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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 2012

FINANCIAL HIGHLIGHTS

(In HK\$ million, except otherwise indicated)

	Six months ended 30th September		Change
	2012	2011	
Revenue	598	633	- 6%
Operating profit/(loss)	747	(814)	N/A
Profit/(loss) attributable to shareholders of the Company	424	(312)	N/A
Earnings/(loss) per share - basic (HK\$)	0.59	(0.44)	N/A
	30th September 2012	31st March 2012	Change
Total assets	20,564	19,795	+4%
Net assets	15,665	14,833	+6%
Equity attributable to shareholders of the Company	7,410	6,980	+6%
Net debt	3,542	3,513	+1%
Gearing – net debt to net assets	23%	24%	-1%
Supplementary information with hotel properties at valuation:			
Revalued total assets	22,454	21,434	+5%
Revalued net assets	18,186	17,108	+6%
Equity attributable to shareholders of the Company	8,378	7,854	+7%
Equity attributable to shareholders of the Company per share (HK\$)	11.73	11.00	+7%
Gearing – net debt to revalued net assets	19%	21%	-2%

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 2012 together with the comparative figures for the six months ended 30th September 2011 were as follows:

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT - UNAUDITED

For the six months ended 30th September

	<i>Note</i>	2012 HK\$'000	2011 HK\$'000
Revenue	2	598,440	633,121
Cost of sales		<u>(185,022)</u>	<u>(203,259)</u>
Gross profit		413,418	429,862
Selling and administrative expenses		(100,256)	(94,409)
Depreciation		(81,856)	(85,807)
Net investment gain/(loss)	3	187,421	(1,915,665)
Fair value gain of investment properties		<u>328,718</u>	<u>852,241</u>
Operating profit/ (loss)		747,445	(813,778)
Net finance (costs)/income		(28,982)	9,676
Share of profits less losses of			
Jointly controlled entities		4,964	3,009
Associated companies		<u>109,077</u>	<u>212,617</u>
Profit/(loss) before income tax		832,504	(588,476)
Income tax (expense)/credit	5	<u>(10,314)</u>	<u>7,625</u>
Profit/(loss) for the period		<u>822,190</u>	<u>(580,851)</u>
Attributable to:			
Shareholders of the Company		424,492	(311,847)
Non-controlling interests		<u>397,698</u>	<u>(269,004)</u>
		<u>822,190</u>	<u>(580,851)</u>
Earnings/(loss) per share (HK\$)			
Basic	7	<u>0.59</u>	<u>(0.44)</u>
Diluted	7	<u>0.54</u>	<u>(0.44)</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - UNAUDITED

For the six months ended 30th September

	2012	2011
	HK\$'000	HK\$'000
Profit/(loss) for the period	<u>822,190</u>	<u>(580,851)</u>
Other comprehensive income/(charge)		
Net fair value gain/(loss) on available-for-sale investments	12,021	(58,037)
Impairment of available-for-sale investments charged to profit and loss account	395	1,517
Release of reserve upon disposal of available-for-sale investments	(622)	-
Currency translation differences	<u>3,120</u>	<u>(14,148)</u>
	<u>14,914</u>	<u>(70,668)</u>
Total comprehensive income/(charge) for the period	<u>837,104</u>	<u>(651,519)</u>
Attributable to:		
Shareholders of the Company	430,122	(338,814)
Non-controlling interest	<u>406,982</u>	<u>(312,705)</u>
	<u>837,104</u>	<u>(651,519)</u>

CONDENSED CONSOLIDATED BALANCE SHEET – UNAUDITED

	Note	30th September 2012 HK\$'000	31st March 2012 HK\$'000
Non-current assets			
Property, plant and equipment		6,853,127	6,727,239
Investment properties		4,626,854	4,297,374
Jointly controlled entities		1,039,249	1,089,587
Associated companies		1,230,830	1,138,238
Available-for-sale investments		202,473	197,295
Mortgage loans receivable		6,200	14,073
Deferred income tax assets		1,209	1,466
		13,959,942	13,465,272
Current assets			
Properties under development for sale		1,546,915	1,532,123
Completed properties held for sale		131,447	132,053
Hotel and restaurant inventories		2,249	2,342
Mortgage loans receivable		821	1,156
Trade and other receivables	8	403,916	221,426
Amount due from a jointly controlled entity		-	91,000
Income tax recoverable		166	173
Financial assets at fair value through profit or loss		4,165,166	3,908,913
Bank balances and cash		353,086	440,160
		6,603,766	6,329,346
Current liabilities			
Trade and other payables	9	141,059	142,503
Dividend payable to non-controlling interests		4,867	-
Amount due to a jointly controlled entity		42,955	55,357
Income tax payable		41,928	21,734
Derivative financial instruments		4,229	6,001
Borrowings		1,422,017	1,526,688
		1,657,055	1,752,283
Net current assets		4,946,711	4,577,063
Total assets less current liabilities		18,906,653	18,042,335
Non-current liabilities			
Long term borrowings		2,407,292	2,364,093
Convertible bonds		65,304	62,348
Deferred income tax liabilities		768,877	782,951
		3,241,473	3,209,392
Net assets		15,665,180	14,832,943
Equity			
Share capital		71,416	71,416
Reserves		7,338,465	6,908,343
Equity attributable to shareholders of the Company		7,409,881	6,979,759
Non-controlling interests		8,255,299	7,853,184
		15,665,180	14,832,943

NOTES TO THE INTERIM FINANCIAL INFORMATION

1 Basis of preparation

The unaudited condensed consolidated interim financial information (“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 2012.

The accounting policies and methods of computation used in the preparation of this Interim Financial Information are consistent with those used in the annual financial statements for the year ended 31st March 2012. There are no new or revised standards or interpretations that are effective for the first time for this interim period which are relevant to the Group’s operation that could be expected to have a material impact to the Group’s Interim Financial Information.

2 Turnover and segment information

Revenue includes revenue from property sales and leasing, hotel and travel agency, management services, interest income and dividend income. Turnover is revenue as defined under generally accepted accounting principles and gross consideration from disposal of financial assets at fair value through profit or loss and derivative financial instruments.

	Property management HK\$’000	Property sales HK\$’000	Property leasing HK\$’000	Hotel and travel HK\$’000	Investments HK\$’000	Others HK\$’000	Total HK\$’000
Six months ended 30th September 2012							
Turnover	<u>6,153</u>	<u>683</u>	<u>42,135</u>	<u>367,564</u>	<u>933,388</u>	<u>6,456</u>	<u>1,356,379</u>
Segment revenue	<u>6,153</u>	<u>683</u>	<u>42,135</u>	<u>367,564</u>	<u>175,449</u>	<u>6,456</u>	<u>598,440</u>
Contribution to segment results	2,619	77	39,221	133,383	175,449	6,456	357,205
Depreciation	(47)	-	-	(78,720)	-	(3,089)	(81,856)
Net investment gain	-	-	-	-	187,421	-	187,421
Fair value gain of investment properties	-	-	328,718	-	-	-	328,718
Segment results	<u>2,572</u>	<u>77</u>	<u>367,939</u>	<u>54,663</u>	<u>362,870</u>	<u>3,367</u>	<u>791,488</u>
Unallocated corporate expenses							<u>(44,043)</u>
Operating profit							<u>747,445</u>
Net finance costs							<u>(28,982)</u>
Share of profits less losses of							
Jointly controlled entities	-	4,964	-	-	-	-	4,964
Associated companies	-	-	109,077	-	-	-	<u>109,077</u>
Profit before income tax							<u>832,504</u>
Income tax expense							<u>(10,314)</u>
Profit for the period							<u>822,190</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	Total 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)
Net investment loss	-	-	-	-	(1,915,665)	-	(1,915,665)
Fair value gain of investment properties	<u>-</u>	<u>-</u>	<u>852,241</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>852,241</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	Total HK\$'000
At 30th September 2012							
Segment assets	21,738	2,764,029	5,818,451	6,788,835	4,638,594	328,419	20,360,066
Other unallocated assets							<u>203,642</u>
							<u><u>20,563,708</u></u>
Segment assets include:							
Jointly controlled entities and associated companies	-	1,085,119	1,184,045	-	-	914	2,270,078
Addition to non-current assets* for the six months ended							
30th September 2012	20	97,845	763	200,853	-	3,795	303,276
Segment liabilities							
Borrowings	-	1,275,500	480,964	1,103,873	968,972	-	3,829,309
Other unallocated liabilities							<u>1,069,219</u>
							<u><u>4,898,528</u></u>
At 31st March 2012							
Segment assets	23,547	2,891,170	5,395,688	6,676,895	4,198,216	335,011	19,520,527
Other unallocated assets							<u>274,091</u>
							<u><u>19,794,618</u></u>
Segment assets include:							
Jointly controlled entities and associated companies	-	1,226,443	1,091,468	-	-	914	2,318,825
Addition to non-current assets* for the six months ended							
30th September 2011	306	500,000	-	4,951	-	421	505,678
Segment liabilities							
Borrowings	-	1,543,000	486,495	1,044,007	817,279	-	3,890,781
Other unallocated liabilities							<u>1,070,894</u>
							<u><u>4,961,675</u></u>

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

2 Turnover and segment information (continued)

	Six months ended 30th September	
	2012 HK\$'000	2011 HK\$'000
Revenue		
Hong Kong	376,986	389,930
Overseas	221,454	243,191
	<u>598,440</u>	<u>633,121</u>
	30th September 2012 HK\$'000	31st March 2012 HK\$'000
Non-current assets*		
Hong Kong	12,392,384	11,832,338
Overseas	1,357,676	1,420,100
	<u>13,750,060</u>	<u>13,252,438</u>

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

3 Net investment gain/(loss)

	Six months ended 30th September	
	2012 HK\$'000	2011 HK\$'000
Financial assets at fair value through profit or loss		
- net unrealised gain/(loss) from market price movements	162,917	(1,773,122)
- net unrealised exchange loss	(2,165)	(147,796)
- net realised gain (<i>note</i>)	24,761	14,569
Derivative financial instruments – net unrealised loss	-	(7,799)
Available-for-sale investments		
- net realised gain	2,303	-
- impairment	(395)	(1,517)
	<u>187,421</u>	<u>(1,915,665)</u>

Note:

Net realised gain on financial assets at fair value through profit or loss		
Gross consideration	757,939	1,855,957
Cost of investments	(638,314)	(1,089,324)
Total gain	119,625	766,633
Less: net unrealised gain recognised in prior years	(94,864)	(752,064)
Net realised gain recognised in current period	<u>24,761</u>	<u>14,569</u>

4 Income and expenses by nature

	Six months ended 30th September	
	2012	2011
	HK\$'000	HK\$'000
Income		
Interest income		
- Listed investments	164,482	177,119
- Unlisted investments	209	180
- A jointly controlled entity	771	4,493
- Other receivables	1,936	2,210
- Bank deposits	453	325
Dividend income		
- Listed investments	<u>10,304</u>	<u>11,694</u>
Expenses		
Operating lease rental expense for land and buildings	3,756	3,620
Cost of properties and goods sold	<u>99,403</u>	<u>120,476</u>

5 Income tax (expense)/credit

	Six months ended 30th September	
	2012	2011
	HK\$'000	HK\$'000
Current income tax		
Hong Kong profits tax	(20,236)	(4,327)
Overprovision in prior years	<u>3</u>	<u>18,085</u>
	(20,233)	13,758
Deferred income tax	<u>9,919</u>	<u>(6,133)</u>
	<u>(10,314)</u>	<u>7,625</u>

Hong Kong profits tax is provided at the rate of 16.5% (2011: 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.

Share of income tax expenses of jointly controlled entities and associated companies for the period of HK\$1,327,000 (2011: HK\$785,000) and HK\$2,086,000 (2011: HK\$1,566,000) 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 2012 (2011: Nil).

7 Earnings/(loss) per share

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

	Six months ended 30th September	
	2012	2011
	HK\$'000	HK\$'000
Profit/(loss) attributable to shareholders of the Company	424,492	(311,847)
Effect of dilutive potential shares:		
Finance costs saved on convertible bonds	<u>3,790</u>	-
Profit/(loss) for calculation of diluted earnings/(loss) per share	<u>428,282</u>	<u>(311,847)</u>
	Number of shares	
Weighted average number of shares for calculation of basic earnings/(loss) per share	714,157,660	712,431,720
Effect of dilutive potential shares:		
A portion of share options assumed to be exercised	69,381	4,064,896
Convertible bonds assumed to be converted at beginning of the period	<u>72,727,272</u>	-
Weighted average number of shares for calculation of diluted earnings/(loss) per share	<u>786,954,313</u>	<u>716,496,616</u>

Diluted earnings/(loss) per share for the six months ended 30th September 2012 and 2011 did not assume the exercise of the outstanding share options of Asia Standard International Group Limited and Asia Standard Hotel Group Limited since their exercise would have an anti-dilutive effect.

8 Trade and other receivables

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

Trade receivables of the Group amounted to HK\$183,125,000 (31st March 2012: HK\$34,884,000). The credit terms given to the customers vary and are generally based on the financial strengths of individual customers. In order to effectively manage the credit risks associated with trade receivables, credit evaluation of customers are performed periodically.

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

	30th September 2012 HK\$'000	31st March 2012 HK\$'000
0-60 days	182,830	33,832
61-120 days	222	992
More than 120 days	73	60
	<u>183,125</u>	<u>34,884</u>

9 Trade and other payables

Trade and other payables of the Group include trade payables, rental and management fee deposits, retentions payable of construction costs and various accruals. Trade payables of the Group amounted to HK\$24,623,000 (31st March 2012: HK\$22,446,000).

An aging analysis of trade payables is as follows:

	30th September 2012 HK\$'000	31st March 2012 HK\$'000
0-60 days	24,056	22,243
61-120 days	327	126
More than 120 days	240	77
	<u>24,623</u>	<u>22,446</u>

10 Subsequent event

Subsequent to balance sheet date, the listed hotel subsidiary group has entered into sales and purchase agreement in relation to acquisition of certain properties in Hong Kong from another subsidiary of the Group, being part of its hotel development project to increase its capacity. There is no material financial effect to the Group. The acquisition is a connected transaction for the listed hotel subsidiary and subject to independent shareholders' approval in its special general meeting to be held in December 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

The Group's revenue for the six months amounted to HK\$598 million (2011: HK\$633 million), it recorded a HK\$424 million profit attributable to shareholders (2011: HK\$312 million loss). The change from loss to profit is mainly due to the net investment gain for the current period compared to net investment loss for interim period last year.

PROPERTY SALES, DEVELOPMENT AND LEASING

The Group's property sales, development and leasing operation is carried out through Asia Standard International, its 50.5% owned listed subsidiary.

During the period, The Westminster Terrace, a 50% owned joint venture luxurious residential development at Ting-Kau, achieved sales revenue of HK\$159 million (2011: HK\$256 million) with HK\$63 million (2011: HK\$109 million) profit before tax. By accounting convention, these revenue and profit were excluded from revenue and segment results but separately accounted for as share of profit from jointly controlled entity. All the residential units of The Westminster Terrace have now been sold, achieving total proceeds of about HK\$2.5 billion.

On development aspects, we are currently developing 5 residential/commercial projects with attributable GFA of approximately 4 million sq. ft.

In Hong Kong, the land exchange process of our 590,000 sq. ft. GFA residential development on an 110,000 sq. ft. site at Hung Shui Kiu, New Territories is currently under negotiation with the government.

During the period, the Group entered into a joint venture to acquire a tenanted residential building in Jardine's Lookout for redevelopment. The development will be a brand new luxurious residence of approximately 75,000 sq. ft. GFA on a 23,000 sq. ft. site.

In Macau, the 190,000 sq. ft. site overlooking Cotai strip is currently under planning application. This site falls within the Seac Pai Van zoning.

Construction has commenced on our Shanghai development, which is a low density development comprising detached and semi-detached houses with total floor area of approximately 1,080,000 sq. ft.. The development is located in a traditional high end residential community in the Qingpu district adjacent to the Hongqiao CBD hub. Asia standard International owns 50% interest in this development.

Planning parameters for another 50% owned joint venture project in Beijing was obtained. This waterfront residential/commercial development has a total floor area of 2,360,000 sq. ft. on a 550,000 sq. ft. site. Land premium was paid and land clearances are under preparation.

Our leasing portfolio comprises 3 retail/commercial buildings of 353,000 sq. ft. in Central, Wan Chai and Causeway Bay. Rental income attributable to its investment properties portfolio was approximately HK\$55 million for both interim periods. New leases with significant increase in rent were entered for the retail space of Asia Standard Tower in Central, which will become effective second half of the financial year.

Revaluation gain (including that from associated company) of HK\$427 million (2011: HK\$1,059 million) was recorded.

HOTEL

The hotel and hospitality operation is carried out through Asia Standard Hotel, another separately listed subsidiary 70.1% owned by Asia Standard International.

Revenue increased for all Hong Kong located hotels. They operated at more than 95% average occupancies compared to 90% of last interim period. Contribution to segment results before depreciation amounted to HK\$133 million as compared to HK\$131 million of interim period last year.

Upgrading will be carried out in our Canadian operation shortly, while redevelopment of the acquired properties in Tsimshatsui and Causeway Bay into hotels is under planning which, upon completion, will add approximately 200 more rooms to the portfolio.

INVESTMENTS

At 30th September 2012, the Group's financial investment portfolio amounted to HK\$4,368 million (31st March 2012: HK\$4,106 million). These financial investments comprise 66% by debt securities and 34% by equity securities. They are denominated in different currencies with 45% in US dollar, 32% in Sterling, 12% in HK dollar, 8% in Euro and 3% in Renminbi.

Consolidating Asia Standard International, the Group has an unrealised net fair value gain of HK\$160 million (2011: HK\$1,930 million unrealised loss) and a realised net gain of HK\$27 million (2011: HK\$15 million) recognised in the profit and loss account and generated coupon and dividend income of HK\$175 million during the period (2011: HK\$189 million).

FINANCIAL REVIEW

The Group's total asset at period end amounted to approximately HK\$20.6 billion (31st March 2012: HK\$19.8 billion). Net asset was HK\$15.7 billion (31st March 2012: HK\$14.8 billion). Adopting market value of hotel properties, the revalued total assets and revalued net assets of the Group would be HK\$22.5 billion and 18.2 billion, an increase of 5% and 6% compared to HK\$21.4 billion and HK\$17.1 billion respectively at the end of last financial year.

Net debt at 30th September 2012 was HK\$3,542 million (31st March 2012: HK\$3,513 million), of which HK\$30 million (31st March 2012: HK\$20 million) belong to the parent group. Gearing (on revalued net asset) was 19% (31st March 2012: 21%).

All the bank borrowings are at floating rates. At 30th September 2012, a total of HK\$150 million interest rate swap contracts were held to hedge our borrowings. Total interest cost is similar for the two interim periods.

The maturity of our debts spread over a long period of up to 14 years. 97% of total borrowings are secured. 10% are revolving credit facilities secured by financial assets investment. 87% are facilities secured by property assets with 12% from revolving credit facilities, 12% are repayable within 1 year, 27% repayable between one to five years and 36% repayable after five years. As at 30th September 2012, the Group had current assets of HK\$6,604 million (31st March 2012: HK\$6,329 million).

About 90% of the Group's borrowings are in Hong Kong dollar, 5% in Euro and remaining 5% in other currencies. In interim period of 2011, the Group recorded an exchange gain in these foreign currencies loan revaluation due to the weakening of Euro against Hong Kong dollar, resulting in a net credit in total finance costs.

At 30th September 2012, an approximate HK\$14.8 billion (31st March 2012: HK\$14 billion) book value of property assets and financial investments were pledged to banks as collateral for credit facilities granted to the Group. HK\$149 million guarantee (31st March 2012: HK\$149 million) was provided to financial institutions against credit facilities granted to a jointly controlled entity.

EMPLOYEES AND REMUNERATION POLICIES

At 30th September 2012, the Group employed approximately 655 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 unprecedented liquidity around the world and slow down in developed economies have fuelled asset price inflation in the local property market, which is very recently stamped down by a tax intervention. We believe this will instill stability into the local market in the longer term. We continue to be bullish on the mainland property market as there remains a strong positive demand for housing from the population and the announced objective to double per capital income between year 2010-2020 by the State will continue to protect this positive demand. Prospects of the hotel segment is looking promising in view of the rising household income of the mainland population which has been a principal source of our business demand.

INTERIM DIVIDEND

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 30th September 2012 (2011: Nil).

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 2012.

CORPORATE GOVERNANCE CODE

During the period, the Company has complied with both the code provisions of the Code on Corporate Governance Practices (effective until 31st March 2012) (“CG Practices”) and the Corporate Governance Code (effective from 1st April 2012) (“CG Code”) as set out in Appendix 14 of the Listing Rules, except the following derivations :-

1. Code Provision A.4.1 of CG Practices and CG Code provide 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; and
2. Code Provision A.5.1 of CG Code provides that issuers should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors. The Company does not have a nomination committee. The Board as a whole is responsible for reviewing the structure, size and composition of the Board, the appointment of new Directors and the nomination of Directors for re-election by shareholders at the general meeting of the Company. Under the Bye-Laws of the Company, the Board may from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office until the next following annual general meeting of the Company and shall then eligible for re-election at the meeting.

AUDIT COMMITTEE

The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30th September 2012.

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

Hong Kong, 20th November 2012

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. Poon Hai, Mr. Lun Pui Kan and Mr. Kwan Po Lam Phileas; and the independent non-executive directors are Mr. Cheung Kwok Wah, Mr. Hung Yat Ming and Mr. Wong Chi Keung.