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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 2024

FINANCIAL HIGHLIGHTS

(In HK\$ million, except otherwise indicated)

	Six months ended		Change
	30th September 2024	2023	
Revenue	1,632	1,000	+63%
Loss attributable to shareholders of the Company	(239)	(619)	-61%
Loss per share - basic (HK\$)	(0.28)	(0.74)	-61%
	30th September 2024	31st March 2024	
Total assets	37,316	38,212	-2%
Net assets	17,652	18,118	-3%
Equity attributable to shareholders of the Company	9,239	9,507	-3%
Net debt	15,642	16,363	-4%
Supplementary information with hotel properties at valuation:			
Revalued total assets	45,173	46,048	-2%
Revalued net assets	25,991	26,442	-2%
Revalued equity attributable to shareholders of the Company	13,063	13,324	-2%
Gearing – net debt to revalued net assets	60%	62%	

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 2024 together with the comparative figures for the six months ended 30th September 2023 were as follows:

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT - UNAUDITED

For the six months ended 30th September

	Note	2024 HK\$'000	2023 HK\$'000
Sales of goods and services, leasing and other revenue		1,235,109	249,729
Interest income		396,815	750,709
Total revenue	2	1,631,924	1,000,438
Cost of sales		(704,602)	(75,470)
Gross profit		927,322	924,968
Selling and administrative expenses		(166,936)	(134,009)
Depreciation		(105,108)	(107,392)
Net investment loss	3		
Net realised and unrealised loss		(220,911)	(324,811)
Change in expected credit losses		(169,686)	(1,457,208)
Fair value (loss)/gain of investment properties		(245,485)	175,363
Operating profit/(loss)		19,196	(923,089)
Net finance costs	5	(315,112)	(271,844)
Share of profits less losses of			
Joint ventures		(66,016)	32,389
Associated companies		(29,395)	(3,103)
Loss before income tax		(391,327)	(1,165,647)
Income tax (expense)/credit	6	(21,604)	33,906
Loss for the period		(412,931)	(1,131,741)
Attributable to:			
Shareholders of the Company		(239,425)	(618,645)
Non-controlling interests		(173,506)	(513,096)
		(412,931)	(1,131,741)
Loss per share (HK\$)			
Basic	8	(0.28)	(0.74)
Diluted	8	(0.28)	(0.74)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - UNAUDITED

For the six months ended 30th September

	2024	2023
	HK\$'000	HK\$'000
Loss for the period	<u>(412,931)</u>	<u>(1,131,741)</u>
Other comprehensive charge		
Items that have been reclassified or may be reclassified subsequently to profit or loss:		
Debt securities at fair value through other comprehensive income		
- net fair value change and other net movements	(21,321)	(1,885,321)
- release of reserve upon derecognition	2,850	135,715
Share of net fair value gain/(loss) on debt securities at fair value other comprehensive income of a joint venture	12,622	(114,524)
Cash flow hedges		
- net fair value (loss)/gain	(118,855)	33,108
- deferred tax on derivative financial instruments	19,611	(5,463)
Currency translation differences	443	(20,006)
Share of currency translation differences of joint ventures	23,924	(79,420)
Item that will not be reclassified to profit or loss:		
Net fair value gain on equity securities at fair value through other comprehensive income	<u>27,756</u>	<u>36,675</u>
	<u>(52,970)</u>	<u>(1,899,236)</u>
Total comprehensive charge for the period	<u>(465,901)</u>	<u>(3,030,977)</u>
Attributable to:		
Shareholders of the Company	(267,837)	(1,694,355)
Non-controlling interests	(198,064)	(1,336,622)
	<u>(465,901)</u>	<u>(3,030,977)</u>

CONDENSED CONSOLIDATED BALANCE SHEET - UNAUDITED

	Note	30th September 2024 HK\$'000	31st March 2024 HK\$'000
Non-current assets			
Investment properties		10,685,953	10,816,416
Property, plant and equipment		7,668,848	7,741,705
Investment in joint ventures and associated companies		3,289,517	3,847,543
Amounts due from joint ventures and associated companies		3,233,649	2,702,209
Financial investments		1,077,796	1,157,913
Derivative financial instruments		26,839	135,217
Deferred income tax assets		158,440	140,619
		<u>26,141,042</u>	<u>26,541,622</u>
Current assets			
Properties held for sale		6,352,480	6,531,544
Hotel and restaurant inventories		26,036	26,753
Trade and other receivables	9	683,388	602,773
Income tax recoverable		301	70
Financial investments		2,464,188	2,842,775
Derivative financial instruments		125,933	186,945
Bank balances and cash			
- restricted		678,150	367,336
- unrestricted		844,791	1,112,361
		<u>11,175,267</u>	<u>11,670,557</u>
Current liabilities			
Trade and other payables	10	174,511	302,910
Contract liabilities		1,120,166	484,892
Amounts due to joint ventures		301,486	517,159
Amount due to an associated company		143,220	182,820
Amount due to non-controlling interests		59,483	56,514
Income tax payable		23,544	484
Borrowings		4,319,438	5,793,441
		<u>6,141,848</u>	<u>7,338,220</u>
Net current assets		<u>5,033,419</u>	<u>4,332,337</u>
Non-current liabilities			
Borrowings		12,845,786	12,049,556
Lease liabilities		841	883
Deferred income tax liabilities		675,886	705,671
		<u>13,522,513</u>	<u>12,756,110</u>
Net assets		<u>17,651,948</u>	<u>18,117,849</u>
Equity			
Share capital		84,087	84,087
Reserves		9,154,792	9,422,629
Equity attributable to shareholders of the Company		<u>9,238,879</u>	<u>9,506,716</u>
Non-controlling interests		8,413,069	8,611,133
		<u>17,651,948</u>	<u>18,117,849</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

1 Basis of preparation

The unaudited condensed consolidated interim financial information for the six months ended 30th September 2024 (“Interim Financial Information”) has been prepared in accordance with Hong Kong Accounting Standards (“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 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

The accounting policies 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 2024, except for the adoption of the following amendments to standards that are effective for the financial year ending 31st March 2025 which is relevant to the Group’s operations and is mandatory for accounting periods beginning on or after 1st April 2024:

Amendments to HKAS 1 and related Amendments to HK Interpretation 5	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
HK Interpretation 5 (Revised)	Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The adoption of the amendments to the standards stated above did not have significant impact to the Group in the current and prior periods.

2 Segment information

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

	Property sales HK\$'000	Property leasing HK\$'000	Hotel operation HK\$'000	Financial investments HK\$'000	Others HK\$'000	Total HK\$'000
Six months ended 30th September 2024						
Segment revenue	<u>1,005,840</u>	<u>58,135</u>	<u>158,305</u>	<u>384,774</u>	<u>24,870</u>	<u>1,631,924</u>
Contribution to segment results	355,310	35,976	66,084	379,190	15,761	852,321
Depreciation	(9,758)	-	(70,795)	-	(24,555)	(105,108)
Net investment loss	-	-	-	(390,597)	-	(390,597)
Fair value loss of investment properties	-	(245,485)	-	-	-	(245,485)
Share of profits less losses of						
Joint ventures	(65,996)	-	-	-	(20)	(66,016)
Associated companies	-	(29,327)	-	-	(68)	(29,395)
Segment results	<u>279,556</u>	<u>(238,836)</u>	<u>(4,711)</u>	<u>(11,407)</u>	<u>(8,882)</u>	<u>15,720</u>
Unallocated corporate expenses						(91,935)
Net finance costs						(315,112)
Loss before income tax						<u>(391,327)</u>

Six months ended
30th September 2023

Segment revenue	<u>-</u>	<u>63,695</u>	<u>173,872</u>	<u>741,737</u>	<u>21,134</u>	<u>1,000,438</u>
Contribution to segment results	(9,775)	47,586	78,705	726,495	33,818	876,829
Depreciation	(10,104)	-	(73,814)	-	(23,474)	(107,392)
Net investment loss	-	-	-	(1,782,019)	-	(1,782,019)
Fair value gain of investment properties	-	175,363	-	-	-	175,363
Share of profits less losses of						
Joint ventures	32,472	-	-	-	(83)	32,389
Associated companies	-	(16,920)	-	-	13,817	(3,103)
Segment results	<u>12,593</u>	<u>206,029</u>	<u>4,891</u>	<u>(1,055,524)</u>	<u>24,078</u>	<u>(807,933)</u>
Unallocated corporate expenses						(85,870)
Net finance costs						(271,844)
Loss before income tax						<u>(1,165,647)</u>

2 Segment information (Continued)

	Business segments						Unallocated HK\$'000	Total HK\$'000
	Property sales HK\$'000	Property leasing HK\$'000	Hotel operation HK\$'000	Financial investments HK\$'000	Others HK\$'000			
At 30th September 2024								
Assets	12,114,586	11,879,781	5,633,874	3,965,674	265,965	3,456,429	37,316,309	
Assets include:								
Joint ventures and associated companies	5,337,214	1,165,412	-	-	20,540	-	6,523,166	
Addition to non-current assets for the six months ended 30th September 2024*								
	7,697	-	11,360	-	20,285	604	39,946	
Liabilities								
Borrowings	4,555,764	2,146,930	4,241,052	-	-	6,221,478	17,165,224	
Other liabilities							<u>2,499,137</u>	
							<u>19,664,361</u>	
At 31st March 2024								
Assets	12,173,496	12,048,092	5,632,320	4,419,750	228,711	3,709,810	38,212,179	
Assets include:								
Joint ventures and associated companies	5,330,289	1,194,740	-	-	20,364	4,359	6,549,752	
Addition to non-current assets for the six months ended 30th September 2023*								
	5,286	263	3,218	-	10,155	30	18,952	
Liabilities								
Borrowings	5,506,698	2,176,279	4,272,378	-	-	5,887,642	17,842,997	
Other liabilities							<u>2,251,333</u>	
							<u>20,094,330</u>	

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

2 Segment information (Continued)

	Six months ended	
	30th September	
	2024	2023
	HK\$'000	HK\$'000
Revenue		
Hong Kong	284,727	257,020
Overseas	1,347,197	743,418
	<u>1,631,924</u>	<u>1,000,438</u>
	30th	31st
	September	March
	2024	2024
	HK\$'000	HK\$'000
Non-current assets*		
Hong Kong	22,388,201	22,754,114
Overseas	2,489,766	2,353,759
	<u>24,877,967</u>	<u>25,107,873</u>

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

3 Net investment loss

	Six months ended	
	30th September	
	2024	2023
	HK\$'000	HK\$'000
Financial assets at fair value through profit or loss (“FVPL”)		
- net unrealised fair value loss	(182,224)	(141,799)
- net realised gain (note (a))	348	4,720
Financial assets at fair value through other comprehensive income (“FVOCI”)		
- net unrealised exchange loss	(6,809)	(14,612)
- net realised gain/(loss) (note (b))	1,260	(170,404)
- change in expected credit losses	(162,661)	(1,457,208)
Financial assets at amortised cost		
- net unrealised exchange loss	(4,090)	(1,062)
- change in expected credit losses	(7,025)	-
Derivative financial instrument		
- net unrealised loss	(29,396)	(1,654)
	<u>(390,597)</u>	<u>(1,782,019)</u>

3 Net investment loss (Continued)

	Six months ended	
	30th September	
	2024	2023
	HK\$'000	HK\$'000
Notes:		
(a) Net realised gain on financial assets at FVPL		
Gross consideration	300,579	221,104
Cost of investments	(330,908)	(219,346)
Add: net unrealised loss recognised in prior years	30,677	2,962
Net realised gain recognised in current period	348	4,720
(b) Net realised gain/(loss) on financial assets at FVOCI		
Gross consideration	92,124	281,482
Cost of investments	(76,098)	(665,427)
Transfer from investment revaluation reserve	(14,766)	213,541
Net realised gain/(loss) recognised in current period	1,260	(170,404)

4 Income and expenses by nature

	Six months ended	
	30th September	
	2024	2023
	HK\$'000	HK\$'000
Income		
Interest income from financial assets at FVOCI		
- Listed investments	155,308	550,296
- Unlisted investments	30,061	53,942
Interest income from financial assets at FVPL		
- Listed investments	84,784	69,210
- Unlisted investments	8,583	6,448
Interest income from financial assets measured at amortised cost		
- Listed investments	94,947	53,723
- Joint ventures	3,907	7,359
- Loan receivables	1,464	1,456
- Bank deposits	17,761	8,275
Dividend income		
- Listed investments	10,552	5,474
Expenses		
Cost of properties and goods sold	529,925	3,687

5 Net finance costs

	Six months ended 30th September	
	2024	2023
	HK\$'000	HK\$'000
Interest (expense)/income		
Long term bank loans	(531,745)	(490,338)
Short term bank loans and overdrafts	(84)	-
Lease liabilities	(84)	(50)
Joint venture	(2,404)	(1,635)
Derivative financial instruments (interest rate swaps (“IRS”))	138,677	131,439
Interest capitalised	132,657	113,561
	<u>(262,983)</u>	<u>(247,023)</u>
Other incidental borrowing costs	(30,975)	(30,259)
Net foreign exchange loss on borrowings	(15)	(14)
Fair value (loss)/gain on derivative financial instruments (IRS)		
Cash flow hedge – ineffective portion	(21,139)	5,452
	<u>(315,112)</u>	<u>(271,844)</u>

6 Income tax (expense)/credit

	Six months ended 30th September	
	2024	2023
	HK\$'000	HK\$'000
Current income tax (expense)/credit		
Hong Kong	(7,314)	(373)
Overseas	(42,282)	-
Over provision in prior years	-	1,441
	<u>(49,596)</u>	<u>1,068</u>
Deferred income tax credit	27,992	32,838
	<u>(21,604)</u>	<u>33,906</u>

Hong Kong profits tax is provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profit for the period. Overseas profits tax has been provided on the estimated assessable profit for the period at the tax rates prevailing in the countries in which the Group operates.

7 Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30th September 2024 (2023: Nil).

8 Loss per share

The calculation of loss per share is based on loss attributable to shareholders of the Company and divided by the weighted average number of shares in issue.

	Six months ended 30th September	
	2024	2023
	HK\$'000	HK\$'000
Loss attributable to shareholders of the Company	<u>(239,425)</u>	<u>(618,645)</u>
	Number of shares	
Weighted average number of shares in issue	<u>840,873,996</u>	<u>840,873,996</u>

The diluted loss per share is equal to the basic loss per share since there exist no dilutive potential share during the six months ended 30th September 2024 and 2023.

9 Trade and other receivables

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

Trade receivables of the Group amounted to approximately HK\$73,827,000 (31st March 2024: HK\$77,270,000). 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.

Aging analysis of trade receivables net of loss allowance based on the date of the relevant invoice or demand note is as follows:

	30th September 2024	31st March 2024
	HK\$'000	HK\$'000
0 month to 6 months	72,889	72,089
7 months to 12 months	106	3,147
More than 12 months	832	2,034
	<u>73,827</u>	<u>77,270</u>

10 Trade and other payables

Trade and other payables of the Group include trade payables, rental and management fee deposits, lease liabilities, retentions payable of construction costs, interest payable and various accruals. Trade payables of the Group amounted to approximately HK\$42,199,000 (31st March 2024: HK\$163,026,000).

Aging analysis of trade payables based on the date of the relevant invoice or demand note is as follows:

	30th September 2024 HK\$'000	31st March 2024 HK\$'000
0 month to 6 months	41,748	162,804
7 months to 12 months	43	6
More than 12 months	408	216
	<u>42,199</u>	<u>163,026</u>

11 Events after the reporting period

Group reorganisation (the “Group Reorganisation”) relating to Asia Standard Hotel Group Limited (“ASH”)

A joint announcement dated 19th June 2024 was made by Asia Standard International Group Limited (“ASI”, the Company’s indirectly owned listed subsidiary), ASH and The Sai Group Limited (“Offeror”, a wholly-owned subsidiary of ASI) relating to the Group Reorganisation. It involved a scheme of arrangement of ASH (“Scheme”) pursuant to which, every 20 shares of ASH held by shareholders of ASH other than the Offeror and Offeror concerted parties will be exchanged into 3 new shares of ASI and HK\$0.70 cash paid by the Offeror.

The Scheme became effective on 18th October 2024. On 22nd October 2024, the listing of ASH shares on The Stock Exchange of Hong Kong Limited was withdrawn. In November 2024, the Offeror converted all the convertible notes of ASH held by it into shares of ASH and thereafter on 15th November 2024, ASH redeemed all its outstanding convertible notes.

After the Group Reorganisation and the conversion of convertible notes, the Group holds 100% interest in the share capital of ASH, whereas the Group’s interest in ASI decreased from 51.79% to 48.12%. ASI is still considered to be controlled by the Group and will continue to be accounted for as a subsidiary in the consolidated financial statements of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

The Group recorded a 63% increase in revenue to HK\$1,632 million (2023: HK\$1,000 million) for the first half of the financial year, mainly from the recognition of our property sales of Landmark on Robson in Canada, following completion of the development and gradual delivery of units to purchasers.

Loss attributable to shareholders decreased by 61% to HK\$239 million from HK\$619 million of corresponding period in 2023, mainly due to the reduction of provision for expected credit losses on investment in debt securities, and profit from property sales as aforesaid, but is partially offset by the reduction of interest revenue from financial investments and the investment properties revaluation deficit against revaluation gain of last corresponding period.

PROPERTIES SALES, DEVELOPMENT AND LEASING

SALES AND DEVELOPMENT

The Group continued its sales efforts on the 5 development projects spanning across Hong Kong, Beijing and Vancouver. Attributable contracted sales during the seven months from April to October 2024 amounted to approximately HK\$906 million (2023: HK\$810 million).

Hong Kong

Our Group's residential development, High Park, neighbouring the Hung Shui Kiu light-rail station, launched presale last year in mid-July 2023 and contracted approximately HK\$2.0 billion sales up to 31 October 2024 for this project, with approximately HK\$1.1 billion proceeds received. Occupation permit was issued in November 2024. The Hung Shui Kiu New Development Area is positioned as the high-end professional services and logistics hub under the Northern Metropolis Development Strategy and will serve as the main hub for the Hong Kong-Shenzhen Western Railway linking Hung Shui Kiu and Qianhai, ensuring efficient transport connectivity of the Greater Bay Area.

On Po Shan Road in Mid-Levels West, sales of the 50% joint venture residential development High Peak continues. The property, winner in 3 architectural and interior design categories of Asia Pacific Property Awards 2024-2025, comprises 16 flats with saleable area ranging from 3,770 sq. ft. to 7,260 sq. ft.. In October 2024, another standard unit was sold and total cumulative contract sales amounted to approximately HK\$470 million.

In Dukes Place, the Group's 20% joint venture project in Jardine's Lookout, sales of a 5,700 sq. ft. master duplex unit was recognised during the period. Up to 30th September 2024, cumulative total sales amounted to approximately HK\$3 billion. After the period ended, another 4,100 sq. ft. superior duplex unit was sold.

In Lam Tei, Tuen Mun, the Group's residential project is also in land exchange application with the government, with developable GFA approximates to 83,700 sq. ft..

Mainland China

In Tongzhou, Beijing, residential inventory sales of our 50% owned joint venture development, Capital Cove, continues. This 2,360,000 sq. ft. GFA development comprises 964 residential apartments and two commercial towers. Up to 30th September 2024, approximately 85% of the residential units were sold and had achieved a total contracted sales of approximately RMB5.3 billion, with about 98% sold units delivered to buyers. Sub-structure works for the two commercial towers have been completed, design and layout of the superstructure is in progress.

Canada (development through hotel subsidiary group)

The redevelopment of our Empire Landmark hotel in Vancouver has been completed. Occupation permit of the "Landmark on Robson" development was issued in July 2024 and delivery to buyers commenced in August 2024. This is an approximately 394,000 sq. ft. GFA redevelopment with two 30-plus storeys residential towers, comprising 236 residential units over a three-storeys podium of retail and office space of about 50,000 sq. ft., and a four-level underground parking facility in addition. The building garnered two 5-star awards and five general awards from the International Property Awards/Americas Region.

Up to 30th September 2024, approximately CAD240 million of residential sales were contracted, and approximately 70% were recognised in profit and loss account for the interim period.

The Group's two joint venture residential development on Alberni Street, downtown Vancouver, are in active discussion with the local city's planning department.

LEASING

Leasing income for the period was HK\$58 million (2023: HK\$64 million). Occupancies maintained while rental rate decreased. In September 2024, an international fashion retailer commenced the lease of the two-storeys prime retail space in our office building in Central, which will boost the leasing income in the coming years. Net revaluation loss (taking into account our share from the investment property owned by an associated company) of HK\$272 million (2023: gain of HK\$162 million) was recorded.

HOTEL

About 21 million visitors to Hong Kong were recorded in the 6 months period ended 30th September 2024, an increase of about 13% comparing to same period last year. Approximately 80% of them were from mainland and of all the arrivals, approximately 50% stayed overnight.

Our hotel sector recorded a revenue of HK\$158 million for the six months interim period (2023: HK\$174 million), and also a profit contribution to the Group of HK\$66 million (2023: HK\$79M). Average occupancy

of the Group's hotels was 88% (2023: 84%), showcasing strong demand. However, there was a decrease in room rates, primarily due to a shift in spending patterns among overnight mainland visitors, in contrast to the heightened demand experienced in last year after re-opening of the border in early 2023.

In June 2024, the Group put forward a privatisation scheme to disinterested shareholders of the listed hotel subsidiary. In October 2024, the scheme became effective and the listing of our hotel subsidiary was withdrawn. The privatisation streamlines the Group's operations and management is looking forward to a better segment result from savings achieved through the reduction of administrative costs.

FINANCIAL INVESTMENTS

At 30th September 2024, the Group held financial investments of approximately HK\$3,542 million (31st March 2024: HK\$4,001 million). The investment portfolio comprised of 84% listed debt securities (predominantly issued by PRC-based real estate companies), 10% listed equity securities and 6% unlisted investments. They are denominated in different currencies with 55% in United States dollar, 37% in Renminbi and 8% in other currencies (mostly Hong Kong dollar).

During the year, income from this investment portfolio amounted to HK\$385 million (2023: HK\$742 million), the decrease is mainly resulted from disposal/redemption and increased provision for expected credit loss of debt securities at the end of last financial year.

The Group actively participates in the liabilities management negotiation with various debt issuers through maturity extension coupled with principal amortisation, reduction of coupon rates and charging collateral as credit enhancement. A net investment loss of HK\$391 million (2023: HK\$1,782 million), which mainly includes fair value loss and provision for expected credit loss, was recorded in the profit and loss account.

Subsequent to the interim financial period, the Group has disposed of certain equity securities of a financial institution held for the long term.

At 30th September 2024, none (31st March 2024: none) of these investments were pledged to banks as collateral for credit facilities granted to the Group.

FINANCIAL REVIEW

At 30th September 2024, the Group's total assets were approximately HK\$37.3 billion (31st March 2024: HK\$38.2 billion), with net assets of HK\$17.7 billion (31st March 2024: HK\$18.1 billion). Adopting market value of hotel properties in operation, the revalued total assets of the Group were HK\$45.2 billion (31st March 2024: HK\$46.0 billion), while the revalued net assets of the Group were HK\$26.0 billion (31st March 2024: HK\$26.4 billion).

Net debt was HK\$15.6 billion (31st March 2024: HK\$16.4 billion). At 30th September 2024, the Group's gearing ratio (net debt to revalued net assets) is approximately 60% (31st March 2024: 62%). The Group's borrowings are all in Hong Kong dollars.

All the debts are at floating rates. As at 30th September 2024, about 45% of these debts have been hedged against HIBOR fluctuations by various interest rate swap contracts of approximately HK\$7,810 million in total, fixing at average rate of approximately 1%. As at 30th September 2024, a fair value gain of HK\$153 million was recorded on these interest rate swap contracts. The maturities of our debts spread over a period of up to 5 years, with 38% repayable between two to five years, 37% repayable between one to two years, and 25% repayable within 1 year of which about half has been extended for one year after the interim period end.

As at 30th September 2024, 83% of the debts are secured. Property assets with an aggregate net book value of HK\$25.9 billion (31st March 2024: HK\$26.8 billion) were pledged to secure credit facilities of the Group. HK\$2,646 million (31st March 2024: HK\$2,658 million) guarantees were provided to financial institutions against outstanding bank loan facilities of joint ventures and an associated company.

EMPLOYEES AND REMUNERATION POLICIES

At 30th September 2024, the Group employed approximately 340 (31st March 2024: 330) employees. The remuneration packages including basic salary, annual bonus, share options, retirement and other benefits are commensurate with their job nature and level of experience.

FUTURE PROSPECT

Since Hong Kong government's removal of all property cooling measures and the recent interest rate cuts, sales transactions picked up considerably. The encouraging number of successful applications under various talent admission schemes has brought about rise in residential rental yield. These all contribute to uplift the local residential property market. In the Mainland, the continued relaxation of property market restraints, lowering of mortgage rate and reduction of initial downpayment helps to release the purchasing power. As of now, these constraints of most mainland cities are abolished.

With the rising influx of visitors, our hotel operations are steadily recovering and are on a promising path to reach pre-COVID levels. The HKSAR government's robust efforts in promoting Hong Kong through various mega events, international conferences, exhibitions and the like have significantly enhanced the city's global appeal, attracting numerous visitors to experience Hong Kong's unique glamour. We anticipate that these activities will have a favourable impact on our hotel sector's performance. In terms of infrastructure, our Kai Tak Sports Park is currently undergoing a series of tests and rehearsals, while the official opening of the third runway at the airport and the anticipated full recovery of the airline capacity are expected to further drive the upward momentum of the tourism industry.

Benefitting from the Group's hedging effort in prior years, we are still enjoying the low interest cost brought by the interest rate swaps entered in prior years, alleviating the Group from associated finance cost burden.

Management continues to be financially cautious and prudent to mitigate any negative impact in this uncertain economic environment.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30th September 2024 (2023: 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 has purchased or sold any of the Company's listed securities during the period, nor were there any on-market sales of treasury shares made 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 C3 to 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 2024.

CORPORATE GOVERNANCE CODE

During the period, the Company has applied the principles and complied with the applicable code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules.

AUDIT COMMITTEE

The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30th September 2024.

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

Hong Kong, 29th November 2024

As at the date of this announcement, the executive directors of the Company are Mr. Fung Siu To, Clement, Mr. Poon Jing, Mr. Poon Hai, Mr. Poon Yeung, Roderick, Mr. Lun Pui Kan and Mr. Kwan Po Lam, Phileas; and the independent non-executive directors of the Company are Mr. Wong Chi Keung, Mr. Cheung Kwok Wah and Mr. Leung Wai Keung.