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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 2010

FINANCIAL HIGHLIGHTS

(In HK\$ million, except otherwise indicated)

	Six months ended 30th September		Change
	2010	2009	
Consolidated profit and loss account			
Turnover	23	378	-94%
Net investment gain	94	256	-63%
Share of profits of associated companies	690	515	+34%
Profit attributable to shareholders of the Company	807	1,009	-20%
Earnings per share - basic (HK\$)	1.14	1.53	-25%
	30th September 2010	31st March 2010	Change
Consolidated balance sheet			
Total assets	5,035	4,195	+20%
Net assets	4,951	4,134	+20%
Net assets per share (HK\$)	7.0	5.8	+21%
Net cash	4.8	25.0	-81%

The Directors of Asia Orient Holdings Limited (the "Company") announce that the unaudited condensed consolidated results of the Company and its subsidiaries (together the "Group") for the six months ended 30th September 2010 together with the comparative figures for the six months ended 30th September 2009 were as follows:

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT - UNAUDITED

For the six months ended 30th September

	<i>Note</i>	2010 HK\$'000	2009 HK\$'000
Turnover	2	<u>22,911</u>	<u>377,777</u>
Revenue	2	18,098	27,069
Cost of sales		<u>(3,758)</u>	<u>(3,639)</u>
Gross profit		14,340	23,430
Net investment gain	3	93,744	256,028
Administrative expenses		(4,213)	(5,204)
Other income and charges	5	<u>(312)</u>	<u>(5,757)</u>
Operating profit		103,559	268,497
Finance costs		(246)	(3,666)
Share of profits of			
Jointly controlled entities		-	1,039
Associated companies		689,789	514,969
Negative goodwill arising from acquisition of additional interest in associated companies		<u>13,058</u>	<u>228,146</u>
Profit before income tax		806,160	1,008,985
Income tax credit/(expense)	6	<u>550</u>	<u>(21)</u>
Profit for the period attributable to shareholders of the Company		<u>806,710</u>	<u>1,008,964</u>
Dividend	7	<u>7,102</u>	<u>10,513</u>
Earnings per share (HK\$)			
Basic	8	<u>1.14</u>	<u>1.53</u>
Diluted	8	<u>1.14</u>	<u>1.40</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
- UNAUDITED

For the six months ended 30th September

	2010	2009
	HK\$'000	HK\$'000
Profit for the period	<u>806,710</u>	<u>1,008,964</u>
Other comprehensive income		
Fair value (loss)/gain on available-for-sale investments		
- Company and subsidiaries	-	28,046
- Associated companies	(1,222)	54,169
Currency translation differences	(925)	9,097
Negative goodwill recognised by an associated company	18,633	-
	<u>16,486</u>	<u>91,312</u>
Total comprehensive income for the period	<u>823,196</u>	<u>1,100,276</u>

CONDENSED CONSOLIDATED BALANCE SHEET - UNAUDITED

	<i>Note</i>	30th September 2010 HK\$'000	31st March 2010 HK\$'000
Non-current assets			
Property, plant and equipment		76	85
Associated companies		4,427,316	3,713,848
Deferred income tax assets		<u>601</u>	<u>51</u>
		<u>4,427,993</u>	<u>3,713,984</u>
Current assets			
Trade and other receivables	9	9,100	56,922
Financial assets at fair value through profit or loss		532,150	391,595
Warrant assets		-	1,439
Bank balances and cash		<u>66,080</u>	<u>31,064</u>
		<u>607,330</u>	<u>481,020</u>
Current liabilities			
Trade and other payables	10	23,298	54,297
Amounts due to associated companies		235	494
Short-term borrowings - secured		<u>61,248</u>	<u>6,000</u>
		<u>84,781</u>	<u>60,791</u>
Net current assets		<u>522,549</u>	<u>420,229</u>
Net assets		<u>4,950,542</u>	<u>4,134,213</u>
Equity			
Share capital		71,015	70,871
Reserves		<u>4,879,527</u>	<u>4,063,342</u>
		<u>4,950,542</u>	<u>4,134,213</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 2010.

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 2010, except for the adoption of new or revised standards and amendments to existing standards (new HKFRS), which are relevant to the Group's operations and are mandatory for the Group's accounting periods beginning on 1st April 2010.

Except for certain changes in accounting policies, the adoption of these 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.

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. Revenue includes revenue from property management and dividend and interest income.

	Property management HK\$'000	Investments HK\$'000	Others HK\$'000	Total HK\$'000
Six months ended 30th September 2010				
Turnover	<u>5,280</u>	<u>17,600</u>	<u>31</u>	<u>22,911</u>
Segment revenue	<u>5,280</u>	<u>12,787</u>	<u>31</u>	<u>18,098</u>
Contribution to segment results	1,522	12,787	31	14,340
Net investment gain	-	93,744	-	93,744
Other income and charges	-	-	(312)	(312)
Segment results	1,522	106,531	(281)	107,772
Unallocated corporate expenses				(4,213)
Operating profit				103,559
Finance costs				(246)
Share of profits of				
Associated companies (note (i))				689,789
Negative goodwill arising from acquisition of additional interest in associated companies				<u>13,058</u>
Profit before income tax				806,160
Income tax credit				<u>550</u>
Profit for the period				<u>806,710</u>
Six months ended 30th September 2009				
Turnover	<u>5,461</u>	<u>372,316</u>	<u>-</u>	<u>377,777</u>
Segment revenue	<u>5,461</u>	<u>21,608</u>	<u>-</u>	<u>27,069</u>
Contribution to segment results	1,822	21,608	-	23,430
Net investment gain	-	256,028	-	256,028
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				<u>228,146</u>
Profit before income tax				1,008,985
Income tax expense				(21)
Profit for the period				<u>1,008,964</u>

2 Turnover and segment information (continued)

Note (i): Share of profits of associated companies

	Six months ended 30th September	
	2010	2009
	HK\$'000	HK\$'000
Property sales	54,436	81,094
Property leasing	474,081	42,754
Hotel and travel	19,855	2,827
Investments	230,912	430,650
Others	11,042	4,360
Finance costs	(16,401)	(11,081)
Unallocated corporate expenses	(17,762)	(16,869)
Income tax expense	(66,374)	(18,766)
	<u>689,789</u>	<u>514,969</u>

	Property management HK\$'000	Investments HK\$'000	Others HK\$'000	Total HK\$'000
At 30th September 2010				
Segment assets	18,613	540,893	572	560,078
Associated companies (note (ii))				4,427,316
Bank balances and cash, unrestricted				47,851
Other receivables				78
				<u>5,035,323</u>
Segment liabilities	22,169	61,248	-	83,417
Other payables and accruals				1,364
				<u>84,781</u>
Additions to non-current assets* for the six months ended 30th September 2010	9	-	-	9

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

2 Turnover and segment information (continued)

	Property management HK\$'000	Investments HK\$'000	Others HK\$'000	Total HK\$'000
At 31st March 2010				
Segment assets	13,919	448,060	-	461,979
Associated companies (note (ii))				3,713,848
Bank balances and cash, unrestricted				17,597
Warrant assets				1,439
Other receivables				141
				<u>4,195,004</u>
Segment liabilities	16,684	42,232	-	58,916
Other payables and accruals				1,875
				<u>60,791</u>
Additions to non-current assets* for the six months ended 30th September 2009	28	-	-	28

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

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

	30th September 2010 HK\$'000	31st March 2010 HK\$'000
Property sales	703,507	700,395
Property leasing	1,722,060	1,239,417
Hotel and travel	640,189	629,678
Investments	1,496,349	1,207,275
Others	123,736	145,770
Other unallocated liabilities	(258,525)	(208,687)
	<u>4,427,316</u>	<u>3,713,848</u>

2 Turnover and segment information (continued)

Revenue	Six months ended 30th September	
	2010 HK\$'000	2009 HK\$'000
Hong Kong	5,311	7,127
Overseas	<u>12,787</u>	<u>19,942</u>
	<u>18,098</u>	<u>27,069</u>

Non-current assets*	30th September 2010 HK\$'000	31st March 2010 HK\$'000
	Hong Kong	<u>4,427,392</u>

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

3 Net investment gain

	Six months ended 30th September	
	2010 HK\$'000	2009 HK\$'000
Financial assets at fair value through profit or loss		
- net realised gain	779	119,158
- net unrealised gain from market value movements	74,991	142,134
- net unrealised exchange gain/(loss)	17,974	(5,631)
Derivative financial instruments		
- net realised gain	<u>-</u>	<u>367</u>
	<u>93,744</u>	<u>256,028</u>

4 Income and expenses by nature

	Six months ended 30th September	
	2010	2009
	HK\$'000	HK\$'000
Income		
Bank interest income	31	-
Interest income from listed investments	12,787	8,613
Dividend income from listed investments	<u>-</u>	<u>12,505</u>
Expenses		
Depreciation	<u>18</u>	<u>241</u>

5 Other income and charges

	Six months ended 30th September	
	2010	2009
	HK\$'000	HK\$'000
Realised loss on warrant assets	-	(3,813)
Unrealised gain/(loss) on		
- warrant assets	-	284
- convertible bonds	-	(2,407)
Exchange (loss)/gain	<u>(312)</u>	<u>179</u>
	<u>(312)</u>	<u>(5,757)</u>

6 Income tax credit/(expense)

	Six months ended 30th September	
	2010	2009
	HK\$'000	HK\$'000
Deferred income tax	<u>550</u>	<u>(21)</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 and prior period.

Share of income tax expense of associated companies for the six months ended 30th September 2010 of HK\$66,374,000 (2009: HK\$18,766,000) is included in the share of profits of associated companies in the profit and loss account. There is no share of income tax of jointly controlled entities for the current period and prior period.

7 Dividend

	Six months ended 30th September	
	2010	2009
	HK\$'000	HK\$'000
Interim dividend of HK1 cent per share with a scrip option (2009: HK1.5 cent per share in scrip)	<u>7,102</u>	<u>10,513</u>

At a meeting held on 26th November 2010, the Board of Directors recommended to pay an interim dividend of HK1 cent per share with a scrip option (2009: HK1.5 cent per share in scrip). 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 2011.

The amount of HK\$7,102,000 is based on 710,150,519 issued shares as at 26th November 2010.

8 Earnings per share

The calculation of basic and diluted earnings per share for the six months ended 30th September is based on the following:

	Six months ended 30th September	
	2010	2009
	HK\$'000	HK\$'000
Profit attributable to shareholders of the Company	806,710	1,008,964
Effect of dilutive potential shares:		
Interest expense saved on convertible bonds	-	1,162
Decrease in share of profit arising from exercise of warrants of an associated company	-	(62)
Profit for calculation of diluted earnings per share	<u>806,710</u>	<u>1,010,064</u>
	Number of shares	
Weighted average number of shares for calculation of basic earnings per share	708,809,638	658,128,632
Effect of dilutive potential shares:		
A portion of share options assumed to be exercised	1,164,627	-
Convertible bonds assumed to be converted at beginning of the period	-	65,237,495
Weighted average number of shares for calculation of diluted earnings per share	<u>709,974,265</u>	<u>723,366,127</u>

Diluted earnings per share for the six months ended 30th September 2010 and 2009 did not assume the exercise of the outstanding share options of the Company, Asia Standard International Group Limited (öAsia Standardö) and Asia Standard Hotel Group Limited (öAS Hotelö) since their exercise would have an anti-dilutive effect.

9 Trade and other receivables

Trade and other receivables of the Group include trade receivables, interest receivables, receivables on disposal of available-for-sale investments, utility deposits and other deposits.

Aging analysis of trade receivables is as follows:

	30th September 2010 HK\$'000	31st March 2010 HK\$ø000
0 - 60 days	<u><u>35</u></u>	<u><u>495</u></u>

10 Trade and other payables

Trade and other payables of the Group include trade payables, building management account surplus and various accruals.

Aging analysis of trade payables is as follows:

	30th September 2010 HK\$'000	31st March 2010 HK\$ø000
0 - 60 days	2,673	38,899
61 - 120 days	28	67
More than 120 days	<u>81</u>	<u>29</u>
	<u><u>2,782</u></u>	<u><u>38,995</u></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\$807 million, compared to HK\$1,009 million of interim period last year.

The Group recorded an increased share of profit from its associated company Asia Standard International Group Limited (öAsia Standardö), resulting from the Group's increased shareholdings together with Asia Standard's increased profit attributable to shareholders. Profit for the Group however dropped by HK\$202 million or 20% to HK\$807 million due to decreased investment gain and negative goodwill.

ASIA STANDARD

The 49.3% owned Asia Standard reported a profit attributable to shareholders of HK\$1,397 million (2009: HK\$1,115 million) with a revenue of HK\$595 million (2009: HK\$892 million). The Group's share of profit from this associated company amounted to HK\$687 million (2009: HK\$506 million).

Property sales, development and leasing

Property sales amounted to HK\$133 million compared to HK\$533 million last interim period. Development profit was HK\$64 million compared to HK\$183 million of last corresponding period. During the current period, sales of Westminster Terrace, the 50% joint venture luxurious residential development at Castle Peak Road, contributed HK\$47 million to Asia Standard's profit before tax for the period.

On project development side, the lease modification of the approximately 540,000 sq. ft. GFA residential development at Hung Shui Kiu, New Territories and another development at Lam Tei, New Territories are at discussion with government. The 50% joint venture project in Beijing is at the stage of obtaining planning parameter clearances. Upon completion, the Beijing project may be developed into an approximately 2 million sq. ft. GFA residential/commercial complex. After the interim period, Asia Standard acquired a site in Macau which is currently under planning application for residential development.

On leasing, rental income attributable to its investment properties portfolio increased by 10% to HK\$46 million from HK\$42 million of last interim period. Revaluation gain net of deferred tax of HK\$806 million was recorded, compared to HK\$47 million of interim period last year.

Financial investments

Asia Standard's financial investment portfolio recorded a net unrealised fair value gain of HK\$404 million (2009: HK\$838 million) and a net realised gain of HK\$6 million (2009: HK\$140 million) during the period. At the same time, these investments generated dividend and interest income of HK\$96 million (2009: HK\$88 million).

Hotel

Asia Standard increased its stake in the listed hotel subsidiary by 2.4% to 69.8%. The hotel group reported a HK\$151 million (2009: HK\$313 million) profit for the period.

Average room rates and occupancy increased for the entire hotel portfolio. Profit from hotel operation is more than last interim period mainly due to the full operation of a 280 rooms hotel in Causeway Bay newly opened in last interim period.

FINANCIAL REVIEW

At 30th September 2010, the Group's net asset value increased to HK\$5.0 billion (31st March 2010: HK\$4.1 billion). The Group was at net cash position at interim period end and last financial year end.

At 30th September 2010, the Group had financial investments amounting to HK\$532 million (31st March 2010: HK\$393 million). A net unrealised fair value gain of HK\$93 million (2009: HK\$137 million) and a net realised gain of HK\$1 million (2009: HK\$119 million) were recognised in the profit and loss account. The investment portfolio generated income of HK\$13 million during the period (2009: HK\$21 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 extended to jointly controlled entities, associated companies and third parties.

EMPLOYEES AND REMUNERATION POLICIES

At 30th September 2010, the Group employed 174 full time employees with the majority 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

We very much remain optimistic and yet cautious in looking ahead to the remainder of the period as China appears to resort to tightening policies to combat escalating inflation amid vast capital inflow from developed economies. Local cooling measures are already in place to curb the heated property market. Despite these public intervention the Group remains poised to capitalise on market weakness whenever it arises.

INTERIM DIVIDEND

The Board of Directors recommends an interim dividend for the six months ended 30th September 2010 of HK1 cent per share with an option to elect to receive shares of the Company credited as fully paid in lieu of cash in respect of part or all of the proposed interim dividend (the "Scrip Dividend Scheme") (2009: HK1.5 cent per share in scrip) to shareholders whose names appear on the Register of Members of the Company on Friday, 14th January 2011 (the "Record Date").

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. 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. The interim dividend is expected to be paid on or around Tuesday, 15th February 2011.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Wednesday, 12th January 2011 to Friday, 14th January 2011, 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 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, 11th January 2011.

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 2010.

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 who have reviewed the unaudited interim financial results of the Group for the six months ended 30th September 2010.

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

Hong Kong, 26th November 2010

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.