



ASIA ORIENT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code 214)

ANNOUNCEMENT OF INTERIM RESULTS SIX MONTHS ENDED 30TH SEPTEMBER 2007

FINANCIAL HIGHLIGHTS

(In HK\$ million, except otherwise indicated)

	Six months ended 30th September		Change
	2007	2006	
Consolidated profit and loss account			
Revenue	16	41	-61%
Share of profits of associated companies	70	23	+204%
Profit attributable to shareholders of the Company	73	29	+152%
Earnings per share - basic (HK cents)	14.6	6.9	+112%
	30th September 2007	31st March 2007	
Consolidated balance sheet			
Total assets	2,479	2,062	+20%
Net assets	2,299	2,013	+14%
Net assets per share (HK\$)	4.0	5.2	-23%
Net cash	276	115	+140%
Gearing	Nil	Nil	

The Directors of Asia Orient Holdings Limited (the “Company”) announce that the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30th September 2007 together with the comparative figures for the six months ended 30th September 2006 were as follows:

CONSOLIDATED PROFIT AND LOSS ACCOUNT - UNAUDITED

For the six months ended 30th September

	<i>Note</i>	2007 HK\$'000	2006 HK\$'000
Revenue from property management, dividend and interest income and proceeds from sale of financial assets at fair value through profit or loss	2	<u>15,961</u>	<u>40,802</u>
Revenue from property management, dividend and interest income	2	11,548	11,162
Cost of sales		<u>(5,256)</u>	<u>(4,310)</u>
Gross profit		6,292	6,852
Other income and charges	3	4,963	4,779
Administrative expenses	4	<u>(7,029)</u>	<u>(5,209)</u>
Operating profit		4,226	6,422
Finance costs	5	(194)	(169)
Share of profits less losses of Jointly controlled entities		(800)	-
Associated companies		<u>69,955</u>	<u>22,576</u>
Profit before income tax		73,187	28,829
Income tax expense	6	<u>(57)</u>	<u>-</u>
Profit for the period attributable to shareholders of the Company		<u>73,130</u>	<u>28,829</u>
Dividend	7	<u>12,463</u>	<u>12,219</u>
Earnings per share (HK cents)			
Basic	8	<u>14.6</u>	<u>6.9</u>
Diluted	8	<u>14.3</u>	<u>6.8</u>

CONSOLIDATED BALANCE SHEET - UNAUDITED

	<i>Note</i>	30th September 2007 HK\$'000	31st March 2007 HK\$'000
Non-current assets			
Property, plant and equipment		1,502	1,876
Jointly controlled entities		7,272	7,272
Associated companies		1,850,481	1,876,465
Deferred income tax assets		3,885	3,885
		<u>1,863,140</u>	<u>1,889,498</u>
Current assets			
Trade and other receivables	9	87,992	891
Assets held for sale		101,155	-
Financial assets at fair value through profit or loss		29,604	50,321
Warrant assets		42,733	-
Derivative financial instruments		3,227	5,902
Bank balances and cash		351,295	115,045
		<u>616,006</u>	<u>172,159</u>
Current liabilities			
Trade and other payables	10	41,966	39,100
Deposits received		10,000	-
Dividend payable		11,572	-
Warrant liabilities		32,342	-
Amounts due to associated companies		-	1,641
Amounts due to minority shareholders		8,311	8,311
Short-term bank loan and overdrafts		75,467	-
Income tax payable		57	-
		<u>179,715</u>	<u>49,052</u>
Net current assets		<u>436,291</u>	<u>123,107</u>
Total assets less current liabilities		2,299,431	2,012,605
Non-current liabilities			
Deferred income tax liabilities		<u>9</u>	<u>9</u>
Net assets		<u>2,299,422</u>	<u>2,012,596</u>
Equity			
Share capital		57,858	38,572
Reserves		2,241,564	1,974,024
		<u>2,299,422</u>	<u>2,012,596</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

1 Basis of preparation

The unaudited condensed consolidated interim financial information has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants, and should be read in conjunction with the annual financial statements for the year ended 31st March 2007.

The accounting policies and methods of computation used in the preparation of this condensed consolidated interim financial information are consistent with those used in the annual financial statements for the year ended 31st March 2007. In addition, the following accounting policies are adopted:

(a) Warrant assets and liabilities

Warrant assets and liabilities are initially recognised at fair value on the date of grant and are subsequently remeasured at fair value. Changes in the fair value of warrant assets and liabilities are recognised in the profit and loss account.

(b) Assets held for sale

Non-current assets are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing use.

The following new standards, amendments and interpretations to existing standards have been published which are relevant to the Group’s operations and are mandatory for the Group’s accounting periods beginning on or after 1st April 2007 as follows:

HKAS 1 (Amendment)	Presentation of Financial Statements: Capital Disclosures
HK (IFRIC) – Int 8	Scope of HKFRS 2
HK (IFRIC) – Int 9	Reassessment of Embedded Derivatives
HK (IFRIC) – Int 10	Interim Reporting and Impairment
HK (IFRIC) – Int 11	HKFRS 2 - Group and Treasury Share Transactions
HKFRS 7	Financial Instruments: Disclosures

The adoption of the above standards, amendments and interpretations does not have substantial changes to the Group’s accounting policies and presentation of the financial statements, except that additional disclosures required under HKAS 1 (Amendment) and HKFRS 7 will be made in the 2008 annual financial statements.

2 Revenue and segment information

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

Business segments

	Property management HK\$'000	Investment HK\$'000	Other operations HK\$'000	Group HK\$'000
Six months ended 30th September 2007				
Proceeds from sales of financial assets at fair value through profit or loss	-	4,413	-	4,413
Segment revenue	<u>7,182</u>	<u>-</u>	<u>4,366</u>	<u>11,548</u>
	<u>7,182</u>	<u>4,413</u>	<u>4,366</u>	<u>15,961</u>
Contribution to segment results	1,926	-	4,366	6,292
Other income and charges	-	4,963	-	4,963
Unallocated corporate expenses				<u>(7,029)</u>
Operating profit				4,226
Finance costs				(194)
Share of results of				
Jointly controlled entities (note (i))				(800)
Associated companies (note (i))				<u>69,955</u>
Profit before income tax				73,187
Income tax expense				<u>(57)</u>
Profit for the period				<u>73,130</u>
Six months ended 30th September 2006				
Proceeds from sales of financial assets at fair value through profit or loss	-	29,640	-	29,640
Segment revenue	<u>5,464</u>	<u>-</u>	<u>5,698</u>	<u>11,162</u>
	<u>5,464</u>	<u>29,640</u>	<u>5,698</u>	<u>40,802</u>
Contribution to segment results	1,154	-	5,698	6,852
Other income and charges	-	4,779	-	4,779
Unallocated corporate expenses				<u>(5,209)</u>
Operating profit				6,422
Finance costs				(169)
Share of results of				
associated companies (note i)				<u>22,576</u>
Profit for the period				<u>28,829</u>

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

	Six months ended 30th September 2007		Six months ended 30th September 2006		
	Jointly controlled entities HK\$'000	Associated companies HK\$'000	Jointly controlled entities HK\$'000	Associated companies HK\$'000	
	Property sales	-	21,349	-	(783)
	Property leasing	-	53,385	-	55,636
Hotel and travel	-	8,930	-	13,456	
Other operations	(800)	20,242	-	(7,786)	
Finance costs	-	(12,157)	-	(22,139)	
Unallocated corporate expenses	-	(10,189)	-	(8,315)	
Income tax expense	-	(11,605)	-	(7,493)	
	<u>(800)</u>	<u>69,955</u>	<u>-</u>	<u>22,576</u>	

Geographical segments

For the six months ended 30th September 2007 and 2006, the activities of the Group are mainly based in Hong Kong. The Group incurred its capital expenditure, derived all of its revenue and operating profit from Hong Kong. Over 90% of its total assets are located in Hong Kong.

3 Other income and charges

	Six months ended 30th September	
	2007 HK\$'000	2006 HK\$'000
Net realised gains/(losses) on financial assets at fair value through profit or loss	749	(13,734)
Net unrealised losses on financial assets at fair value through profit or loss	(110)	(633)
Net realised gains on derivative financial instruments	302	-
Net unrealised gains on derivative financial instruments	374	-
Net fair value gains on warrant assets	3,805	-
Fair value gains on warrant liabilities	498	-
Net (losses)/gains on dilution/acquisition of interest in listed associated companies	(655)	9,630
Gain on disposal of an associated company	-	9,516
	<u>4,963</u>	<u>4,779</u>

4 Administrative expenses

	Six months ended 30th September	
	2007	2006
	HK\$'000	HK\$'000
Included in administrative expenses:		
Depreciation	<u>393</u>	<u>392</u>

5 Finance costs

	Six months ended 30th September	
	2007	2006
	HK\$'000	HK\$'000
Interest expenses and finance charges on short term bank loans and overdrafts	<u>194</u>	<u>169</u>

6 Income tax expense

	Six months ended 30th September	
	2007	2006
	HK\$'000	HK\$'000
Current income tax	<u>57</u>	<u>-</u>

Hong Kong profits tax has been provided at the rate of 17.5% on the estimated assessable profit for the period and no Hong Kong profits tax was made in the prior period as the Group had no assessable profits in that period. No overseas income tax has been made as the Group has no estimated assessable profit for the period (2006: nil).

Share of income tax of jointly controlled entities and associated companies for the six months ended 30th September 2007 of nil (2006: nil) and HK\$11,494,000 (2006: HK\$8,253,000) is included in the profit and loss account as share of profits less losses of jointly controlled entities and associated companies respectively.

7 Dividend

	Six months ended 30th September	
	2007	2006
	HK\$'000	HK\$'000
Interim dividend of HK2.0 cents (2006: HK3.2 cents) per share	<u>12,463</u>	<u>12,219</u>

At a meeting held on 21st December 2007, the Board of Directors has declared to pay an interim dividend of HK2.0 cents per share. This interim dividend is not reflected in the interim financial information, but will be reflected as an appropriation of revenue reserve in the year ending 31st March 2008.

The amount HK\$12,463,000 is based on 623,143,834 issued shares as at 21st December 2007.

8 Earnings per share

The calculation of basic earnings per share is based on profit attributable to shareholders of the Company of HK\$73,130,000 (2006: HK\$28,829,000) and on the weighted average number of 502,314,630 (2006: 420,296,571, adjusted for the effects of rights issue in July 2007) shares in issue during the period.

The calculation of diluted earnings per share for the six months ended 30th September 2007 is based on HK\$72,452,000 equalling to profit attributable to shareholders of the Company of HK\$73,130,000 with a decrease in share of profit after tax of HK\$678,000 from Asia Standard International Group Limited ("Asia Standard") arising from conversion of the convertible notes of Asia Standard, and the weighted average number of 508,424,318 shares equalling to the weighted average number of 502,314,630 shares in issue during the period with an increase of 6,056,022 shares and 53,666 shares arising from potential exercise of the Company's share options and warrants respectively. The outstanding share options and warrants of Asia Standard and Asia Standard Hotel Group Limited ("AS Hotel") did not have a dilutive effect on the earnings per share.

The calculation of diluted earnings per share for the six months ended 30th September 2006 was based on HK\$28,455,000 equalling to the profit attributable to shareholders of the Company of HK\$28,829,000 with a decrease in share of profit after tax of HK\$374,000 from Asia Standard arising from potential conversion of the convertible notes of Asia Standard, and the weighted average number of 420,296,571 (adjusted for the effects of rights issue in July 2007) shares in issue during the period.

9 Trade and other receivables

Trade and other receivables of the Group include trade receivables, utility and other deposits, interest and other receivables. Trade receivables of the Group amounted to HK\$83,000 (31st March 2007: HK\$302,000). The credit terms given to the customers vary and are generally based on the financial strengths of individual customers. In order to effectively manage the credit risks associated with trade debtors, credit evaluations of customers are performed periodically.

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

	30th September 2007 HK\$'000	31st March 2007 HK\$'000
0 day to 60 days	79	226
61 days to 120 days	4	76
	<u>83</u>	<u>302</u>

10 Trade and other payables

Trade and other payables of the Group include trade payables, rental and management fee deposits, interest and other payables and various accruals. Trade payables of the Group amounted to HK\$3,760,000 (31st March 2007: HK\$4,181,000).

Aging analysis of trade payables is as follows:

	30th September 2007 HK\$'000	31st March 2007 HK\$'000
0 day to 60 days	3,214	3,629
61 days to 120 days	30	28
More than 120 days	516	524
	<u>3,760</u>	<u>4,181</u>

11 Comparative figures

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

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

The Group reports a six months' profit attributable to shareholders of HK\$73 million compared to HK\$29 million of last interim period. The increase is directly the result of improved performance of Asia Standard International Group Limited ("Asia Standard"), its major associated company.

The Board of Directors declared the payment of an interim dividend of HK2.0 cents (2006: HK3.2 cents) per share.

ASIA STANDARD

Asia Standard remains the Group's core investment. It achieved HK\$160 million (2006: HK\$55 million) profit attributable to shareholders during the period at a turnover of HK\$642 million (2006: HK\$400 million).

Property sales and leasing

Property sales turnover increased to HK\$285 million from last corresponding period of HK\$56 million. Canaryside, a residential development in Lei Yue Mun completed in March 2007, is the main contributor of development profit in this six months interim period.

Construction of residential development projects at Aberdeen and Castle Peak Road are progressing satisfactorily. The Aberdeen project, which has a GFA of about 150,000 sq. ft., has already topped out and will be launched after presale consent is obtained. Presale consent for the 200,000 sq. ft. Castle Peak Road joint venture development project is also under progress. Overall, Asia Standard has nearly 1 million sq. ft. gross floor area of properties under development in Hong Kong.

Asia Standard recently increases its presence in the mainland by investing in an approximately 2 million square feet gross floor area residential/commercial development project in Beijing. This is a rare waterfront project with potential revenue of about 2.2 billion Yuan.

Rental income from its investment portfolio increased by 10% despite the disposal of an office tower end last financial year, the increment is the result of increased unit rent upon tenancy renewal.

Hotel

Hotel group registered another satisfactory performance. It reported a HK\$42 million profit for the period, more than double the HK\$17 million of last interim period.

Asia Standard has increased its stake in the Hotel group from 62.8% to 67% during the period.

FINANCIAL REVIEW

The Group had net cash position of HK\$276 million at 30th September 2007 (31st March 2007: HK\$115 million).

At 30th September 2007, the Group's net asset value rose to HK\$2.3 billion, an increase of HK\$287 million (14%) from HK\$2.0 billion of 31st March 2007.

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

EMPLOYEES AND REMUNERATION POLICIES

At 30th September 2007, the Group employed 199 full time employees with most of them working for building management and related logistics services. Their remuneration packages, which commensurate with job nature and experience level, include basic salary, annual bonus, retirement and other benefits.

FUTURE PROSPECTS

The Hong Kong real estate market is experiencing an extremely positive cycle which characterized by sizable price rises and volume transaction in residential sector, while office sector enjoy healthy rental increases and capital appreciation. The encouraging land sale results, rising salary expectations, falling unemployment rate, value hedging aspirations, all together mean increasing the housing demand. The predicted low housing supply in 2008 could be favourable factor for further price rises.

With 2008 Olympic Games, robust Mainland economy and Macau gaming attractions, the likely strong influx of business and leisure travelers into Hong Kong, the financial and business hub of the region, propel the hotel and tourism industry.

The Hong Kong and Mainland economies are both showing strong momentum, the group will continue to support its investment in Asia Standard, while actively identifying opportunities in China, Macau and Hong Kong.

INTERIM DIVIDEND

The Board of Directors has declared to pay to shareholders whose names appear on the Register of Members of the Company on Wednesday, 16th January 2008 ('Record Date') interim dividend of HK2.0 cents (2006: HK3.2 cents) per share. The interim dividend will be paid on or about Monday, 4th February 2008.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Monday, 14th January 2008 to Wednesday, 16th January 2008, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all share certificates with completed transfer forms either overleaf or separately must be lodged with the Company's Hong Kong Branch Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Friday, 11th January 2008.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

CODE ON CORPORATE GOVERNANCE PRACTICES

During the period, the Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

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

AUDIT COMMITTEE

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

The unaudited interim financial report of the Group for the six months ended 30th September 2007 has been reviewed by the Audit Committee.

By Order of the Board
Fung Siu To, Clement
Chairman

Hong Kong, 21st December 2007

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