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ASIA ORIENT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 214)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2009

FINANCIAL HIGHLIGHTS

(In HK\$ million, except otherwise indicated)

	Six months ended 30th September		Change
	2009	2008	
Consolidated profit and loss account			
Turnover	378	8	+46 times
Net investment gain/(loss)	256	(11)	N/A
Share of profits of associated companies	515	45	+10 times
Profit attributable to shareholders of the Company	1,009	40	+24 times
Earnings per share - basic (HK cent)	153.3	6.4	+23 times
	30th September 2009	31st March 2009	Change
Consolidated balance sheet			
Total assets	3,664	2,478	+48%
Net assets	3,495	2,344	+49%
Net assets per share (HK\$)	5.0	3.6	+39%
Net debt	109	69	+58%
Gearing (net debt to equity)	3.1%	2.9%	+0.2%

The Directors of Asia Orient Holdings Limited (the “Company”) announce that the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30th September 2009 together with the comparative figures for the six months ended 30th September 2008 were as follows:

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT - UNAUDITED

For the six months ended 30th September

	<i>Note</i>	2009 HK\$'000	2008 HK\$'000
Turnover	2	<u><u>377,777</u></u>	<u><u>8,278</u></u>
Revenue	2	27,069	8,278
Cost of sales		<u><u>(3,639)</u></u>	<u><u>(4,318)</u></u>
Gross profit		23,430	3,960
Net investment gain/(loss)	3	256,028	(10,672)
Administrative expenses		(5,204)	(9,892)
Other income and charges	5	<u><u>(5,757)</u></u>	<u><u>(8,706)</u></u>
Operating profit/(loss)		268,497	(25,310)
Finance costs		(3,666)	(881)
Share of profits of			
Jointly controlled entities		1,039	-
Associated companies		514,969	44,921
Negative goodwill arising from acquisition of additional interest in associated companies		<u><u>228,146</u></u>	<u><u>21,155</u></u>
Profit before income tax		1,008,985	39,885
Income tax expense	6	<u><u>(21)</u></u>	-
Profit for the period attributable to shareholders of the Company		<u><u>1,008,964</u></u>	<u><u>39,885</u></u>
Dividend	7	<u><u>10,513</u></u>	-
Earnings per share (HK cent)			
Basic	8	<u><u>153.3</u></u>	<u><u>6.4</u></u>
Diluted	8	<u><u>139.6</u></u>	<u><u>6.4</u></u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
- UNAUDITED

For the six months ended 30th September

	2009	2008
	HK\$'000	HK\$'000
Profit for the period	<u>1,008,964</u>	<u>39,885</u>
Other comprehensive income		
Fair value gain/(loss) on available-for-sale investments		
- Company	28,046	(2,766)
- Associated companies	54,169	(9,186)
Currency translation differences	9,097	(1,973)
	<u>91,312</u>	<u>(13,925)</u>
Total comprehensive income for the period	<u>1,100,276</u>	<u>25,960</u>

CONDENSED CONSOLIDATED BALANCE SHEET - UNAUDITED

	<i>Note</i>	30th September 2009 HK\$'000	31st March 2009 HK\$'000
Non-current assets			
Property, plant and equipment		209	423
Jointly controlled entities		-	7,272
Associated companies		3,106,000	2,216,517
Available-for-sale investments		53,385	17,658
Deferred income tax assets		215	236
		<u>3,159,809</u>	<u>2,242,106</u>
Current assets			
Trade and other receivables	9	52,733	7,210
Financial assets at fair value through profit or loss		409,086	185,596
Derivative financial instruments		36	2,563
Warrant assets		910	4,439
Bank balances and cash		41,914	36,579
		<u>504,679</u>	<u>236,387</u>
Current liabilities			
Trade and other payables	10	18,564	19,367
Amounts due to associated companies		141	390
Amounts due to minority shareholders		-	8,311
Short-term loans and overdrafts - secured		69,557	29,039
Convertible bonds		81,031	-
		<u>169,293</u>	<u>57,107</u>
Net current assets		<u>335,386</u>	<u>179,280</u>
Total assets less current liabilities		3,495,195	2,421,386
Non-current liabilities			
Convertible bonds		-	77,265
Net assets		<u>3,495,195</u>	<u>2,344,121</u>
Equity			
Share capital		70,084	65,148
Reserves		3,425,111	2,278,973
		<u>3,495,195</u>	<u>2,344,121</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 2009.

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 2009.

The following new and revised standards 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 2009:

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 40 (Amendment)	Investment Property
HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments

Except for certain changes in presentation and disclosures as described below, the adoption of the above new HKFRS in the current period did not have any significant effect on the interim financial information or result in any substantial changes in the Group’s significant accounting policies.

- HKAS 1 (Revised), “Presentation of Financial Statements”. The Group has elected to present two statements: a profit and loss account and a statement of comprehensive income. The interim financial information has been prepared under the revised disclosure requirements.
- HKFRS 8, “Operating Segments”. HKFRS 8 replaces HKAS 14, “Segment reporting”. It requires a “management approach” under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in certain changes in the presentation and disclosure information of the reportable segments.

2 Turnover and segment information

Turnover comprises revenue from property management, dividend and interest income, together with gross proceeds from disposal of financial assets at fair value through profit or loss and derivative financial instruments. Revenues include revenue from property management, and dividend and interest income.

Business segments

	Property management HK\$'000	Investments HK\$'000	Others HK\$'000	Total HK\$'000
Six months ended 30th September 2009				
Turnover	5,461	372,316	-	377,777
Segment revenue	5,461	21,608	-	27,069
Contribution to segment results	1,822	277,636	-	279,458
Other income and charges	-	-	(5,757)	(5,757)
Segment results	1,822	277,636	(5,757)	273,701
Unallocated corporate expenses				(5,204)
Operating profit				268,497
Finance costs				(3,666)
Share of profits of				
Jointly controlled entities	-	-	1,039	1,039
Associated companies (note (i))				514,969
Negative goodwill arising from acquisition of additional interest in associated companies				228,146
Profit before income tax				1,008,985
Income tax expense				(21)
Profit for the period				1,008,964
Six months ended 30th September 2008				
Turnover	5,750	2,008	520	8,278
Segment revenue	5,750	2,008	520	8,278
Contribution to segment results	1,432	(8,664)	520	(6,712)
Other income and charges	-	-	(8,706)	(8,706)
Segment results	1,432	(8,664)	(8,186)	(15,418)
Unallocated corporate expenses				(9,892)
Operating loss				(25,310)
Finance costs				(881)
Share of profits of associated companies (note (i))				44,921
Negative goodwill arising from acquisition of additional interest in associated companies				21,155
Profit for the period				39,885

2 Turnover and segment information (continued)

Note (i): Share of profits of associated companies

	Six months ended 30th September	
	2009 HK\$'000	2008 HK\$'000
Property sales	81,094	12,994
Property leasing	42,754	43,337
Hotel and travel	(429)	16,980
Investments	430,650	(33,524)
Others	3,198	25,410
Finance costs	(11,081)	(6,334)
Unallocated corporate expenses	(12,451)	(11,062)
Income tax expense	<u>(18,766)</u>	<u>(2,880)</u>
	<u><u>514,969</u></u>	<u><u>44,921</u></u>

	Property management HK\$'000	Investments HK\$'000	Others HK\$'000	Total HK\$'000
At 30th September 2009				
Segment assets	13,752	515,007	106	528,865
Associated companies (note (ii))				3,106,000
Bank balances and cash, unrestricted				28,426
Warrant assets				910
Other receivables				<u>287</u>
				<u><u>3,664,488</u></u>
Segment liabilities	17,232	69,557	-	86,789
Convertible bonds				81,031
Other payables and accruals				<u>1,473</u>
				<u><u>169,293</u></u>
Additions to non-current assets	27	-	-	27

2 Turnover and segment information (continued)

	Property management HK\$'000	Investments HK\$'000	Others HK\$'000	Total HK\$'000
At 31st March 2009				
Segment assets	14,750	212,640	315	227,705
Jointly controlled entities	-	-	7,272	7,272
Associated companies (note (ii))				2,216,517
Bank balances and cash, unrestricted				22,182
Warrant assets				4,439
Other receivables				378
				<u>2,478,493</u>
Segment liabilities	17,659	29,039	8,311	55,009
Convertible bonds				77,265
Other payables and accruals				2,098
				<u>134,372</u>
Additions to non-current assets for the six months ended 30th September 2008				
	26	-	-	26

Note (ii): Share of segment assets less liabilities of associated companies

	30th September 2009 HK\$'000	31st March 2009 HK\$'000
Property sales	760,524	672,841
Property leasing	949,741	847,673
Hotel and travel	633,493	615,849
Investments	1,271,541	438,887
Others	(353,167)	(200,730)
Other unallocated liabilities	(156,132)	(158,003)
	<u>3,106,000</u>	<u>2,216,517</u>

2 Turnover and segment information (continued)

Geographical segments

The Group's business activities in various geographical areas are as follows:

Hong Kong - all the Group's business segments
 Europe - securities investments

	Turnover HK'000	Segment revenue HK'000	Operating profit/(loss) HK'000	Total assets HK'000
	Six months ended 30th September 2009			As at 30th September 2009
Hong Kong	52,888	7,127	1,951	3,257,292
Europe	<u>324,889</u>	<u>19,942</u>	<u>266,546</u>	<u>407,196</u>
	<u><u>377,777</u></u>	<u><u>27,069</u></u>	<u><u>268,497</u></u>	<u><u>3,664,488</u></u>
	Six months ended 30th September 2008			As at 31st March 2009
Hong Kong	8,278	8,278	(25,310)	2,322,996
Europe	<u>-</u>	<u>-</u>	<u>-</u>	<u>155,497</u>
	<u><u>8,278</u></u>	<u><u>8,278</u></u>	<u><u>(25,310)</u></u>	<u><u>2,478,493</u></u>

3 Net investment gain/(loss)

	Six months ended 30th September	
	2009	2008
	HK\$'000	HK\$'000
Realised gain on		
- financial assets at fair value through profit or loss	119,158	-
- derivative financial instruments	367	-
Net unrealised gain/(loss) on		
- financial assets at fair value through profit or loss	136,503	(5,220)
- equity linked notes	<u>-</u>	<u>(5,452)</u>
	<u><u>256,028</u></u>	<u><u>(10,672)</u></u>

4 Income and expenses by nature

	Six months ended	
	30th September	
	2009	2008
	HK\$'000	HK\$'000
Income		
Bank interest income	-	520
Interest income from listed investments	5,906	-
Dividend income from listed investments	<u>15,212</u>	<u>2,008</u>
Expenses		
Depreciation	<u>241</u>	<u>401</u>

5 Other income and charges

	Six months ended	
	30th September	
	2009	2008
	HK\$'000	HK\$'000
Realised loss on warrant assets	(3,813)	-
Unrealised gain/(loss) on		
- warrant assets	284	(17,260)
- warrant liabilities	-	7,341
- convertible bonds	(2,407)	1,295
Exchange gains	179	318
Provision for advances to a jointly controlled entity	<u>-</u>	<u>(400)</u>
	<u>(5,757)</u>	<u>(8,706)</u>

6 Income tax expense

	Six months ended	
	30th September	
	2009	2008
	HK\$'000	HK\$'000
Deferred income tax	<u>(21)</u>	<u>-</u>

No provision for Hong Kong profits tax has been made as the Group had sufficient tax losses brought forward to set off against the estimated assessable profits for the current period. In 2008, no provision for Hong Kong profits tax was made as the Group had no assessable profits for the period.

Share of income tax of associated companies for the six months ended 30th September 2009 of HK\$18,766,000 (2008: HK\$2,880,000) is included in the profit and loss account as share of profits of associated companies. There is no share of income tax of jointly controlled entities for the period (2008: Nil).

7 Dividend

	Six months ended 30th September	
	2009	2008
	HK\$'000	HK\$'000
Interim dividend of HK1.5 cent per share in scrip (2008: Nil)	<u>10,513</u>	<u>-</u>

At a meeting held on 8th December 2009, the Board of Directors recommended to pay an interim dividend of HK1.5 cent per share in scrip (2008: Nil). The 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 2010.

The amount of HK\$10,512,663 is based on 700,844,226 issued shares as at 8th December 2009.

8 Earnings per share

The calculation of basic earnings per share is based on profit attributable to shareholders of the Company of HK\$1,008,964,000 (2008: HK\$39,885,000) and on the weighted average number of 658,128,632 (2008: 625,740,613) shares in issue during the period.

The calculation of diluted earnings per share for the six months ended 30th September 2009 was based on HK\$1,010,064,000 equalling to profit attributable to shareholders of the Company of HK\$1,008,964,000 with a decrease in share of profit of associated companies of HK\$62,000 and finance cost saved by HK\$1,162,000 assuming the outstanding warrants of Asia Standard Hotel Group Limited ("AS Hotel") and the Company's convertible bonds had been converted respectively, and divided by the weighted average number of 723,366,127 shares equalling to the weighted average number of 658,128,632 shares in issue during the period with an increase of 65,237,495 potential shares deemed to be in issue assuming the Company's convertible bonds had been converted. The outstanding share options of the Company, Asia Standard International Group Limited ("Asia Standard") and AS Hotel did not have a dilutive effect on the earnings per share.

The basic and diluted earnings per share were the same for the six months ended 30th September 2008 as the Company's outstanding convertible bonds, share options and warrants and the outstanding share options and warrants of Asia Standard and AS Hotel did not have a dilutive effect on the earnings per share.

9 Trade and other receivables

Trade and other receivables of the Group include dividend receivables, interest receivables and utility and other deposits. Trade receivables of the Group amounted to HK\$45,512,000 (31st March 2009: HK\$333,000). Credit terms are generally not extended to customers.

Aging analysis of trade receivables is as follows:

	30th September 2009 HK\$'000	31st March 2009 HK\$'000
0 day to 60 days	<u>45,512</u>	<u>333</u>

10 Trade and other payables

Trade and other payables of the Group include trade payables, rental and management fee deposits and various accruals. Trade payables of the Group amounted to HK\$3,562,000 (31st March 2009: HK\$3,051,000).

Aging analysis of trade payables is as follows:

	30th September 2009 HK\$'000	31st March 2009 HK\$'000
0 day to 60 days	3,336	2,977
61 days to 120 days	47	21
More than 120 days	<u>179</u>	<u>53</u>
	<u>3,562</u>	<u>3,051</u>

11 Comparative figures

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

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

The Group's profit attributable to shareholders amounted to HK\$1,009 million, compared to HK\$40 million during the same period last year.

Both the Group and its associated company Asia Standard International Group Limited ("Asia Standard") benefited from the fair value gain from their investment portfolios. During the period, the Group increased its shareholding in Asia Standard by 3.8%, recognising a gain of HK\$228 million.

ASIA STANDARD

The 49.2% owned Asia Standard reported a profit attributable to shareholders of HK\$1,115 million (2008: HK\$100 million) at a revenue of HK\$892 million (2008: HK\$461 million). The Group's share of profit from this associated company amounted to HK\$506 million (2008: HK\$45 million).

Property sales and leasing, financial investments

Property sales amounted to HK\$533 million compared to HK\$82 million during the same period last year. Development profit was HK\$183 million compared to HK\$32 million during the last corresponding period. Jadewater, our residential development at Aberdeen, is the main contributor for this segment.

The Westminster Terrace, our joint venture residential development with Grosvenor at Castle Peak Road, was completed during this period. Sales for this 200,000 sq. ft. development commenced after the interim period, and will likely contribute to Asia Standard's result in the second half of the financial year.

Asia Standard has approximately 670,000 sq. ft. gross floor area of properties under development in Hong Kong. It also participated in a 2 million sq. ft. gross floor area joint venture waterfront residential/commercial development project in Beijing, which is currently under planning application.

Rental income attributable to its investment properties portfolio decreased slightly by 5%, to HK\$42 million from last corresponding period's HK\$44 million.

Asia Standard's financial investment portfolio recorded a net unrealised fair value gain of HK\$837 million (2008: HK\$97 million loss) and a net realised gain of HK\$140 million (2008: HK\$1 million) in the reported period.

Hotel

The hotel group reported a HK\$313 million (2008: HK\$1.5 million) profit for this period. The profit increment is mostly attributed to fair value gain on unrealised financial assets.

The new hotel in Causeway Bay commenced operation during the period, adding 280 rooms to our portfolio. The Empire Kowloon Hotel added 28 new rooms and began operation in February 2009. Brand new conference facilities were added to Empire Hong Kong Hotel operation to complement its repositioning in the market.

The Empire Landmark Hotel is planned to undergo an extensive renovation programme in the coming two years to further improve its competitiveness.

Asia Standard holds 67.7% stake in its hotel subsidiary.

FINANCIAL REVIEW

At 30th September 2009, the Group's net asset value increased to HK\$3.5 billion (31st March 2009: HK\$2.3 billion). During the period, HK\$51 million equity was raised upon the conversion of warrants. Net borrowing at period end was HK\$109 million while last year end was HK\$69 million. Gearing was 3% at both dates.

At 30th September 2009, the Group had financial investments in listed equity and debt securities amounting to HK\$463 million (31st March 2009: HK\$210 million). A net unrealised fair value gain of HK\$137 million (2008: HK\$28 million loss) and a net realised gain of HK\$116 million (2008: Nil) were recognised in the profit and loss account. The investments generated dividend and interest income of HK\$21 million during the period (2008: HK\$2 million).

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 2009, the Group employed 181 full time employees with most of them working for building management and related services. Their remuneration packages, commensurate with job nature and experience level, include basic salary, annual bonus, retirement and other benefits.

FUTURE PROSPECTS

Aggressive monetary easing policies adopted by Central Banks worldwide succeeded in preventing the financial meltdown to slide into a deeper turmoil. Strong demand for properties sales locally and in the mainland market shows the benefit of these policies along with substantial rebound in the equities market worldwide. Management is alert to the slow recovery of the economy worldwide and remains cautious about future endeavour.

INTERIM DIVIDEND

The Board of Directors recommends an interim dividend for the six months ended 30th September 2009 of HK1.5 cent per share in scrip (2008: Nil) to shareholders whose names appear on the Company's Register of Members on 15th January 2010 (the "Record Date") (the "Scrip Dividend Scheme").

The Scrip Dividend Scheme will be subject to The Stock Exchange of Hong Kong Limited (the "Stock Exchange") granting listing of and permission to deal in the new shares to be allotted thereunder, and is expected to be paid on or around 29th January 2010. For the purpose of determining the number of new shares to be allotted, the market value of new shares will be calculated as the average of the closing prices of the existing shares of the Company in the Stock Exchange for the three trading days prior to and including the Record Date.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Wednesday, 13th January 2010 to Friday, 15th January 2010, 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 overleap or separately 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, 12th January 2010.

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 purchased or sold any of the Company's listed securities during the period.

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 period, and they all confirmed that they have fully complied with the required standard set out in the Model Code throughout the period ended 30th September 2009.

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 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 members are Mr. Hung Yat Ming, Mr. Cheung Kwok Wah 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 results of the Group for the six months ended 30th September 2009 have been reviewed by the Audit Committee.

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

Hong Kong, 8th December 2009

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.