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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 2014

FINANCIAL HIGHLIGHTS

(In HK\$ million, except otherwise indicated)

	Six months ended 30th September		Change
	2014	2013	
Revenue	678	702	-3%
Operating profit	754	1,056	-29%
Profit attributable to shareholders of the Company	390	536	-27%
Earnings per share - basic (HK\$)	0.51	0.75	-32%
	30th September 2014	31st March 2014	Change
Total assets	26,851	25,434	+6%
Net assets	19,737	19,005	+4%
Equity attributable to shareholders of the Company	9,663	9,264	+4%
Net debt	4,472	3,948	+13%
Supplementary information with hotel properties in operation at valuation:			
Revalued total assets	30,200	28,271	+7%
Revalued net assets	23,667	22,430	+6%
Equity attributable to shareholders of the Company	11,184	10,589	+7%
Equity attributable to shareholders of the Company per share (HK\$)	13.99	14.06	-0.5%
Gearing – net debt to revalued net assets	19%	18%	+1%

The board of directors (the “Board”) of Asia Orient Holdings Limited (the “Company”) announces that the unaudited condensed consolidated results of the Company and its subsidiaries (together the “Group”) for the six months ended 30th September 2014 together with the comparative figures for the six months ended 30th September 2013 were as follows:

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT - UNAUDITED

For the six months ended 30th September

	<i>Note</i>	2014 HK\$'000	2013 HK\$'000 (Restated)
Revenue	2	678,514	702,491
Cost of sales		<u>(138,284)</u>	<u>(230,582)</u>
Gross profit		540,230	471,909
Selling and administrative expenses		(97,416)	(97,377)
Depreciation		(84,029)	(82,364)
Net investment gain	3	29,714	666,500
Fair value gain of investment properties		<u>365,824</u>	<u>97,190</u>
Operating profit		754,323	1,055,858
Net finance costs		(58,108)	(45,087)
Share of profits less losses of			
Joint ventures		(3,069)	(1,722)
Associated companies		<u>87,620</u>	<u>35,880</u>
Profit before income tax		780,766	1,044,929
Income tax expense	5	<u>(15,917)</u>	<u>(17,110)</u>
Profit for the period		<u>764,849</u>	<u>1,027,819</u>
Attributable to:			
Shareholders of the Company		390,281	535,567
Non-controlling interests		<u>374,568</u>	<u>492,252</u>
		<u>764,849</u>	<u>1,027,819</u>
Earnings per share (HK\$)			
Basic	7	<u>0.51</u>	<u>0.75</u>
Diluted	7	<u>0.49</u>	<u>0.68</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - UNAUDITED

For the six months ended 30th September

	2014	2013
	HK\$'000	HK\$'000
Profit for the period	<u>764,849</u>	<u>1,027,819</u>
Other comprehensive income		
Items that have been reclassified or may be reclassified subsequently to profit or loss:		
Net fair value gain on available-for-sale investments	3,913	8,246
Cash flow hedges		
- fair value (loss)/gains	(15,560)	6,557
- transfer to finance costs	(5,975)	(4,471)
Currency translation differences	(1,845)	(2,529)
Share of currency translation differences of joint ventures	1,289	327
	<u>(18,178)</u>	<u>8,130</u>
Total comprehensive income for the period	<u><u>746,671</u></u>	<u><u>1,035,949</u></u>
Attributable to:		
Shareholders of the Company	380,918	539,210
Non-controlling interests	<u>365,753</u>	<u>496,739</u>
	<u><u>746,671</u></u>	<u><u>1,035,949</u></u>

CONDENSED CONSOLIDATED BALANCE SHEET – UNAUDITED

	Note	30th September 2014 HK\$'000	31st March 2014 HK\$'000
Non-current assets			
Property, plant and equipment		7,191,270	7,224,741
Investment properties		5,902,018	5,535,909
Joint ventures		1,268,535	1,198,343
Associated companies		1,584,447	1,519,893
Available-for-sale investments		251,291	241,078
Financial assets at fair value through profit or loss		453,410	554,844
Derivative financial instruments		-	10,427
Mortgage loans receivable		2,724	2,797
Deferred income tax assets		4,973	3,573
		16,658,668	16,291,605
Current assets			
Properties under development for sale		1,771,296	1,748,797
Completed properties held for sale		3,816	3,816
Hotel and restaurant inventories		1,516	1,569
Trade and other receivables	8	660,467	307,066
Income tax recoverable		5,624	5,589
Financial assets at fair value through profit or loss		6,474,189	5,586,317
Bank balances and cash		1,275,884	1,489,650
		10,192,792	9,142,804
Current liabilities			
Trade and other payables	9	228,895	167,412
Amount due to a joint venture		77,023	37,058
Amount due to an associated company		224,400	-
Income tax payable		49,291	37,139
Dividend payable		31,972	-
Derivative financial instruments		499	982
Convertible bonds		-	48,149
Borrowings		731,478	929,483
		1,343,558	1,220,223
Net current assets		8,849,234	7,922,581
Total assets less current liabilities		25,507,902	24,214,186
Non-current liabilities			
Long term borrowings		4,301,865	3,849,758
Derivative financial instruments		5,133	-
Medium term notes		714,430	609,894
Deferred income tax liabilities		749,399	749,483
		5,770,827	5,209,135
Net assets		19,737,075	19,005,051
Equity			
Share capital		79,931	75,294
Reserves		9,583,282	9,188,928
Equity attributable to shareholders of the Company		9,663,213	9,264,222
Non-controlling interests		10,073,862	9,740,829
		19,737,075	19,005,051

NOTES TO THE INTERIM FINANCIAL INFORMATION

1 Basis of preparation

The unaudited condensed consolidated interim financial information for the six months ended 30th September 2014 (“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 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards.

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 2014.

As described in the annual financial statements for the year ended 31st March 2014, the Group has changed its policy regarding the recognition of revenue for travel operation on net basis for the commission earned as an agent, and on a gross basis for custom-made incentive tours. The comparatives have been restated by decreasing revenue and corresponding cost of sales of HK\$114,800,000 with no impact to gross profit.

There are no other amended standards or interpretations relevant to the Group for this interim period that could be expected to have a material impact on the Group.

2 Segment information

Revenue includes revenue from property management, property sales and leasing, hotel and travel operation, management services, interest income and dividend income.

	Property sales HK\$'000	Property leasing HK\$'000	Hotel and travel HK\$'000	Financial Investments HK\$'000	Others HK\$'000	Total HK\$'000
Six months ended 30th September 2014						
Gross income	-	58,793	407,500	646,392	13,528	1,126,213
Segment revenue	<u>-</u>	<u>58,793</u>	<u>299,677</u>	<u>306,516</u>	<u>13,528</u>	<u>678,514</u>
Contribution to segment results	-	56,579	124,321	304,995	9,439	495,334
Depreciation	-	-	(80,605)	-	(3,424)	(84,029)
Net investment gain	-	-	-	29,714	-	29,714
Fair value gain of investment properties	-	365,824	-	-	-	365,824
Share of profits less losses of						
Joint ventures	(2,500)	-	-	-	(569)	(3,069)
Associated companies	<u>-</u>	<u>87,688</u>	<u>-</u>	<u>-</u>	<u>(68)</u>	<u>87,620</u>
Segment results	(2,500)	510,091	43,716	334,709	5,378	891,394
Unallocated corporate expenses						(52,520)
Net finance costs						<u>(58,108)</u>
Profit before income tax						<u><u>780,766</u></u>

Six months ended 30th September 2013

Gross income	160,000	52,962	378,955	478,950	14,919	1,085,786
Segment revenue (restated)	<u>160,000</u>	<u>52,962</u>	<u>264,155</u>	<u>210,455</u>	<u>14,919</u>	<u>702,491</u>
Contribution to segment results	31,592	48,066	128,453	210,172	702	418,985
Depreciation	-	-	(79,285)	-	(3,079)	(82,364)
Net investment gain	-	-	-	666,500	-	666,500
Fair value gain of investment properties	-	97,190	-	-	-	97,190
Share of profits less losses of						
Joint ventures	(1,177)	-	-	-	(545)	(1,722)
Associated companies	<u>-</u>	<u>35,880</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,880</u>
Segment results	30,415	181,136	49,168	876,672	(2,922)	1,134,469
Unallocated corporate expenses						(44,453)
Net finance costs						<u>(45,087)</u>
Profit before income tax						<u><u>1,044,929</u></u>

Notes:

- Management regards gross income of travel operation as gross sales proceeds from the sales of air-ticket, hotel reservation arrangement and incentive travel tours.
- Management regards gross income of financial investments as comprising these revenue as defined under generally accepted accounting principles together with gross consideration from disposal of financial assets at fair value through profit or loss.

2 Segment information (continued)

	Business segments					Unallocated HK\$'000	Total HK\$'000
	Property sales HK\$'000	Property leasing HK\$'000	Hotel and travel HK\$'000	Financial investments HK\$'000	Others HK\$'000		
At 30th September 2014							
Assets	3,266,063	7,493,890	7,025,296	7,479,943	277,345	1,308,923	26,851,460
Assets include:							
Joint ventures and associated companies	1,286,240	1,534,716	-	-	936	31,090	2,852,982
Addition to non-current assets for the six months ended 30th September 2014*	-	285	42,949	-	9,829	-	53,063
Liabilities							
Borrowings	1,436,656	453,266	1,678,727	780,444	-	684,250	5,033,343
Other unallocated liabilities							<u>2,081,042</u>
							<u>7,114,385</u>
At 31st March 2014							
Assets	2,968,339	7,059,892	7,075,098	6,537,159	264,499	1,529,422	25,434,409
Assets include:							
Joint ventures and associated companies	1,215,450	1,470,128	-	-	931	31,727	2,718,236
Addition to non-current assets for the six months ended 30th September 2013*	7,456	287	36,652	-	31,656	-	76,051
Liabilities							
Borrowings	1,968,371	444,776	1,410,553	955,541	-	-	4,779,241
Other unallocated liabilities							<u>1,650,117</u>
							<u>6,429,358</u>

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

2 Segment information (continued)

	Six months ended 30th September	
	2014 HK\$'000	2013 HK\$'000 (Restated)
Revenue		
Hong Kong	366,008	465,639
Overseas	<u>312,506</u>	<u>236,852</u>
	<u>678,514</u>	<u>702,491</u>
	30th September 2014 HK\$'000	31st March 2014 HK\$'000
Non-current assets*		
Hong Kong	14,566,581	14,153,871
Overseas	<u>1,379,689</u>	<u>1,325,015</u>
	<u>15,946,270</u>	<u>15,478,886</u>

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

3 Net investment gain

	Six months ended 30th September	
	2014 HK\$'000	2013 HK\$'000
Financial assets at fair value through profit or loss		
- net unrealised gain from market price movements	76,251	575,680
- net unrealised exchange (loss)/gain	(48,097)	77,331
- net realised gain (note)	<u>1,560</u>	<u>13,489</u>
	<u>29,714</u>	<u>666,500</u>
Note:		
Net realised gain on financial assets at fair value through profit or loss		
Gross consideration	339,875	268,495
Cost of investments	<u>(258,112)</u>	<u>(233,562)</u>
Total gain	81,763	34,933
Less: net unrealised gain recognised in prior years	<u>(80,203)</u>	<u>(21,444)</u>
Net realised gain recognised in current period	<u>1,560</u>	<u>13,489</u>

4 Income and expenses by nature

	Six months ended	
	30th September	
	2014	2013
	HK\$'000	HK\$'000
Income		
Interest income		
- Listed investments	289,587	200,666
- Unlisted investments	-	4
- Other receivables	1,728	1,759
- Bank deposits	4,772	2,735
Dividend income		
- Listed investments	16,044	9,704
	<u>16,044</u>	<u>9,704</u>
Expenses		
Cost of properties and goods sold (restated)	10,362	60,612
Operating lease rental expense for land and buildings	692	4,853
	<u>692</u>	<u>4,853</u>

5 Income tax expense

	Six months ended	
	30th September	
	2014	2013
	HK\$'000	HK\$'000
Current income tax		
Hong Kong profits tax	(16,533)	(40,697)
Overseas profits tax	(1,684)	(571)
Over-provision in prior years	816	112
	<u>(17,401)</u>	<u>(41,156)</u>
Deferred income tax	1,484	24,046
	<u>(15,917)</u>	<u>(17,110)</u>

Hong Kong profits tax is provided at the rate of 16.5% (2013: 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 joint ventures and associated companies for the period of nil (2013: HK\$54,000) and HK\$1,588,000 (2013: HK\$1,817,000) are included in the profit and loss account as share of profits less losses of joint ventures and associated companies respectively.

6 Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30th September 2014 (2013: Nil).

7 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	
	2014	2013
	HK\$'000	HK\$'000
Profit attributable to shareholders of the Company	390,281	535,567
Effect of dilutive potential shares:		
Finance costs saved on convertible bonds	<u>2,306</u>	<u>4,524</u>
Profit for calculation of diluted earnings per share	<u>392,587</u>	<u>540,091</u>
	Number of shares	
Weighted average number of shares for calculation of basic earnings per share	768,809,532	714,157,660
Effect of dilutive potential shares:		
Share options assumed to be exercised	9,556,881	4,188,226
Convertible bonds assumed to be converted at beginning of the period	<u>30,496,770</u>	<u>72,727,272</u>
Weighted average number of shares for calculation of diluted earnings per share	<u>808,863,183</u>	<u>791,073,158</u>

Diluted earnings per share for the six months ended 30th September 2014 and 2013 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, prepayments, utility and other deposits, accrued interest receivables, accrued dividend receivables together with the purchase deposit and related stamp duty in respect of a property acquisition.

Trade receivables of the Group amounted to HK\$191,184,000 (31st March 2014: HK\$56,885,000). 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 2014 HK\$'000	31st March 2014 HK\$'000
0 day to 60 days	186,510	51,847
61 days to 120 days	1,013	1,083
121 days to 180 days	394	3,955
Over 180 days	3,267	-
	<u>191,184</u>	<u>56,885</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, interest payable and various accruals. Trade payables of the Group amounted to HK\$20,240,000 (31st March 2014: HK\$18,112,000).

An aging analysis of trade payables is as follows:

	30th September 2014 HK\$'000	31st March 2014 HK\$'000
0 day to 60 days	19,429	17,487
61 days to 120 days	408	243
121 days to 180 days	356	226
Over 180 days	47	156
	<u>20,240</u>	<u>18,112</u>

10 Event after the reporting period

The Group has during the period entered into a transaction to acquire a commercial building with a consideration of HK\$1,105 million, as disclosed in the announcement of 23rd July 2014. As at 30th September 2014, a 10% deposit and related stamp duty totaling HK\$204.4 million had been paid (included under trade and other receivables in the balance sheet) and the remaining unpaid consideration was included in capital commitment. In October 2014, the transaction was completed and the acquired building will be classified under investment properties in the Group's annual financial statements for the year ending 31st March 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

The Group's revenue for the six months amounted to HK\$678 million (2013: HK\$702 million, adjusted for certain accounting changes), it recorded a HK\$390 million (2013: HK\$536 million) profit attributable to shareholders. The decrease in profit is mainly due to the decrease in mark-to-market valuation gain of the Group's financial investment as compared to the same period last year.

The Group's property sales, development and leasing operation is carried out through Asia Standard International, its 50.9% owned listed subsidiary.

Sales

The Group is actively progressing along its development pipeline during the period, with the current schedule that its 50% joint venture luxurious residential development in Shanghai will be put on market for sale in the near term. The Group did not contract any sale nor launch any new development during the interim period, while a HK\$160 million sale of the inventory retail podium of Canaryside in Yau Tong was recognised in the same period last year.

Development

At Perkins Road in Hong Kong, the joint venture project will be redeveloped into an ultra-luxurious high-rise residential building and is currently under foundation construction. Another detached residential development in the same proximity at Henderson Road is also at foundation construction stage.

The commercial and residential development at Hung Shui Kiu, Yuen Long is currently undergoing land exchange process. Approval for a development scheme under Town Planning Board was obtained. The 112,000 sq. ft. site will provide approximately 900 residential units and retail shops with an approximate total GFA of 519,000 sq. ft., which are conveniently located adjacent to a light rail station linked to the West Rail network. Another residential development at the Lam Tei station nearby is in the process of planning application with the government.

We are progressing well with the superstructure construction in the traditional high end and low-density residential neighborhood in the Qingpu district, Puxi in Shanghai. This 1.5 million sq. ft. site will be developed into over 300 villas and apartments with total construction floor area of 1,080,000 sq. ft. This 50% joint venture development is scheduled to be completed towards end 2015 and pre-sale will commence in the near term, barring unforeseen circumstances.

During the period, we focused and have obtained all the building planning permits for the 2,360,000 sq. ft. floor area waterfront residential/commercial development in Beijing. Land clearances and resettlement for this 50% joint venture development in Tongzhou are currently under preparation. Structural and foundation design has commenced and demolition will start once resettlement completes.

In Macau, with urban planning legislation became effective in March this year, our formal application for the development of the 190,000 sq. ft. site in Seac Pac Van zoning outline was submitted. The application is now under process and evaluation by the relevant authorities.

Leasing

Rental income attributable to our 353,000 sq. ft. investment properties portfolio in Central, Wan Chai and Causeway Bay amounted to HK\$72 million (2013: HK\$65 million), an increase of 11%.

Investment properties revaluation gain (including that generated from properties owned by an associated company) of HK\$445 million (2013: HK\$124 million) was recorded.

During the period, the Group succeeded in the acquisition of the commercial building adjacent to our building in Wanchai, adding approximately 80,000 sq. ft. to the leasing portfolio. The buildings are structurally connected to each other, resulting in a much larger floor plate accommodation.

Hotel

The hotel and travel operation is carried out through Asia Standard Hotel, another separately listed subsidiary 70.1% owned by Asia Standard International, and 3% directly owned by the parent group.

Overnight-stay visitors to Hong Kong increased 7% to 14 million during the period. Growth has come from short haul markets where mainland China continues to be the most important inbound source.

In the face of a 5% increase in total hotel rooms supply, revenue arising from the hotel and travel segment for the period amount to HK\$300 million (2013: HK\$264 million, adjusted for accounting changes on certain travel business). Average occupancies for the 3 Hong Kong hotels stay above 95% for both interim periods while average room rate slightly dropped. Contribution to segment results before depreciation was approximately HK\$124 million (2013: HK\$128 million).

Foundation work of the adjacent new hotel in Causeway Bay was completed during the period and superstructure works have commenced. This will add 94 rooms upon completion in 2016. At the same time, foundation work of the other new hotel in Tsimshatsui is in progress and scheduled to complete by early 2015, adding another 90 rooms to the portfolio upon full completion in 2017.

Financial investments

For the period under review, the Group's financial investments continue to benefit from the ample liquidity and low interest rate environment.

At 30th September 2014, the Group's financial investment portfolio amounted to HK\$7,179 million (31st March 2014: HK\$6,382 million), of which HK\$6,409 million were held in the group's two listed subsidiaries. The increase arose from a mark to market valuation gain of HK\$32 million and a further investment of HK\$765 million.

Interest and dividend income for the period from these investments amounted to HK\$306 million (2013: HK\$210 million).

These financial investments comprise 69% by listed debt securities (of which approximately 92% were issued by PRC real estate companies), and 30% by listed equity securities (of which approximately 75% were issued by large banks). They are denominated in different currencies with 62% in United States dollar, 11% in Sterling, 11% in Hong Kong dollar, 11% in Renminbi and 5% in Euro.

At 30th September 2014, an approximate value of HK\$1,030 million (31st March 2014: HK\$1,140 million) of these investments were pledged to banks as collateral for credit facilities granted to the Group.

FINANCIAL REVIEW

The financing and treasury activities of our three listed groups are independently administered. At 30th September 2014, the Group had approximately HK\$6.2 billion cash and undrawn banking facilities which provide the Group with strong financing flexibility to meet any development opportunities as they arise.

At 30th September 2014, the Group's total assets amounted to approximately HK\$26.9 billion (31st March 2014: HK\$25.4 billion). Net assets were HK\$19.7 billion (31st March 2014: HK\$19.0 billion). Adopting market value of hotel properties in operation, the revalued total assets and revalued net assets of the Group would be HK\$30.2 billion (31st March 2014: HK\$28.3 billion) and HK\$23.7 billion (31st March 2014: HK\$22.4 billion).

In July 2014, the Group issued HK\$100 million 5-years medium term notes out of its medium term note programme, adding to the existing RMB500 million issued in April 2013.

Net debt at 30th September 2014 was HK\$4,472 million (31st March 2014: HK\$3,948 million), of which HK\$17 million (31st March 2014: HK\$30 million) was attributable to the parent group. The Group's gearing, calculated as net debt to revalued net asset, was 19% (31st March 2014: 18%).

76% of the debts are secured and 80% of the debts are at floating rates. As at 30th September 2014, HK\$50 million (31st March 2014: HK\$50 million) interest rate swap contract and RMB500 million (31st March 2014: RMB500 million) cross currency swap contracts were held to hedge our borrowings. Total interest costs increased due to increased borrowings during the year.

Currently the maturities of our debts are well spread over a long period of up to 12 years. Revolving loans account for 5% and term loans secured by financial assets repayable between one to five years account for 8%. Term loans secured by property assets account for 63% with 8% repayable within 1 year, 38% repayable between one to five years and 17% repayable after five years. The remaining 24% comprise unsecured syndicated loan and medium term notes. As at 30th September 2014, the Group had net current assets of HK\$8.8 billion (31st March 2014: HK\$7.9 billion).

About 78% of the Group's debts are in Hong Kong dollar, 11% in Renminbi, 10% in US dollars, and the remaining 1% in other currencies.

At 30th September 2014, an approximate HK\$16.2 billion (31st March 2014: HK\$15.8 billion) book value of property assets were pledged to banks as collateral for credit facilities granted to the Group. HK\$402 million guarantee (31st March 2014: HK\$380 million) was provided to financial institutions against credit facilities granted to joint ventures.

EMPLOYEES AND REMUNERATION POLICIES

At 30th September 2014, the Group employed approximately 580 (31st March 2014: 570) full time employees. Their remuneration packages, commensurate with job nature and experience level, include basic salary, annual bonus, retirement and other benefits.

FUTURE PROSPECTS

Local and mainland property markets have been facing public interventions in various forms and experienced a brief challenging time. With the soft landing of the mainland economy and the continual low interest rate environment, effect of these non-market forces had been partially counteracted, lending support to the market participants.

Financial investment remains a strong performer and, with the recent enlargement of the leasing property portfolio, further strengthens the Group's recurring income base.

Our hotel segment is being challenged with the local political turmoil and the impact to the operating results is surfacing in the second half of the year. Hotel management is exploring every means to mitigate the effect while up-keeping the service standards.

Management holds a cautious stance but remains affirmative in the group's performance.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30th September 2014 (2013: 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 2014.

CORPORATE GOVERNANCE CODE

During the period, the Company has complied with the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules, except the following deviations :-

1. Code Provision A.4.1 of the CG Code provides that non-executive directors should be appointed for a specific term, subject to re-election. All 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 the 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 assessing the independence of independent non-executive directors, reviewing the structure, diversity, 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 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 and shall then be 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 2014.

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

Hong Kong, 25th November 2014

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.