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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 2011

FINANCIAL HIGHLIGHTS

(In HK\$ million, except otherwise indicated)

	Six months ended 30th September		Change
	2011	2010 (Restated)	
Consolidated profit and loss account			
Revenue	633	18	+35 times
Operating (loss)/profit	(814)	104	N/A
(Loss)/profit attributable to shareholders of the Company	(312)	885	N/A
(Loss)/earnings per share - basic (HK\$)	(0.44)	1.25	N/A
	30th September 2011	31st March 2011 (Restated)	Change
Consolidated balance sheet			
Total assets	20,301	20,045	+1%
Net assets	14,292	14,944	- 4%
Equity attributable to shareholders of the Company	6,709	7,048	-5%
Equity attributable to shareholders of the Company per share (HK\$)	9.42	9.89	-5%
Net debt	4,707	3,716	+27%
Gearing – net debt to net assets	33%	25%	+8%

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 2011 together with the comparative figures for the six months ended 30th September 2010 were as follows:

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT - UNAUDITED

For the six months ended 30th September

	<i>Note</i>	2011 HK\$'000	2010 HK\$'000 (Restated)
Revenue	2	633,121	18,098
Cost of sales		<u>(203,259)</u>	<u>(3,758)</u>
Gross profit		429,862	14,340
Selling and administrative expenses		(94,409)	(4,195)
Depreciation		(85,807)	(18)
Fair value gain of investment properties		852,241	-
Net investment (loss)/gain	3	<u>(1,915,665)</u>	<u>93,744</u>
Operating (loss)/profit		(813,778)	103,871
Net finance income/(costs)		9,676	(558)
Share of profits less losses of			
Jointly controlled entities		3,009	-
Associated companies		212,617	767,948
Negative goodwill arising from acquisition of additional interest in associated companies		<u>-</u>	<u>13,581</u>
(Loss)/profit before income tax		(588,476)	884,842
Income tax credit	5	<u>7,625</u>	<u>550</u>
(Loss)/profit for the period		<u>(580,851)</u>	<u>885,392</u>
Attributable to:			
Shareholders of the Company		(311,847)	885,392
Non-controlling interests		<u>(269,004)</u>	<u>-</u>
		<u>(580,851)</u>	<u>885,392</u>
Dividend	6	<u>-</u>	<u>7,102</u>
(Loss)/earnings per share (HK\$)			
Basic	7	<u>(0.44)</u>	<u>1.25</u>
Diluted	7	<u>(0.44)</u>	<u>1.25</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - UNAUDITED

For the six months ended 30th September

	2011	2010
	HK\$'000	HK\$'000
		(Restated)
(Loss)/profit for the period	----- (580,851) -----	----- 885,392 -----
Other comprehensive (charge)/income		
Net fair value loss on available-for-sale investments	(58,037)	(1,222)
Impairment of available-for-sale investments	1,517	-
Currency translation differences	(14,148)	(925)
Negative goodwill recognised by an associated company	-	18,633
	<u>(70,668)</u>	<u>16,486</u>
Total comprehensive (charge)/income for the period	<u>(651,519)</u>	<u>901,878</u>

CONDENSED CONSOLIDATED BALANCE SHEET - UNAUDITED

	<i>Note</i>	30th September 2011 HK\$'000	31st March 2011 HK\$'000 (Restated)
Non-current assets			
Property, plant and equipment		6,801,000	6,897,728
Investment properties		4,245,258	3,393,017
Jointly controlled entities		1,219,861	821,543
Associated companies		1,114,547	929,967
Available-for-sale investments		174,636	230,257
Mortgage loans receivable		73,784	81,729
Deferred income tax assets		1,939	5,852
		13,631,025	12,360,093
Current assets			
Properties under development for sale		1,475,295	1,133,217
Completed properties held for sale		132,798	170,536
Hotel and restaurant inventories		2,159	2,341
Mortgage loans receivable		2,899	3,664
Trade and other receivables	8	305,414	244,290
Amount due from an associated company		13,200	-
Amount due from a jointly controlled entity		-	65,000
Income tax recoverable		13	513
Financial assets at fair value through profit or loss		4,412,036	5,718,781
Bank balances and cash		326,611	346,156
		6,670,425	7,684,498
Current liabilities			
Trade and other payables	9	124,580	160,624
Amount due to an associated company		-	14,850
Income tax payable		22,573	36,857
Derivative financial instruments		33,853	26,242
Borrowings		2,476,111	1,791,956
		2,657,117	2,030,529
Net current assets		4,013,308	5,653,969
Total assets less current liabilities		17,644,333	18,014,062

CONDENSED CONSOLIDATED BALANCE SHEET – UNAUDITED (CONTINUED)

	30th September 2011 HK\$'000	31st March 2011 HK\$'000 (Restated)
Non-current liabilities		
Long term borrowings	2,557,879	2,270,071
Deferred income tax liabilities	<u>794,454</u>	<u>800,472</u>
	<u>3,352,333</u>	<u>3,070,543</u>
Net assets	<u>14,292,000</u>	<u>14,943,519</u>
Equity		
Share capital	71,243	71,243
Reserves	<u>6,637,756</u>	<u>6,976,570</u>
Equity attributable to shareholders of the Company	<u>6,708,999</u>	7,047,813
Non-controlling interests	<u>7,583,001</u>	<u>7,895,706</u>
	<u>14,292,000</u>	<u>14,943,519</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

1 Basis of preparation

During the period from December 2010 to end of January 2011, the Group's shareholdings in Asia Standard International Group Limited ("Asia Standard") increased from 49.2% to 50.3%. The increase changed the status of Asia Standard from an associated company of the Group to a subsidiary in January 2011. As a result, the Group would consolidate the results of Asia Standard Group from February 2011 onwards. Prior to that, the results and net assets of Asia Standard were equity accounted for in the Group's financial statements.

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 (the "HKICPA"), and should be read in conjunction with the annual financial statements for the year ended 31st March 2011.

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 2011, except for the adoption of new and revised standards and amendments to existing standards ("new HKFRSs"), which are relevant to the Group's operations and are applicable to the Group's accounting periods beginning on 1st April 2011.

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

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

The adoption of new HKFRSs in the current 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.

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

The change in policy arising from the adoption of HKAS 12 (Amendment) is the only change which has had a material impact on the current and comparative periods. The Group's investment properties in Hong Kong do not have to provide deferred tax on fair value changes arising from revaluation of investment properties. Previously, where these properties were held under leasehold interests, deferred tax was generally measured using the tax rate that would apply as a result of recovery of the asset's value through use.

NOTES TO THE INTERIM FINANCIAL INFORMATION

1 Basis of preparation (continued)

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

Consolidated profit and loss account

	Six months ended 30th September	
	2011	2010
	HK\$'000	HK\$'000
Increase in:		
Share of profits of associated companies	33,759	78,159
Negative goodwill arising from acquisition of interest in associated companies	-	523
Income tax credit	140,933	-
Decrease in loss/increase in profit for the period attributable to shareholders of the Company	174,692	78,682
Decrease in loss/increase in earnings per share (HK\$)	0.25	0.11

Consolidated balance sheet

	30th	31st
	September	March
	2011	2011
	HK\$'000	HK\$'000
Increase/(decrease) in:		
Associated companies	143,886	110,127
Deferred income tax liabilities	(570,524)	(429,591)
Net assets	714,410	539,718

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

2 Turnover and segment information

Turnover comprises revenue from property sales and leasing, hotel and travel agency, management services, interest income and dividend income, together with gross proceeds from disposal of financial assets at fair value through profit or loss and derivative financial instruments. Revenue includes revenue from property sales and leasing, hotel and travel agency, management services, interest income and dividend income.

Current period segment results consolidate segment results of Asia Standard as it became a subsidiary from February 2011 onwards. Prior to that, its result was included as share of profits less losses of associated companies. As a result of this change, certain comparative figures were re-presented to conform to current period's presentation of segment results.

	Property management HK\$'000	Property sales HK\$'000	Property leasing HK\$'000	Hotel and travel HK\$'000	Investments HK\$'000	Others HK\$'000	Group HK\$'000
Six months ended 30th September 2011							
Turnover	<u>6,139</u>	<u>37,919</u>	<u>44,520</u>	<u>340,775</u>	<u>2,045,300</u>	<u>14,425</u>	<u>2,489,078</u>
Segment revenue	<u>6,139</u>	<u>37,919</u>	<u>44,520</u>	<u>340,775</u>	<u>189,343</u>	<u>14,425</u>	<u>633,121</u>
Contribution to segment results	2,545	235	42,580	130,713	189,343	14,425	379,841
Depreciation	(48)	-	-	(83,255)	-	(2,504)	(85,807)
Fair value gain of investment properties	-	-	852,241	-	-	-	852,241
Net investment loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,915,665)</u>	<u>-</u>	<u>(1,915,665)</u>
Segment results	2,497	235	894,821	47,458	(1,726,322)	11,921	(769,390)
Unallocated corporate expenses							<u>(44,388)</u>
Operating loss							(813,778)
Net finance income							9,676
Share of profits less losses of							
Jointly controlled entities	-	3,009	-	-	-	-	3,009
Associated companies	-	(16)	212,643	-	-	(10)	<u>212,617</u>
Loss before income tax							(588,476)
Income tax credit							<u>7,625</u>
Loss for the period							<u>(580,851)</u>

2 Turnover and segment information (continued)

	Property management HK\$'000	Property sales HK\$'000	Property leasing HK\$'000	Hotel and travel HK\$'000	Investments HK\$'000	Others HK\$'000	Group HK\$'000
Six months ended 30th September 2010 (Restated)							
Turnover	<u>5,280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,600</u>	<u>31</u>	<u>22,911</u>
Segment revenue	<u>5,280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,787</u>	<u>31</u>	<u>18,098</u>
Contribution to segment results	1,522	-	-	-	12,787	31	14,340
Depreciation	(18)	-	-	-	-	-	(18)
Net investment gain	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,744</u>	<u>-</u>	<u>93,744</u>
Segment results	1,504	-	-	-	106,531	31	108,066
Unallocated corporate expenses	-	-	-	-	-	-	<u>(4,195)</u>
Operating profit							103,871
Finance costs							(558)
Share of profits of associated companies	-	46,624	484,203	15,707	210,620	10,794	767,948
Negative goodwill arising from acquisition of additional interest in associated companies							<u>13,581</u>
Profit before income tax							884,842
Income tax credit							<u>550</u>
Profit for the period							<u>885,392</u>

2 Turnover and segment information (continued)

	Property management HK\$'000	Property sales HK\$'000	Property leasing HK\$'000	Hotel and travel HK\$'000	Investments HK\$'000	Others HK\$'000	Group HK\$'000
At 30th September 2011							
Segment assets	22,587	2,874,425	5,333,684	6,725,244	4,758,609	398,570	20,113,119
Other unallocated assets							<u>188,331</u>
							<u><u>20,301,450</u></u>
Segment assets include:							
Jointly controlled entities and associated companies	-	1,265,724	1,080,963	-	-	921	2,347,608
Addition to non-current assets* for the six months ended 30th September 2011							
	306	500,000	-	4,951	-	421	505,678
Segment liabilities							
Borrowings	-	1,605,000	490,452	1,069,869	1,868,669	-	5,033,990
Other unallocated liabilities							<u>975,460</u>
							<u><u>6,009,450</u></u>
At 31st March 2011 (Restated)							
Segment assets	21,714	2,237,605	4,281,120	6,813,618	6,070,249	407,205	19,831,511
Other unallocated assets							<u>213,080</u>
							<u><u>20,044,591</u></u>
Segment assets include:							
Jointly controlled entities and associated companies	-	932,409	883,170	-	-	931	1,816,510
Addition to non-current assets* for the six months ended 30th September 2010							
	9	-	-	-	-	-	9
Segment liabilities							
Borrowings	-	775,000	498,484	1,097,683	1,690,860	-	4,062,027
Other unallocated liabilities							<u>1,039,045</u>
							<u><u>5,101,072</u></u>

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

2 Turnover and segment information (continued)

	Six months ended 30th September	
	2011 HK\$'000	2010 HK\$'000
Revenue		
Hong Kong	389,930	5,311
Overseas	<u>243,191</u>	<u>12,787</u>
	<u>633,121</u>	<u>18,098</u>
	30th September 2011 HK\$'000	31st March 2011 HK\$'000 (Restated)
Non-current assets*		
Hong Kong	12,560,368	11,189,570
Overseas	<u>820,298</u>	<u>852,685</u>
	<u>13,380,666</u>	<u>12,042,255</u>

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

3 Net investment (loss)/gain

	Six months ended 30th September	
	2011 HK\$'000	2010 HK\$'000
Financial assets at fair value through profit or loss		
- net unrealised (loss)/gain from market price movements	(1,773,122)	74,991
- net unrealised exchange (loss)/gain	(147,796)	17,974
- net realised gain (<i>note</i>)	14,569	779
Net unrealised loss on derivative financial instruments	(7,799)	-
Impairment of available-for-sale investments	<u>(1,517)</u>	<u>-</u>
	<u>(1,915,665)</u>	<u>93,744</u>
<i>Note:</i>		
Net realised gain on financial assets at fair value through profit or loss		
Gross proceeds	1,855,957	4,812
Cost of purchase	<u>(1,089,324)</u>	<u>(4,033)</u>
Total gain	766,633	779
Net unrealised gain recognised in prior years	<u>(752,064)</u>	<u>-</u>
	<u>14,569</u>	<u>779</u>

4 Income and expenses by nature

	Six months ended	
	30th September	
	2011	2010
	HK\$'000	HK\$'000
Income		
Interest income		
- Listed investments	177,119	12,787
- Unlisted investments	180	-
- A jointly controlled entity	4,493	-
- Other receivables	2,210	-
- Bank deposits	325	31
Dividend income		
- Listed investments	<u>11,694</u>	<u>-</u>
Expenses		
Operating lease rental expense for land and buildings	3,620	-
Cost of properties and goods sold	<u>120,476</u>	<u>-</u>

5 Income tax credit

	Six months ended	
	30th September	
	2011	2010
	HK\$'000	HK\$'000
Current income tax		
Hong Kong profits tax	(4,327)	-
Overprovision in prior years	<u>18,085</u>	<u>-</u>
	13,758	-
Deferred income tax	<u>(6,133)</u>	<u>550</u>
	<u>7,625</u>	<u>550</u>

Hong Kong profits tax is provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profit for the period. Income tax on overseas profits has been calculated on the estimated assessable profit for the period at the tax rates prevailing in the countries in which the Group operates. In 2010, 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 period.

Share of income tax expenses of jointly controlled entities and associated companies for the period of HK\$785,000 (2010: Nil) and HK\$1,566,000 (2010: HK\$66,374,000) are included in the profit and loss account as share of profits less losses of jointly controlled entities and associated companies respectively.

6 Dividend

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 30th September 2011 (2010: HK1 cent per share, with a scrip option).

7 (Loss)/Earnings per share

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

	Six months ended 30th September	
	2011	2010
	HK\$'000	HK\$'000 (Restated)
(Loss)/profit attributable to shareholders of the Company	<u>(311,849)</u>	<u>885,392</u>
	Number of shares	
Weighted average number of shares for calculation of basic (loss)/earnings per share	712,431,720	708,809,638
Effect of dilutive potential shares:		
A portion of share options assumed to be exercised	<u>4,064,896</u>	<u>1,164,627</u>
Weighted average number of shares for calculation of diluted (loss)/earnings per share	<u>716,496,616</u>	<u>709,974,265</u>

Diluted (loss)/earnings per share for the six months ended 30th September 2011 and 2010 did not assume the exercise of the outstanding share options of Asia Standard International Group Limited ("Asia Standard") and Asia Standard Hotel Group Limited ("AS Hotel") since their exercise would have an anti-dilutive effect.

8 Trade and other receivables

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

An aging analysis of trade receivables net of provision for impairment is as follows:

	30th September 2011 HK\$'000	31st March 2011 HK\$'000
0-60 days	40,617	67,777
61-120 days	965	500
More than 120 days	<u>25</u>	<u>23</u>
	<u>41,607</u>	<u>68,300</u>

9 Trade and other payables

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

An aging analysis of trade receivables net of provision for impairment is as follows:

	30th September 2011 HK\$'000	31st March 2011 HK\$'000
0-60 days	17,415	58,132
61-120 days	38	83
More than 120 days	19	106
	<u>17,472</u>	<u>58,321</u>

10 Comparative figures

Certain comparative figures have been restated as a result of the adoption of new HKFRS and to conform with the current period's presentation.

11 Subsequent event

On 14th October 2011, the Company issued convertible bonds with principal amount of HK\$80 million which bears interest at 6.5% per annum payable semi-annually in arrears. The bondholder has the option to convert the bonds into fully paid shares at HK\$1.1 per share at any time within three years from the date of issue. The net proceeds amounting to HK\$78.6 million has been applied towards repayment of short term bank borrowings.

MANAGEMENT DISCUSSION AND ANALYSIS

ASIA STANDARD BECAME A SUBSIDIARY

In January 2011, the Group's shareholdings in Asia Standard International Group Limited ("Asia Standard") increased from 49.2% to 50.3%. The increase changed the status of Asia Standard from an associated company of the Group to a subsidiary in January 2011. Accordingly, results of Asia Standard are consolidated in the current interim period but equity accounted for in the interim period of 2010.

RESULTS

The Group's revenue for the six months amounted to HK\$633 million (2010: HK\$18 million), it recorded a HK\$312 million loss attributable to shareholders (2010: HK\$885 million profit). The loss is mainly due to unrealised loss arising from the change in market value of its securities investment. This unrealised loss does not affect the cashflow of the Group in the period.

ASIA STANDARD

The 50.3% owned Asia Standard reported a loss attributable to shareholders of HK\$192 million (2010: HK\$1,555 million profit) with a revenue of HK\$589 million (2010: HK\$595 million).

Property sales, development and leasing

Property sales amounted to HK\$38 million (2010: HK\$133 million). Development profit was HK\$5 million (2010: HK\$64 million).

Development sales at The Westminster Terrace, a 50% joint venture luxurious residential development at Castle Peak Road, generated a HK\$256 million revenue (2010: HK\$277 million) and contributed HK\$109 million (2010: HK\$95 million) profit before tax to Asia Standard for the current interim period. By accounting convention, these revenue and profit was excluded from Asia Standard's revenue and segment results but separately accounted for as share of profit from jointly controlled entity.

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

During the period, Asia Standard jointly with its partner acquired another 1.5 million sq. ft. site in Shanghai, planning to be developed into low rise residential buildings and villas. It owned a 47.5% stake in this project and has contracted to increase to 50%.

On leasing, rental income attributable to its investment properties portfolio increased by 20% to HK\$55 million from HK\$46 million of interim period last year. Revaluation gain (including that from associated company) of HK\$1,059 million (2010: HK\$966 million) was recorded. Deferred tax on revaluation surplus of investment properties was written back with the adoption of revised accounting standard during the period.

Financial investments

At 30th September 2011, Asia Standard's financial investment portfolio amounted to HK\$4,093 million (31st March 2011: HK\$5,250 million). It recorded a net unrealised fair value loss of HK\$1,727 million (2010: HK\$404 million) and a net realised gain of HK\$6 million (2010: HK\$6 million) during the period. These investments generated dividend and interest income of HK\$156 million (2010: HK\$96 million).

Hotel

The hotel group reported a loss of HK\$487 million (2010: profit of HK\$151 million) for the period.

Revenue increased for the entire hotel portfolio, slightly offset by minor reduction in the travel agency and catering operation. Contribution to segment results before depreciation of HK\$131 million was registered for the period compared to HK\$98 million of interim period last year, which is the result of both higher occupancies and room rates.

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

FINANCIAL REVIEW

The Group's total asset at period end amounted to approximately HK\$20 billion (31st March 2011: HK\$20 billion). Net asset was HK\$14.3 billion (31st March 2011: HK\$14.9 billion).

Net debt at 30th September 2011 was HK\$4.7 billion (31st March 2011: HK\$3.7 billion), of which HK\$4.6 billion (31st March 2011: HK\$3.6 billion) belong to the separately listed subsidiary and HK\$0.1 billion (31st March 2011: HK\$0.1 billion) belong to the parent group. Gearing was 33% (31st March 2011: 25%). The increase in debt is mainly to finance the acquisition of development project.

All the debts are at floating rates and interest rate fluctuation is partly managed through interest rate swaps. At 30th September 2011, a total of HK\$200 million interest rate swap contracts were held for hedging purpose against our borrowings. Total interest costs increased due to increase in average loan balance.

The maturity of our debts spread over a long period of up to 15 years. 20% of total borrowings are from revolving credit facilities secured by property assets. 23% are from revolving credit facilities through the pledge of financial assets investment. 19% are repayable between one to five years and 33% repayable after five years, which are also secured by property assets. At 30th September 2011, the Group had current assets of HK\$6,670 million (31st March 2011: HK\$7,684 million).

About 78% of the Group's borrowings are in Hong Kong dollar and 14% in Euro. With the weakening of Euro against Hong Kong dollar, the Group recorded an exchange gain in these foreign currencies loan revaluation for the period, resulting in a net credit in total finance costs.

At 30th September 2011, the Group's financial investment portfolio amounted to HK\$4,587 million (31st March 2011: HK\$5,949 million). These financial investments comprise 69% by debt securities and 31% by equity securities. They are denominated in different currencies with 32% in Sterling, 29% in US dollar, 22% in Euro and 17% in HK dollar.

Excluding Asia Standard, the parent group has a net unrealised fair value loss of HK\$202 million (2010: HK\$93 million unrealised gain) and a net realised gain of HK\$9 million (2010: HK\$1 million) recognised in the profit and loss account and generated dividend and interest income of HK\$33 million during the period (2010: HK\$13 million).

At 30th September 2011, an approximate HK\$14,832 million (31st March 2011: HK\$13,529 million) book value of property assets and financial investments were pledged to banks as collateral for credit facilities granted to the Group. The Group did not provide any guarantees (31st March 2011: Nil) to financial institutions on credit facilities extended to jointly controlled entities, associated companies and third parties.

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

EMPLOYEES AND REMUNERATION POLICIES

At 30th September 2011, the Group employed approximately 680 full time employees. Their remuneration packages, commensurate with job nature and experience level, include basic salary, annual bonus, retirement and other benefits.

FUTURE PROSPECTS

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

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

INTERIM DIVIDEND

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 30th September 2011 (2010: HK1 cent per share, with a scrip option).

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 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 period, and they all confirmed that they have fully complied with the required standard as set out in the Model Code throughout the period ended 30th September 2011.

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 has reviewed the unaudited interim results of the Group for the six months ended 30th September 2011.

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

Hong Kong, 28th November 2011

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.