Total HK\$'000
2021						
Segment revenue	-	195,866	37,251	2,459,598	47,648	2,740,363
Contribution to segment results	(3,805)	168,788	(39,816)	2,452,230	35,796	2,613,193
Depreciation	(5,713)	-	(138,584)	-	(59,607)	(203,904)
Net investment gain	-	-	-	196,040	-	196,040
Fair value loss of investment properties	-	(241,715)	-	-	-	(241,715)
Share of profits less losses of						
Joint ventures	83,748	-	-	-	1,445	85,193
Associated companies	-	(80,975)	-	-	(1,675)	(82,650)
Segment results	74,230	(153,902)	(178,400)	2,648,270	(24,041)	2,366,157
Unallocated corporate expenses						(178,894)
Net finance costs						(406,686)
Profit before income tax						1,780,577
2020						
Segment revenue	170	213,202	297,203	2,059,830	61,633	2,632,038
Contribution to segment results	(4,763)	175,479	24,493	2,055,585	50,798	2,301,592
Depreciation	(11,818)	-	(189,695)	-	(16,219)	(217,732)
Net investment loss	-	-	-	(157,030)	-	(157,030)
Fair value loss of investment properties	-	(125,949)	-	-	-	(125,949)
Share of profits less losses of						
Joint ventures	63,758	-	-	-	675	64,433
Associated companies	-	(140,976)	-	-	(1,859)	(142,835)
Segment results	47,177	(91,446)	(165,202)	1,898,555	33,395	1,722,479
Unallocated corporate expenses						(177,625)
Net finance costs						(625,394)
Profit before income tax						919,460

2 Segment information (Continued)

	Business segments						Unallocated HK\$'000	Total HK\$'000
	Property sales	Property leasing	Hotel and travel	Financial investments	Others			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
2021								
Assets	9,424,658	10,682,175	6,010,798	18,047,001	231,465	4,168,575	48,564,672	
Assets include:								
Joint ventures and associated companies	5,691,208	1,192,778	-	-	34,375	502	6,918,863	
Addition to non-current assets*	3,988	2,402	10,979	-	211	81,446	99,026	
Liabilities								
Borrowings	4,615,009	1,788,371	3,609,604	2,490,866	-	5,490,181	17,994,031	
Other liabilities							<u>3,123,021</u>	
							<u>21,117,052</u>	
2020								
Assets	6,571,129	11,011,535	6,193,625	16,928,607	261,943	2,926,046	43,892,885	
Assets include:								
Joint ventures and associated companies	5,309,006	1,273,754	-	-	48,425	2,176	6,633,361	
Addition to non-current assets*	577,374	24,719	18,241	-	5,170	51,039	676,543	
Liabilities								
Borrowings	3,167,531	1,001,890	3,522,554	1,862,545	-	9,234,316	18,788,836	
Other liabilities							<u>1,977,663</u>	
							<u>20,766,499</u>	

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

2 Segment information (Continued)

	2021 HK\$'000	2020 HK\$'000
Revenue		
Hong Kong	328,819	617,902
Overseas	<u>2,411,544</u>	<u>2,014,136</u>
	<u><u>2,740,363</u></u>	<u><u>2,632,038</u></u>
Non-current assets*		
Hong Kong	21,249,645	21,413,014
Overseas	<u>3,136,976</u>	<u>3,036,417</u>
	<u><u>24,386,621</u></u>	<u><u>24,449,431</u></u>

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

3 Net investment gain/(loss)

	2021 HK\$'000	2020 HK\$'000
Financial assets at FVPL		
- net unrealised gain from market price movements	219,005	12,151
- net unrealised exchange loss	(23,998)	(3,083)
- net realised gain (note (a))	7,654	36,887
Financial assets at FVOCI		
- net unrealised exchange gain/(loss)	32,132	(172,235)
- net realised gain (note (b))	92,539	62,041
- changes in expected credit losses	(139,674)	(92,791)
Derivative financial instruments		
- net realised gain	<u>8,382</u>	<u>-</u>
	<u><u>196,040</u></u>	<u><u>(157,030)</u></u>

Notes:

(a) Net realised gain on financial assets at FVPL		
Gross consideration	104,997	1,196,960
Cost of investments	<u>(97,683)</u>	<u>(973,432)</u>
Total gain	7,314	223,528
Add/(less): net unrealised loss/(gain) recognised in prior year	<u>340</u>	<u>(186,641)</u>
Net realised gain recognised in current year	<u><u>7,654</u></u>	<u><u>36,887</u></u>

3 Net investment gain/(loss) (Continued)

	2021 HK\$'000	2020 HK\$'000
(b) Net realised gain on financial assets at FVOCI		
Gross consideration	10,965,133	4,716,262
Cost of investments	(10,763,772)	(4,622,687)
Total gain	201,361	93,575
Transfer from investment revaluation reserve	(108,822)	(31,534)
Net realised gain recognised in current year	92,539	62,041

4 Income and expenses by nature

	2021 HK\$'000	2020 HK\$'000
Income		
Interest income from financial assets at FVOCI		
- Listed investments	2,381,478	2,001,908
Interest income from financial assets at FVPL		
- Listed investments	59,116	-
- Unlisted investments	7,077	5,187
Interest income from financial assets at amortised cost		
- A joint venture	37,088	18,562
- Loan receivables	3,332	2,072
- Bank deposits	832	4,029
Dividend income		
- Listed investments	6,445	40,168
Expenses		
Cost of properties and goods sold	4,794	80,686
Operating lease rental expense for land and buildings	1,088	1,040

5 Net finance costs

	2021 HK\$'000	2020 HK\$'000
Interest (expense)/income		
Long term bank loans	(322,295)	(551,709)
Short term bank loans and overdrafts	(37,003)	(40,480)
Medium term notes	(756)	(14,162)
Lease liabilities	(116)	(140)
Loan from a joint venture	(1,918)	-
Derivative financial instruments	(48,177)	239
Interest capitalised	58,950	44,099
	(351,315)	(562,153)
Other incidental borrowing costs	(48,141)	(64,108)
Net foreign exchange (loss)/gain on borrowings	(2,237)	4,854
Fair value loss on derivative financial instruments		
Cash flow hedge	(4,993)	(3,987)
	(406,686)	(625,394)

6 Income tax expense

	2021 HK\$'000	2020 HK\$'000
Current income tax expense		
Hong Kong profits tax	(93,883)	(36,687)
Overseas profit tax	(322)	-
Over/(under) provision in prior years	<u>5,730</u>	<u>(7,136)</u>
	(88,475)	(43,823)
Deferred income tax credit	<u>18,479</u>	<u>39,827</u>
	<u>(69,996)</u>	<u>(3,996)</u>

Hong Kong profits tax is provided at the rate of 16.5% (2020: 16.5%) on the estimated assessable profit for the year. Overseas profits tax has been provided on the estimated assessable profit for the year at the rate prevailing in the countries in which the Group operates.

7 Dividends

	2021 HK\$'000	2020 HK\$'000
Interim, nil (2020: Nil)	-	-
Final, proposed, of HK3.6 cents per share (2020: Nil)	<u>30,271</u>	<u>-</u>
	<u>30,271</u>	<u>-</u>

At a meeting held on 28th June 2021, the Board has proposed to pay a final dividend of HK3.6 cents per share (2020: Nil) for the year ended 31st March 2021. 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 2022.

The amount of HK\$30,271,000 is based on 840,873,996 issued shares as at 28th June 2021.

8 Earnings per share

The calculation of earnings per share is based on profit attributable to shareholders of the Company and divided by the weighted average number of shares in issue.

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

	2021	2020
	HK\$'000	HK\$'000
Profit attributable to shareholders of the Company	<u>1,006,781</u>	<u>553,577</u>
	Number of shares	
Weighted average number of shares in issue	<u>840,873,996</u>	<u>840,873,996</u>

The diluted earnings per share is equal to the basic earnings per share since there exist no dilutive potential share during the year ended 31st March 2021 and 2020.

9 Trade and other receivables

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

Trade receivables of the Group amounted to approximately HK\$33,936,000 (2020: HK\$35,205,000). 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:

	2021	2020
	HK\$'000	HK\$'000
0 month to 6 months	32,840	34,732
7 months to 12 months	964	15
More than 12 months	<u>132</u>	<u>458</u>
	<u>33,936</u>	<u>35,205</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, lease liabilities and various accruals. Trade payables of the Group amounted to approximately HK\$1,143,835,000 (2020: HK\$11,016,000) including HK\$1,136,431,000 (2020: Nil) consideration payable for purchase of financial investments.

Aging analysis of trade payables is as follows:

	2021	2020
	HK\$'000	HK\$'000
0 month to 6 months	1,143,101	10,350
7 months to 12 months	192	80
More than 12 months	542	586
	<u>1,143,835</u>	<u>11,016</u>

The figures in respect of the Group's consolidated balance sheet, consolidated profit and loss account, consolidated statement of comprehensive income, and the related notes thereto for the year ended 31st March 2021 as set out in this preliminary announcement 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 on this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

The Group recorded a revenue of HK\$2,740 million (2020: HK\$2,632 million) for the financial year with profit attributable to shareholders of the Company at HK\$1,007 million (2020: HK\$554 million). The increase in investment income compensated the income reduction from our hotel and travel segment triggered by the global COVID-19 pandemic, resulting in a 4% increase in total revenue. The increase in investment income, reduced finance cost and turnaround of net investment loss to gain all together exceeded the impact of loss from hotel operation and increased revaluation loss from investment properties, leading to a 82% increase in profit attributable to shareholders.

PROPERTIES SALES, DEVELOPMENT AND LEASING

SALES AND DEVELOPMENT

Mainland China

In Tongzhou, Beijing, superstructure for the 6 residential towers of our mixed use development has been topped out. Up to end of March 2021, presale of the residential units, which commenced in mid-July 2019, has reached RMB3 billion and profit recognition will begin upon delivery of the flats in mid-2022. Sub-structure works for the 2 commercial towers are in progress. The entire joint venture development comprises 2.3 million sq. ft. GFA.

In Shanghai's Queen's Gate, all units of this phase, approximately RMB1.1 billion, has been sold. About 70% of these sales was recognised last year, and most of the remaining was recognised in this financial year.

Hong Kong

In Jardine's Lookout, the Group's joint venture development, Dukes Place, comprising sixteen residential apartments ranging from 2,850 sq. ft. to over 6,800 sq. ft. was met with encouraging enquiries and demand. Up to end March 2021, half of the units comprising one third of the saleable area was sold, with sales amounted to approximately HK\$1.5 billion. The entire amount has been recognised in this financial year.

On Po Shan Road, superstructure works of another joint venture residential development is on-going, of which construction is expected to complete in early 2022. After the financial year end, the Group increased its stake by 10% in May 2021.

In Hung Shui Kiu, Yuen Long, we are pleased to conclude the land exchange for the residential and commercial development in October 2020, at a land premium of HK\$2.1 billion. The development will provide approximately 520,000 sq. ft. of GFA, of which approximately 90% are residential apartments for sale, with the remaining 10% being retail units all with street frontage. Foundation works are in progress.

In Lam Tei, Tuen Mun, we are continuing the land exchange application with the government on another residential development near the light-rail station. The development has approximately 67,000 sq. ft. of residential GFA.

Towards the end of last financial year, the Group, through a joint venture, has accumulated some longer term landbank in Kwu Tung, the New Territories, which is zoned as “residential use” under the current outline zoning plan. During the financial year, the Group further increased its stake by 10%. It is in the early stage of land exchange application with the government.

In Kowloon East, the renovation of the commercial building, Harbourside HQ, with approximately 800,000 sq. ft. leasable GFA was completed. Following the upgrading works, efforts are being directed towards repositioning of tenant mix to enhance the value of this joint venture investment.

Canada (development through hotel subsidiary group)

The redevelopment of our Empire Landmark hotel progressed well with the podium level of the “Landmark on Robson” development almost completed. This redevelopment, upon completion, will provide an approximately 400,000 sq. ft. GFA with two residential towers. The Group will closely monitor the market and is ready to launch a new presale campaign once social distancing measures are further relaxed.

Regarding its joint venture redevelopment of high-end residential complex of approximately 627,000 sq. ft. GFA in Alberni Street, downtown Vancouver, the Group has responded to the City’s Prior-to-letter and are awaiting confirmation from the City on the issuing of the development permit for the project. Simultaneously, the development team is determining the most efficient method for achieving coordinated construction designs that optimise construction costs.

Another joint venture development that is also located on Alberni Street in downtown Vancouver is in its planning stage for development into premium residential units for sale. The rezoning package has been submitted to the City in early 2020. We passed the Urban Design Panel in October 2020, which is a prerequisite for the development permit application, in the context of our ongoing application for the rezoning approval.

LEASING

Leasing income of YF Life Tower, 33 Lockhart Road in Wanchai and Asia Standard Tower in Queen's Road Central had decreased by 10% compared to last year, while average occupancies of these office towers decreased by 9% to 87%. Following the heavy impact of in-bound travel restriction and social distancing measures, leasing income from our 33% owned Goldmark in Causeway Bay decreased substantially by 70% with the lease expiry of a retail anchor tenant.

Overall leasing income attributable to Asia Standard International for the year was HK\$203 million (2020: HK\$236 million). Net revaluation loss (taking into account our share of revaluation loss from the investment property owned by an associated company) of HK\$321 million (2020: HK\$274 million) was recorded.

HOTEL

With the outbreak of COVID-19, the performance of hotel sector has been adversely affected by people's unwillingness to travel and the quarantine requirements towards incoming visitors instituted by local government to contain the pandemic. During the financial year, incoming visitors to Hong Kong has dropped by over 99%. Our hotel and travel operation revenue declined by 87% to HK\$37 million (2020: HK\$297 million), and with management's immediate remedial action to reduce operating costs, the segment still resulted in a loss before depreciation of HK\$40 million (2020: profit before depreciation of HK\$24 million).

FINANCIAL INVESTMENTS

At 31st March 2021, the Group held financial investments of approximately HK\$17,502 million (2020: HK\$16,331 million), with HK\$15,152 million (2020: HK\$14,436 million) held by the two listed subsidiary groups. The investment portfolio comprised of 95% listed debt securities (predominantly issued by PRC-based real estate companies), 4% by listed equity securities and 1% unlisted investments. They are denominated in different currencies with 72% in United States dollar, 24% in Renminbi and 4% in other currencies (mostly Hong Kong dollar).

The portfolio's increase was primarily due to a mark to market valuation net gain recognised in the investment revaluation reserve account. During the year, income from this investment portfolio amounted to HK\$2,460 million (2020: HK\$2,060 million). A net investment gain of HK\$196 million (2020: net loss of HK\$157 million) was credited/(charged) to profit and loss account while a net gain of HK\$2,394 million (2020: net loss of HK\$2,398 million) was recognised in investment revaluation reserve account.

At 31st March 2021, an approximate value of HK\$4,070 million (2020: HK\$2,560 million) of these investments were pledged to banks as collateral for credit facilities granted to the Group.

FINANCIAL REVIEW

At 31st March 2021, the Group has over HK\$12.1 billion (2020: HK\$6.2 billion) cash and undrawn banking facilities. The financing and treasury activities of our three listed groups are independently administered.

At 31st March 2021, the Group's total assets were approximately HK\$48.6 billion (2020: HK\$43.9 billion), with net assets of HK\$27.4 billion (2020: HK\$23.1 billion). Adopting market value of hotel properties in operation, the revalued total assets of the Group were HK\$54.1 billion (2020: HK\$49.4 billion), while the revalued net assets of the Group were HK\$33.5 billion (2020: HK\$29.2 billion).

Net debt was HK\$15.8 billion (2020: HK\$17.9 billion), of which HK\$0.5 billion (2020: HK\$0.6 billion) was attributable to the parent group. Total interest cost decreased as a result of decreased borrowings together with low interest rate environment. Currently, the Group's net gearing ratio (net debt to revalued net asset value) is approximately 47% (2020: 61%). As at 31st March 2021, the Group had net current assets of HK\$11.8 billion (2020: HK\$11.5 billion) and the HK\$19.7 billion aggregate amount of marketable securities and cash together represented 4.1 times of the HK\$4.8 billion current debt repayable within 12 months.

70% of the debts are secured and majority of the debts are at floating rates. As at 31st March 2021, about 49% of these floating rates debts have been hedged against HIBOR fluctuations by entering into various interest rate swap contracts of approximately HK\$8,760 million in total, with approximately 83% having maturities of 4 years, and the remaining between 1 and 9 years. The maturities of our debts spread over a period of up to 5 years, with 16% repayable between one to two years and 57% repayable between two to five years. The remaining 27% comprise overdraft, revolving and short-term loans and are repayable within 1 year.

Approximately 96% of the Group's borrowings are in Hong Kong dollars and the remaining 4% in United States dollars and Canadian dollars.

As at 31st March 2021, property assets with an aggregate net book value of HK\$23.5 billion (2020: HK\$21.5 billion) were pledged to secure credit facilities of the Group. HK\$2,889 million (2020: HK\$2,999 million) guarantees were provided to financial institutions and third parties against outstanding banking and loan facilities of joint ventures.

EMPLOYEES AND REMUNERATION POLICIES

At 31st March 2021, the Group employed approximately 330 (2020: 340) employees. The remuneration packages including basic salary, annual bonus, share options, retirement and other benefits are commensurate with their job nature and level of experience.

FUTURE PROSPECT

After a year's non-stop efforts in researches of the corona virus, vaccines for emergency application were finally rolled out. Resources are being deployed by all countries for vaccination of their citizens. Though quarantine policies and social distancing measures are still in place before the pandemic is conquered, countries are planning for the recovery and revitalization of their economies.

Rebound of our hotel operation is dependent on the successful removal of in-bound travel restriction and the effect is yet to be seen. The leasing segment, especially the retail portion, is also looking upon such measures. On the residential sector, Hong Kong market remains resilient, evidenced by the encouraging sales of Dukes Place, our Jardine Lookout luxury residential project, and other first-hand sales from local developers.

Sales of our Beijing and Shanghai joint venture projects is performing well upon the release of purchasing power piled up during the lockdown. The Shanghai project is fully sold and the Beijing project is maintaining its favourable sales momentum.

Management will continue to be financially cautious and prudence to alleviate and mitigate any negative impact in this uncertain economic environment.

DIVIDEND

The Board recommend the payment of a final dividend of HK3.6 cents per share (2020: Nil) for the year ended 31st March 2021. No interim dividend was declared during the year (2020: Nil). Total dividend for the year amounts to HK3.6 cents per share (2020: Nil).

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Tuesday, 24th August 2021 to Friday, 27th August 2021 both days inclusive, for the purpose of determining the identity of members who are entitled to attend and vote at the 2021 annual general meeting to be held on 27th August 2021 (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, 23rd August 2021.

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 3rd September 2021. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 2nd September 2021 to Friday, 3rd September 2021 both days inclusive, 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 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 Wednesday, 1st September 2021. The final dividend will be paid on 24th September 2021.

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 2021.

CORPORATE GOVERNANCE CODE

During the year, the Company has complied with the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules, except the following deviations:

1. Code Provision A.4.1 of the CG Code provides that non-executive directors should be appointed for a specific term, subject to re-election. All 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; and

2. Code Provision A.5.1 of the CG Code provides that issuers should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors. The Company does not have a nomination committee. The Board as a whole is responsible for assessing the independence of independent non-executive directors, reviewing the structure, diversity, size and composition of the Board, the appointment of new directors and the nomination of directors for re-election by shareholders at the general meeting of the Company. Under the Bye-Laws of the Company, the Board may from time to time and at any time to appoint any person as a director either to fill a casual vacancy or as an addition to the Board. Any director so appointed shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election at the meeting.

AUDIT COMMITTEE

The Audit Committee has reviewed the annual results of the Group for the year ended 31st March 2021.

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

Hong Kong, 28th June 2021

As at the date of this announcement, the executive directors of the Company are Mr. Fung Siu To, Clement, Mr. Poon Jing, Mr. Poon Hai, Mr. Poon Yeung, Roderick, Mr. Lun Pui Kan and Mr. Kwan Po Lam, Phileas; and the independent non-executive directors of the Company are Mr. Cheung Kwok Wah, Mr. Leung Wai Keung and Mr. Wong Chi Keung.