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ASIA ORIENT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 214)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST MARCH 2013

FINANCIAL HIGHLIGHTS

(In HK\$ million, except otherwise indicated)

	2013	2012	Change
Revenue	1,227	1,253	-2%
Operating profit/(loss)	2,414	(285)	N/A
Profit/(loss) attributable to shareholders of the Company	1,364	(89)	N/A
Earnings/(loss) per share - basic (HK\$)	1.91	(0.13)	N/A
Total assets	22,012	19,795	+11%
Net assets	17,532	14,833	+18%
Equity attributable to shareholders of the Company	8,373	6,980	+20%
Net debt	3,006	3,513	-14%
Supplementary information with hotel properties in operation at valuation:			
Revalued total assets	24,374	21,434	+14%
Revalued net assets	20,519	17,108	+20%
Equity attributable to shareholders of the Company	9,522	7,854	+21%
Equity attributable to shareholders of the Company per share (HK\$)	13.33	11.00	+21%
Gearing – net debt to revalued net assets	15%	21%	-6%

The Directors of Asia Orient Holdings Limited (the “Company”) announce that the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31st March 2013 together with the comparative figures for the year ended 31st March 2012 were as follows:

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31st March 2013

	Note	2013 HK\$'000	2012 HK\$'000
Revenue	2	1,226,529	1,252,744
Cost of sales		(390,199)	(375,557)
Gross profit		836,330	877,187
Selling and administrative expenses		(208,641)	(199,639)
Depreciation		(165,285)	(171,204)
Net investment gain/(loss)	3	831,297	(1,689,809)
Fair value gain of investment properties		1,119,805	898,194
Operating profit/(loss)		2,413,506	(285,271)
Net finance costs		(44,685)	(21,987)
Share of profits less losses of Jointly controlled entities Associated companies		(4,915) 320,225	(6,267) 236,301
Profit/(loss) before income tax		2,684,131	(77,224)
Income tax expense	5	(33,366)	(6,237)
Profit/(loss) for the year		2,650,765	(83,461)
Attributable to:			
Shareholders of the Company		1,363,791	(89,210)
Non-controlling interests		1,286,974	5,749
		2,650,765	(83,461)
Dividends	6	29,995	-
Earnings/(loss) per share (HK\$)			
Basic	7	1.91	(0.13)
Diluted	7	1.74	(0.13)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March 2013

	2013 HK\$'000	2012 HK\$'000
Profit/(loss) for the year	2,650,765	(83,461)
Other comprehensive income/(charge)		
Net fair value gain/(loss) on available-for-sale investments	36,407	(37,215)
Impairment of available-for-sale investments charged to profit and loss account	395	2,261
Release of reserve upon disposal of available-for-sale investments	(1,319)	-
Currency translation differences	15,386	8,389
	50,869	(26,565)
Total comprehensive income/(charge) for the year	2,701,634	(110,026)
Attributable to:		
Shareholders of the Company	1,385,568	(97,562)
Non-controlling interests	1,316,066	(12,464)
	2,701,634	(110,026)

CONSOLIDATED BALANCE SHEET

As at 31st March 2013

	Note	2013 HK\$'000	2012 HK\$'000
Non-current assets			
Property, plant and equipment		7,171,385	6,727,239
Investment properties		5,418,841	4,297,374
Jointly controlled entities		1,121,706	1,089,587
Associated companies		1,441,984	1,138,238
Available-for-sale investments		241,390	197,295
Mortgage loans receivable		3,790	14,073
Deferred income tax assets		1,254	1,466
		<u>15,400,350</u>	<u>13,465,272</u>
Current assets			
Properties under development for sale		1,177,534	1,532,123
Completed properties held for sale		131,352	132,053
Hotel and restaurant inventories		2,218	2,342
Mortgage loans receivable		672	1,156
Trade and other receivables	8	370,570	221,426
Amount due from a jointly controlled entity		-	91,000
Income tax recoverable		815	173
Financial assets at fair value through profit or loss		4,487,788	3,908,913
Bank balances and cash		440,457	440,160
		<u>6,611,406</u>	<u>6,329,346</u>
Current liabilities			
Trade and other payables	9	155,121	142,503
Amount due to jointly controlled entities		69,686	55,357
Income tax payable		27,214	21,734
Derivative financial instruments		2,289	6,001
Borrowings		479,102	1,526,688
		<u>733,412</u>	<u>1,752,283</u>
Net current assets		<u>5,877,994</u>	<u>4,577,063</u>
Total assets less current liabilities		<u>21,278,344</u>	<u>18,042,335</u>
Non-current liabilities			
Long term borrowings		2,898,786	2,364,093
Convertible bonds		68,493	62,348
Deferred income tax liabilities		778,613	782,951
		<u>3,745,892</u>	<u>3,209,392</u>
Net assets		<u>17,532,452</u>	<u>14,832,943</u>
Equity			
Share capital		71,416	71,416
Reserves		8,301,776	6,908,343
Equity attributable to shareholders of the Company		<u>8,373,192</u>	<u>6,979,759</u>
Non-controlling interests		9,159,260	7,853,184
		<u>17,532,452</u>	<u>14,832,943</u>

NOTES TO THE FINANCIAL STATEMENTS

1 Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties, available-for-sale investments, financial assets at fair value through profit or loss and derivative financial instruments, which are carried at fair value, and in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

The accounting policies and methods of computation used in the preparation of these annual financial statements are consistent with those used in 2012. There are no new or revised standards or interpretations that are effective for the first time for this year which are relevant to the Group’s operation and have a material impact on the Group’s annual financial statement.

Certain new and revised standards have been issued but are not yet effective for the year ended 31st March 2013 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 consolidated financial statements.

2 Turnover and segment information

Revenue includes revenue from property sales and leasing, hotel and travel agency, management services, interest income and dividend income. Management regards turnover 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 and derivative financial instruments.

	Property management HK\$’000	Property sales HK\$’000	Property leasing HK\$’000	Hotel and travel HK\$’000	Financial investments HK\$’000	Others HK\$’000	Total HK\$’000
2013							
Turnover	12,527	833	90,861	734,172	2,575,273	10,215	3,423,881
Segment revenue	<u>12,527</u>	<u>833</u>	<u>90,861</u>	<u>734,172</u>	<u>377,921</u>	<u>10,215</u>	<u>1,226,529</u>
Contribution to segment results	4,618	131	81,288	255,368	377,921	10,215	729,541
Depreciation	(94)	-	-	(159,690)	-	(5,501)	(165,285)
Net investment gain	-	-	-	-	831,297	-	831,297
Fair value gain of investment properties	-	-	1,119,805	-	-	-	1,119,805
Share of profits less losses of Jointly controlled entities	-	(4,915)	-	-	-	-	(4,915)
Associated companies	-	-	320,225	-	-	-	320,225
Segment results	4,524	(4,784)	1,521,318	95,678	1,209,218	4,714	2,830,668
Unallocated corporate expenses							(101,852)
Net finance costs							<u>(44,685)</u>
Profit before income tax							<u>2,684,131</u>

2 Turnover and segment information (continued)

	Property management HK\$'000	Property sales HK\$'000	Property leasing HK\$'000	Hotel and travel HK\$'000	Financial investments HK\$'000	Others HK\$'000	Total HK\$'000
2012							
Turnover	12,199	38,132	88,942	698,218	3,831,118	22,755	4,691,364
Segment revenue	<u>12,199</u>	<u>38,132</u>	<u>88,942</u>	<u>698,218</u>	<u>392,498</u>	<u>22,755</u>	<u>1,252,744</u>
Contribution to segment results	4,437	304	83,028	275,323	392,498	22,755	778,345
Depreciation	(76)	-	-	(165,855)	-	(5,273)	(171,204)
Net investment loss	-	-	-	-	(1,689,809)	-	(1,689,809)
Fair value gain of investment properties	-	-	898,194	-	-	-	898,194
Share of profits less losses of Jointly controlled entities	-	(6,267)	-	-	-	-	(6,267)
Associated companies	-	(30)	236,348	-	-	(17)	236,301
Segment results	4,361	(5,993)	1,217,570	109,468	(1,297,311)	17,465	45,560
Unallocated corporate expenses							(100,797)
Net finance costs							<u>(21,987)</u>
Loss before income tax							<u>(77,224)</u>

2 Turnover and segment information (continued)

	Property management HK\$'000	Property sales HK\$'000	Property leasing HK\$'000	Hotel and travel HK\$'000	Financial investments HK\$'000	Others HK\$'000	Total HK\$'000
2013							
Segment assets	17,852	2,554,943	6,835,321	7,126,750	4,869,666	329,061	21,733,593
Other unallocated assets							<u>278,163</u>
							<u><u>22,011,756</u></u>
Segment assets include:							
Jointly controlled entities and associated companies	-	1,167,571	1,395,193	-	-	926	2,563,690
Addition to non-current assets*	25	190,362	1,662	221,194	-	4,047	417,290
Segment liabilities							
Borrowings	-	1,115,500	474,932	1,474,202	313,254	-	3,377,888
Other unallocated liabilities							<u>1,101,416</u>
							<u><u>4,479,304</u></u>
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*	308	500,000	6,163	7,397	-	5,937	519,805
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)

	2013 HK\$'000	2012 HK\$'000
Revenue		
Hong Kong	803,632	798,468
Overseas	<u>422,897</u>	<u>454,276</u>
	<u>1,226,529</u>	<u>1,252,744</u>
Non-current assets*		
Hong Kong	13,816,119	11,832,338
Overseas	<u>1,337,797</u>	<u>1,420,100</u>
	<u>15,153,916</u>	<u>13,252,438</u>

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

3 Net investment gain/(loss)

	2013 HK\$'000	2012 HK\$'000
Financial assets at fair value through profit or loss		
- net unrealised gain/(loss) from market price movements	643,207	(782,649)
- net unrealised exchange loss	(52,968)	(37,079)
- net realised gain/(loss) (note)	236,900	(863,457)
Available-for-sale investments		
- net realised gain	4,553	-
- impairment	(395)	(2,261)
Derivative financial instruments		
- net realised loss	<u>-</u>	<u>(4,363)</u>
	<u>831,297</u>	<u>(1,689,809)</u>

Note:

Net realised gain/(loss) on financial assets at fair value through profit or loss

Gross consideration	2,197,352	3,434,945
Cost of investments	<u>(1,931,544)</u>	<u>(3,316,979)</u>
Total gain	265,808	117,966
Less: net unrealised gain recognised in prior years	<u>(28,908)</u>	<u>(981,423)</u>
Net realised gain/(loss) recognised in current year	<u>236,900</u>	<u>(863,457)</u>

4 Income and expenses by nature

	2013 HK\$'000	2012 HK\$'000
Income		
Interest income		
- Listed investments	339,856	356,248
- Unlisted investments	405	379
- A jointly controlled entity	1,489	7,948
- Other receivables	2,260	6,014
- Bank deposits	1,180	952
Dividend income		
- Listed investments	37,207	35,522
	<u> </u>	<u> </u>
Expenses		
Cost of properties and goods sold	200,944	207,495
Operating lease rental expense for land and buildings	6,944	8,041
	<u> </u>	<u> </u>

5 Income tax expense

	2013 HK\$'000	2012 HK\$'000
Current income tax		
Hong Kong profits tax	(33,495)	(16,560)
(Under)/over-provision in prior years	(99)	19,433
	<u> </u>	<u> </u>
	(33,594)	2,873
Deferred income tax	228	(9,110)
	<u> </u>	<u> </u>
	(33,366)	(6,237)
	<u> </u>	<u> </u>

Hong Kong profits tax is provided at the rate of 16.5% (2012: 16.5%) on the estimated assessable profit for the year. Income tax on overseas profits has been calculated on the estimated assessable profit for the year at the rates of tax prevailing in the countries in which the Group operates.

Share of income tax expenses of jointly controlled entities and associated companies for the year of HK\$1,180,000 (2012: income tax credit of HK\$1,214,000) and HK\$4,037,000 (2012: HK\$3,561,000) are included in the profit and loss account as share of profits less losses of jointly controlled entities and associated companies respectively.

6 Dividends

	2013 HK\$'000	2012 HK\$'000
Interim, paid, of nil (2012: Nil) per share	-	-
Final, proposed, of HK4.2 cents (2012: Nil) per share	<u>29,995</u>	<u>-</u>
	<u>29,995</u>	<u>-</u>

At a meeting held on 25th June 2013, the Board of Directors has proposed to pay a final dividend of HK4.2 cents with a scrip option for the year ended 31st March 2013 (2012: Nil). The proposed dividend is not reflected in the financial statements, but will be reflected as an appropriation of revenue reserve in the year ending 31st March 2014.

The amount of HK\$29,995,000 is based on 714,157,660 issued shares as at 25th June 2013.

7 Earnings/(loss) per share

The calculation of basic and diluted earnings/(loss) per share for the year is based on the following:

	2013 HK\$'000	2012 HK\$'000
Profit/(loss) attributable to shareholders of the Company		
for calculation of basic earnings/(loss) per share	1,363,791	(89,210)
Effect of dilutive potential shares :		
Interest expense saved on convertible bonds	8,624	-
Profit/(loss) for calculation of diluted earnings/(loss) per share	<u>1,372,415</u>	<u>(89,210)</u>

	Number of shares	
Weighted average number of shares for calculation of		
basic earnings/(loss) per share	714,157,660	713,280,543
Effect of dilutive potential shares:		
a portion of share options of the Company assumed to be exercised	685,601	-
convertible bonds assumed to be converted at beginning of the year	<u>72,727,272</u>	<u>-</u>
Weighted average number of shares for calculation of		
diluted earnings/(loss) per share	<u>787,570,533</u>	<u>713,280,543</u>

Diluted earnings per share for the year ended 31st March 2013 did not assume the exercise of the outstanding share options of Asia Standard international Group Limited (“Asia Standard”) and Asia Standard Hotel Group Limited (“Asia Standard Hotel”) since their exercise would have an anti-dilutive effect.

Diluted loss per share for the year ended 31st March 2012 did not assume the exercise of the outstanding share options of the Company, Asia Standard and Asia Standard Hotel and conversion of convertible bonds since their exercise would have an anti-dilutive effect.

8 Trade and other receivables

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

Trade receivables of the Group amounted to HK\$81,661,000 (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.

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

	2013	2012
	HK\$'000	HK\$'000
0 day - 60 days	80,019	33,832
61 days - 120 days	1,642	992
More than 120 days	-	60
	81,661	34,884

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\$26,067,000 (2012: HK\$22,446,000).

Aging analysis of trade payables is as follows:

	2013	2012
	HK\$'000	HK\$'000
0 day - 60 days	25,715	22,243
61 days - 120 days	161	126
More than 120 days	191	77
	26,067	22,446

10 Subsequent event

In April 2013, Asia Standard issued RMB500 million notes at coupon of 6.5% per annum for a period of 5 years under a medium term note programme established during the year. Cross currency swap contracts were entered into simultaneously to hedge the principal repayment and reduce the effective interest rate to 5.5% per annum. The notes are listed on The Stock Exchange of Hong Kong Limited and the net proceeds of approximately RMB490 million will be applied for general corporate purposes.

The figures in this preliminary announcement of the Group's results for the year ended 31st March 2013 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

The Group's revenue for the year amounted to HK\$1,227 million (2012: HK\$1,253 million), and recorded a HK\$1,364 million profit attributable to shareholders (2012: HK\$89 million loss). The change from loss to profit is mainly due to the net investment gain for the current year compared to net investment loss for last year.

Property sales and development

The Group's property sales, development and leasing operation is carried out through Asia Standard International, its 50.6% owned listed subsidiary.

During the year, The Westminster Terrace, a 50% owned joint venture luxurious residential development at Ting-Kau, achieved sales revenue of HK\$159 million (2012: HK\$620 million). By accounting convention, the revenue and profit were excluded from revenue and operating profit 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.

The Group sold the remaining retail shops of Canaryside for HK\$160 million during the year. Completion of the sales contract occurred shortly after the financial year in April and the sales would be recognised in the coming financial year.

The Group is at present developing 5 residential projects with an attributable GFA of 4.0 million sq. ft., spanning over Hong Kong, Shanghai, Beijing and Macau.

In Hong Kong, our Hung Shui Kiu development is currently undergoing land exchange process. This is a major residential and commercial development on an 110,000 sq. ft. site, which will provide approximately 800 residential units and retail shops with an approximate total GFA of 590,000 sq. ft. Our development is strategically located adjacent to a light rail station linked to the MTR network, and is positioned to be the station portal for the Hong Kong and Shenzhen Western Railway. Furthermore, it is only 15 minutes away from the Qian Hai Bay Economic Zone near Shenzhen.

During the year, the Group entered into a joint venture which acquired a residential building in Jardine's Lookout for redevelopment. This development will be our third signature project with our strategic partner, the Grosvenor Group. The development will be a brand new premium residence of approximately 75,000 sq. ft. GFA on a 23,000 sq. ft. site. The Group owns 20% interest in this project.

In Shanghai, we are building approx. 250 detached & semi-detached houses in a traditional high end and low-density residential neighborhood in the Qingpu district, Puxi. There are more than 9 international schools that surrounds our development, which makes the location very sought after. Furthermore, our development is minutes away from the Hongqiao transportation Hub and is only 30 minutes away from the Nanjing west road CBD. The Group's 50% joint venture project is now in superstructure stage. The development has a total floor area of approximately 1,080,000 sq. ft. on a 1.5 million sq. ft. site. We expect the development will be completed in 2015.

In Beijing, our group was successful in gaining planning approvals from the local government of Tongzhou. Our 50% joint venture development is a waterfront residential/commercial development with a total floor area of approximately 2,360,000 sq. ft.. Land premium has been paid and land clearances are under preparation.

In Macau, planning application for the 190,000 sq. ft. site is underway. This site application is located within the proposed residential/commercial Seac Pai Van zoning outline indicated by the local Government.

Subsequent to the financial year end, the Group entered into a sale and purchase agreement to acquire an existing detached house in Jardine's Lookout. The building will be redeveloped into a brand new ultra-luxurious house of approximate 9,000 sq. ft. GFA.

Leasing

Our leasing portfolio comprises three retail/commercial buildings of 353,000 sq. ft. in Central, Wan Chai and Causeway Bay. Rental income attributable to our investment properties portfolio was approximately HK\$117 million (2012: HK\$112 million), an increase of 4.5%. Significant increases in rent were achieved by the retail space of Asia Standard Tower in Central, which was effective in the second half of the financial year. We expect the total income attributable to the Group next year will increase further with the full year effect of the new leases.

Revaluation gain (including that generated from properties owned by an associated company) of HK\$1,419 million was recorded, compared to HK\$1,118 million of last year.

Hotel

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

Revenue arising from the hotel and travel segment increased 5% from HK\$698 million of last year to HK\$734 million of current year. Average occupancies for the 3 Hong Kong hotels exceeded 95% compared to 92% last year. Contribution to segment results before depreciation was approximately HK\$255 million (2012: HK\$275 million).

The Group has acquired buildings adjacent to our existing hotels in Tsimshatsui and Causeway Bay. These will be redeveloped into new hotels and upon completion in 2016/2017, will add 184 rooms to the portfolio.

A net investment gain of HK\$218 million was registered by the hotel subsidiary group, as opposed to a net investment loss of HK\$567 million last year.

Overall, the hotel group recorded a profit of HK\$424 million (2012: loss of HK\$311 million) on total revenue of HK\$846 million (2012: HK\$823 million).

Financial investments

At 31st March 2013, the Group's financial investment portfolio amounted to HK\$4,729 million (2012: HK\$4,106 million).

Interest and dividend income for the year from these investments amounted to HK\$378 million (2012: HK\$392million). During the year, the Group recorded a net investment gain of HK\$831 million (2012: HK\$1,690 million loss) of which HK\$590 million unrealised gain arose from the mark to market valuation at year end (2012: HK\$820 million unrealised loss).

These financial investments comprised of 65% by debt securities and 35% by equity securities. They are denominated in different currencies with 59% in United States dollar, 21% in Sterling, 12% in Hong Kong dollar, 5% in Euro and 3% in Renminbi.

At 31st March 2013, an approximate value of HK\$60 million (2012: HK\$340 million) of these investments were pledged to banks as collateral for credit facilities granted to the Group.

FINANCIAL REVIEW

At 31st March 2013, the Group's total assets amounted to approximately HK\$22.0 billion (2012: HK\$19.8 billion). Net assets were HK\$17.5 billion (2012: HK\$14.8 billion). Adopting market value of hotel properties in operation, the revalued total assets and revalued net assets of the Group would be HK\$24.4 billion (2012: HK\$21.4 billion) and HK\$20.5 billion (2012: HK\$17.1 billion).

Net debt at 31st March 2013 was HK\$3,006 million (2012: HK\$3,513 million), of which HK\$37 million (2012: HK\$20 million) attributable to the parent group. Gearing, calculated as net debt to revalued net asset, was further improved to 15% (2012: 21%).

All the bank borrowings are at floating rates, while the convertible bonds carry interest at fixed rate. At 31st March 2013, a total of HK\$150 million (2012: HK\$150 million) interest rate swap contracts were held to hedge our borrowings. Total interest costs (including capitalised interest) are similar to last year.

The maturity of our debts are well spread over a long period of up to 13 years. Convertible bonds account for 2% and revolving loans account for 6%. The remaining 92% are term loans secured by property assets with 6% repayable within 1 year, 46% repayable between one to five years and 40% repayable after five years. At 31st March 2013, the Group had current assets of HK\$6.6 billion (2012: HK\$6.3 billion).

About 95% of the Group's borrowings are in Hong Kong dollar. With the weakening of the foreign currencies in which the remaining borrowings are denominated, the Group recorded HK\$12 million exchange gain during the year and credited to finance costs.

In January 2013, Asia Standard International established a medium term note programme under which it may issue notes in series of aggregate principal amount up to US\$ 1 billion (or its equivalent in other currencies). Subsequent to the financial year end, it issued, in April, notes under the programme amounting to RMB500 million at effective interest rate (after hedging) of 5.5% p.a. for a period of 5 years.

At 31st March 2013, an approximate HK\$15.1 billion (2012: HK\$14.0 billion) book value of property assets and financial investments were pledged to banks as collateral for credit facilities granted to the Group. HK\$339 million guarantee (2012: HK\$149 million) was provided to financial institution against credit facilities granted to jointly controlled entities.

EMPLOYEES AND REMUNERATION POLICIES

At 31st March 2013, the Group employed approximately 608 (2012: 636) 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 has fuelled asset price inflation in the local property market, which is recently stamped down by tax interventions. 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.

DIVIDEND

The Directors recommend a final dividend for the year ended 31st March 2013 of HK4.2 cents (2012: Nil) per share. The shareholders will be given an option to elect to receive shares of the Company credited as fully paid in lieu of cash in respect of part or all of the proposed final dividend (the “Scrip Dividend Scheme”). No interim dividend was declared during the year (2012: Nil). Total dividend for the year amounts to HK4.2 cents (2012: Nil) per share.

The Scrip Dividend Scheme will be subject to (i) the approval of the proposed final dividend at the 2013 annual general meeting to be held on 22nd August 2013 (the “Annual General Meeting”); and (ii) The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting listing of and permission to deal in the new shares to be allotted thereunder. Full details of the Scrip Dividend Scheme will be set out in a circular to be despatched to the shareholders.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Tuesday, 20th August 2013 to Thursday, 22nd August 2013 both days inclusive, for the purpose of determining the identity of members who are entitled to attend and vote at the Annual General Meeting. During which period no transfer of shares of the Company will be registered and no shares will be allotted and issued on the exercise of the subscription rights attached to the outstanding share options granted by the Company. In order to qualify for attending the Annual General Meeting, all transfers of shares of the Company accompanied by the relevant share certificates and the appropriate transfer forms must be lodged with the Company’s Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 19th August 2013.

The proposed final dividend is subject to the approval of the shareholders at the Annual General Meeting. The record date for entitlement to the proposed final dividend is 28th August 2013. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed on both days of Tuesday, 27th August 2013 to Wednesday, 28th August 2013, during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company’s Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 26th August 2013. The final dividend will be paid on 30th September 2013.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, the Company has not redeemed any of its shares. Neither the Company nor any of its subsidiaries have purchased or sold any of the Company’s listed securities during the year.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). The Company has made specific enquiry of all directors regarding any non-compliance with the Model Code during the year, and they all confirmed that they have fully complied with the required standard set out in the Model Code throughout the year ended 31st March 2013.

CORPORATE GOVERNANCE CODE

During the year, 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 deviations :-

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 retire at the next annual general meeting but shall then be eligible for re-election at the meeting.

AUDIT COMMITTEE

The Audit Committee has reviewed the annual results of the Group for the year ended 31st March 2013.

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

Hong Kong, 25th June 2013

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.