



ASIA ORIENT HOLDINGS LIMITED

Stock Code: 214



Corporate Information

Directors

Executive

Mr. Fung Siu To, Clement (*Chairman*)
Dr. Lim Yin Cheng (*Deputy Chairman*)
Mr. Poon Jing (*Managing Director and Chief Executive*)
Mr. Lun Pui Kan
Mr. Kwan Po Lam, Phileas

Non-executive

Mr. Chan Sze Hung

Independent Non-executive

Mr. Cheung Kwok Wah
Mr. Wong Chi Keung
Mr. Hung Yat Ming

Audit committee

Mr. Hung Yat Ming (*Chairman*)
Mr. Cheung Kwok Wah
Mr. Wong Chi Keung

Remuneration committee

Mr. Fung Siu To, Clement (*Chairman*)
Mr. Wong Chi Keung
Mr. Hung Yat Ming

Authorised representatives

Mr. Fung Siu To, Clement
Mr. Lun Pui Kan

Company secretary

Ms. Man Sau Ying

Registered office

Canon's Court,
22 Victoria Street,
Hamilton HM12,
Bermuda

Principal office in Hong Kong

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E-mail ao_info@asia-standard.com.hk

Principal bankers

Bank of China (Hong Kong) Limited
Bank of Communications Co., Ltd.
Chiyu Banking Corporation Limited
Chong Hing Bank Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited

Legal advisers

Stephenson Harwood
35th Floor, Bank of China Tower,
1 Garden Road, Central,
Hong Kong

Appleby
8th Floor, Bank of America Tower,
12 Harcourt Road, Central,
Hong Kong

Auditor

PricewaterhouseCoopers
Certified Public Accountants
22nd Floor, Prince's Building,
Central, Hong Kong

Share registrar in Bermuda

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre,
11 Bermudiana Road,
Pembroke HM08,
Bermuda

Hong Kong branch share registrar and transfer office

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor,
Hopewell Centre,
183 Queen's Road East,
Wanchai,
Hong Kong

Financial Highlights

	Six months ended 30th September		
	2010	2009	Change
(in HK\$ million, except otherwise indicated)			
Consolidated profit and loss account			
Turnover	23	378	-94%
Net investment gain	94	256	-63%
Share of profits of associated companies	690	515	+34%
Profit attributable to shareholders of the Company	807	1,009	-20%
Earnings per share – basic (HK\$)	1.14	1.53	-25%
	30th September 2010	31st March 2010	Change
Consolidated balance sheet			
Total assets	5,035	4,195	+20%
Net assets	4,951	4,134	+20%
Net assets per share (HK\$)	7.0	5.8	+21%
Net cash	4.8	25.0	-81%

Management Discussion and Analysis



The Westminster Terrace



RESULTS

The Group's profit attributable to shareholders amounted to HK\$807 million, compared to HK\$1,009 million of interim period last year.

The Group recorded an increased share of profit from its associated company Asia Standard International Group Limited ("Asia Standard"), resulting from the Group's increased shareholdings together with Asia Standard's increased profit attributable to shareholders. Profit for the Group however dropped by HK\$202 million or 20% to HK\$807 million due to decreased investment gain and negative goodwill.

ASIA STANDARD

The 49.3% owned Asia Standard reported a profit attributable to shareholders of HK\$1,397 million (2009: HK\$1,115 million) with a revenue of HK\$595 million (2009: HK\$892 million). The Group's share of profit from this associated company amounted to HK\$687 million (2009: HK\$506 million).

Property sales, development and leasing

Property sales amounted to HK\$133 million compared to HK\$533 million last interim period. Development profit was HK\$64 million compared to HK\$183 million of last corresponding period. During the current period, sales of Westminster Terrace, the 50% joint venture luxurious residential development at Castle Peak Road, contributed HK\$47 million to Asia Standard's profit before tax for the period.

Management Discussion and Analysis

Empire Hotel Hong Kong



On project development side, the lease modification of the approximately 540,000 sq. ft. GFA residential development at Hung Shui Kiu, New Territories and another development at Lam Tei, New Territories are at discussion with government. The 50% joint venture project in Beijing is at the stage of obtaining planning parameter clearances. Upon completion, the Beijing project may be developed into an approximately 2 million sq. ft. GFA residential/commercial complex. After the interim period, Asia Standard acquired a site in Macau which is currently under planning application for residential development.

On leasing, rental income attributable to its investment properties portfolio increased by 10% to HK\$46 million from HK\$42 million of last interim period. Revaluation gain net of deferred tax of HK\$806 million was recorded, compared to HK\$47 million of interim period last year.

Financial investments

Asia Standard's financial investment portfolio recorded a net unrealised fair value gain of HK\$404 million (2009: HK\$838 million) and a net realised gain of HK\$6 million (2009: HK\$140 million) during the period. At the same time, these investments generated dividend and interest income of HK\$96 million (2009: HK\$88 million).

Hotel

Asia Standard increased its stake in the listed hotel subsidiary by 2.4% to 69.8%. The hotel group reported a HK\$151 million (2009: HK\$313 million) profit for the period.

Average room rates and occupancy increased for the entire hotel portfolio. Profit from hotel operation is more than last interim period mainly due to the full operation of a 280 rooms hotel in Causeway Bay newly opened in last interim period.

Management Discussion and Analysis

FINANCIAL REVIEW

At 30th September 2010, the Group's net asset value increased to HK\$5.0 billion (31st March 2010: HK\$4.1 billion). The Group was at net cash position at interim period end and last financial year end.

At 30th September 2010, the Group had financial investments amounting to HK\$532 million (31st March 2010: HK\$393 million). A net unrealised fair value gain of HK\$93 million (2009: HK\$137 million) and a net realised gain of HK\$1 million (2009: HK\$119 million) were recognised in the profit and loss account. The investment portfolio generated income of HK\$13 million during the period (2009: HK\$21 million).

Certain listed securities were pledged to secure general banking facilities of the Group. The Group did not provide any guarantees to banks and financial institutions on credit facilities extended to jointly controlled entities, associated companies and third parties.

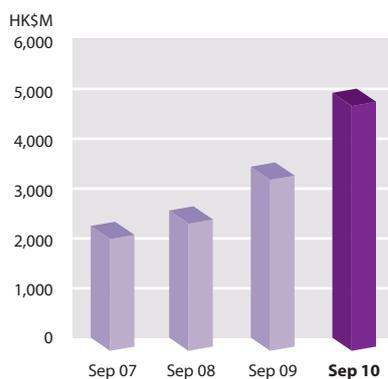
EMPLOYEES AND REMUNERATION POLICIES

At 30th September 2010, the Group employed 174 full time employees with the majority of them working for building management and related services. Their remuneration packages, commensurate with job nature and experience level, include basic salary, annual bonus, retirement and other benefits.

FUTURE PROSPECTS

We very much remain optimistic and yet cautious in looking ahead to the remainder of the period as China appears to resort to tightening policies to combat escalating inflation amid vast capital inflow from developed economies. Local cooling measures are already in place to curb the heated property market. Despite these public intervention the Group remains poised to capitalise on market weakness whenever it arises.

Net assets



Report on Review of Interim Financial Information

**To the board of directors of
Asia Orient Holdings Limited**

(incorporated in Bermuda with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 6 to 24, which comprises the condensed consolidated balance sheet of Asia Orient Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as at 30th September 2010 and the related condensed consolidated profit and loss account, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the six months period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 26th November 2010

Condensed Consolidated Profit and Loss Account – Unaudited

	Note	For the six months ended 30th September	
		2010 HK\$'000	2009 HK\$'000
Turnover	4	22,911	377,777
Revenue	4	18,098	27,069
Cost of sales		(3,758)	(3,639)
		14,340	23,430
Net investment gain	6	93,744	256,028
Administrative expenses		(4,213)	(5,204)
Other income and charges	7	(312)	(5,757)
Operating profit		103,559	268,497
Finance costs	8	(246)	(3,666)
Share of profits of			
Jointly controlled entities		–	1,039
Associated companies		689,789	514,969
Negative goodwill arising from acquisition of additional interest in associated companies		13,058	228,146
Profit before income tax		806,160	1,008,985
Income tax credit/(expense)	9	550	(21)
Profit for the period attributable to shareholders of the Company		806,710	1,008,964
Dividend	10	7,102	10,513
Earnings per share (HK\$)			
Basic	11	1.14	1.53
Diluted	11	1.14	1.40

Condensed Consolidated Statement of Comprehensive Income – Unaudited

	For the six months ended 30th September	
	2010 HK\$'000	2009 HK\$'000
Profit for the period	806,710	1,008,964
Other comprehensive (charge)/income		
Fair value (loss)/gain on available-for-sale investments		
– Company and subsidiaries	–	28,046
– Associated companies	(1,222)	54,169
Currency translation differences	(925)	9,097
Negative goodwill recognised by associated companies	18,633	–
	16,486	91,312
Total comprehensive income for the period	823,196	1,100,276

Condensed Consolidated Balance Sheet – Unaudited

	<i>Note</i>	30th September 2010 HK\$'000	31st March 2010 HK\$'000
Non-current assets			
Property, plant and equipment	12	76	85
Associated companies		4,427,316	3,713,848
Deferred income tax assets		601	51
		4,427,993	3,713,984
Current assets			
Trade and other receivables	13	9,100	56,922
Financial assets at fair value through profit or loss		532,150	391,595
Warrant assets	14	–	1,439
Bank balances and cash		66,080	31,064
		607,330	481,020
Current liabilities			
Trade and other payables	15	23,298	54,297
Amounts due to associated companies		235	494
Short-term borrowings – secured	16	61,248	6,000
		84,781	60,791
Net current assets		522,549	420,229
Net assets		4,950,542	4,134,213
Equity			
Share capital	17	71,015	70,871
Reserves	18	4,879,527	4,063,342
		4,950,542	4,134,213

Condensed Consolidated Statement of Cash Flows – Unaudited

	For the six months ended 30th September	
	2010 HK\$'000	2009 HK\$'000
Net cash (used in)/generated from		
Operating activities	(25,164)	3,136
Investing activities	7,037	(88,209)
Financing activities	48,381	91,317
Net increase in cash and cash equivalents	30,254	6,244
Cash and cash equivalents at the beginning of period	17,597	22,182
Cash and cash equivalents at the end of period	47,851	28,426
Analysis of the balances of cash and cash equivalents		
Bank balances and cash (excluding restricted bank balances)	47,851	28,426

Condensed Consolidated Statement of Changes in Equity – Unaudited

	HK\$'000
At 31st March 2009	2,344,121
Profit for the period	1,008,964
Fair value gain on available-for-sale investments	
Company and subsidiaries	28,046
Associated companies	54,169
Currency translation differences	9,097
Total comprehensive income for the period	1,100,276
Conversion of warrants and total transactions with owners	50,798
At 30th September 2009	3,495,195
At 31st March 2010	4,134,213
Profit for the period	806,710
Fair value loss on available-for-sale investments	
Associated companies	(1,222)
Currency translation differences	(925)
Negative goodwill recognised by associated companies	18,633
Total comprehensive income for the period	823,196
Dividend and total transactions with owners	(6,867)
At 30th September 2010	4,950,542

Notes to the Interim Financial Information

1 Basis of preparation

The unaudited condensed consolidated interim financial information has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), and should be read in conjunction with the annual financial statements for the year ended 31st March 2010.

The accounting policies and methods of computation used in the preparation of this condensed consolidated interim financial information are consistent with those used in the annual financial statements for the year ended 31st March 2010, except for the adoption of new or revised standards and amendments to existing standards ("new HKFRS"), which are relevant to the Group's operations and are mandatory for the Group's accounting periods beginning on 1st April 2010.

Except for certain changes in accounting policies, the adoption of these new HKFRS in the current period did not have any significant effect on the interim financial information or result in any substantial changes in the Group's significant accounting policies.

The HKICPA has issued certain new and revised standards, interpretations and amendments to existing standards that are not yet effective for the year ending 31st March 2011. The Group has not early adopted these standards, interpretations and amendments. 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 change to the Group's accounting policies and presentation of the financial statements.

2 Financial risk management

The activities of the Group and its associated companies expose it to a variety of financial risks: market risk (including foreign exchange risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Notes to the Interim Financial Information

3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group and its associated companies make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are related to investment properties of the associated companies.

The Group's associated companies have investment properties that are stated at fair value. The best evidence of fair value is current prices in an active market for similar properties. In the absence of such information, the amount is determined within a range of reasonable fair value estimates. Information from a variety of sources are considered in making the judgement:

- (i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
- (ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
- (iii) the current rent from the existing tenancies, the potential rents for vacant units and the capitalisation rates of comparable transactions.

Notes to the Interim Financial Information

4 Turnover and segment information

The Company is a limited liability company incorporated in Bermuda and listed on The Stock Exchange of Hong Kong Limited. The address of its registered office is 30th Floor, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong.

The Group, its jointly controlled entities and its associated companies are principally engaged in property management, development and investment, hotel, catering services and travel agency, and investments. Turnover comprises revenue from property management, dividend and interest income, together with gross proceeds from disposal of financial assets at fair value through profit or loss and derivative financial instruments. Revenue includes revenue from property management and dividend and interest income.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments. The operating segments were determined based on the reports reviewed by management.

The Group, its jointly controlled entities and its associated companies are organised into four main operating segments, comprising property sales, property leasing and management, hotel and travel, and investments. There is no other significant identifiable separate operating segment. Segment revenue from external customers is after elimination of inter-segment revenue. Additional segment information of its associated companies was set out in the supplementary notes.

Segment assets consist primarily of property, plant and equipment, deferred income tax assets, trade and other receivables, financial assets at fair value through profit or loss and restricted bank balances and mainly exclude warrant assets and unrestricted bank balances and cash. Segment liabilities comprise mainly trade and other payables and short-term borrowings.

Notes to the Interim Financial Information

4 Turnover and segment information (continued)

	Property management HK\$'000	Investments HK\$'000	Others HK\$'000	Total HK\$'000
Six months ended 30th September 2010				
Turnover	5,280	17,600	31	22,911
Segment revenue	5,280	12,787	31	18,098
Contribution to segment results	1,522	12,787	31	14,340
Net investment gain	–	93,744	–	93,744
Other income and charges	–	–	(312)	(312)
Segment results	1,522	106,531	(281)	107,772
Unallocated corporate expenses				(4,213)
Operating profit				103,559
Finance costs				(246)
Share of profits of				
Associated companies (note (i))				689,789
Negative goodwill arising from acquisition of additional interest in associated companies				13,058
Profit before income tax				806,160
Income tax credit				550
Profit for the period				806,710
Six months ended 30th September 2009				
Turnover	5,461	372,316	–	377,777
Segment revenue	5,461	21,608	–	27,069
Contribution to segment results	1,822	21,608	–	23,430
Net investment gain	–	256,028	–	256,028
Other income and charges	–	–	(5,757)	(5,757)
Segment results	1,822	277,636	(5,757)	273,701
Unallocated corporate expenses				(5,204)
Operating profit				268,497
Finance costs				(3,666)
Share of profits of				
Jointly controlled entities	–	–	1,039	1,039
Associated companies (note (i))				514,969
Negative goodwill arising from acquisition of additional interest in associated companies				228,146
Profit before income tax				1,008,985
Income tax expense				(21)
Profit for the period				1,008,964

Notes to the Interim Financial Information

4 Turnover and segment information (continued)

Note (i): Share of profits of associated companies

	Six months ended 30th September	
	2010 HK\$'000	2009 HK\$'000
Property sales	54,436	81,094
Property leasing	474,081	42,754
Hotel and travel	19,855	2,827
Investments	230,912	430,650
Others	11,042	4,360
Finance costs	(16,401)	(11,081)
Unallocated corporate expenses	(17,762)	(16,869)
Income tax expense	(66,374)	(18,766)
	689,789	514,969

	Property management HK\$'000	Investments HK\$'000	Others HK\$'000	Total HK\$'000
At 30th September 2010				
Segment assets	18,613	540,893	572	560,078
Associated companies (note (ii))				4,427,316
Bank balances and cash, unrestricted				47,851
Other receivables				78
				5,035,323
Segment liabilities	22,169	61,248	–	83,417
Other payables and accruals				1,364
				84,781
Additions to non-current assets*				
for the six months ended 30th September 2010	9	–	–	9

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

Notes to the Interim Financial Information

4 Turnover and segment information (continued)

	Property management HK\$'000	Investments HK\$'000	Others HK\$'000	Total HK\$'000
At 31st March 2010				
Segment assets	13,919	448,060	–	461,979
Associated companies (note (ii))				3,713,848
Bank balances and cash, unrestricted				17,597
Warrant assets				1,439
Other receivables				141
				4,195,004
Segment liabilities	16,684	42,232	–	58,916
Other payables and accruals				1,875
				60,791
Additions to non-current assets*				
for the six months ended 30th September 2009	28	–	–	28

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

Note (ii): Share of segment assets less liabilities of associated companies

	30th September 2010 HK\$'000	31st March 2010 HK\$'000
Property sales	703,507	700,395
Property leasing	1,722,060	1,239,417
Hotel and travel	640,189	629,678
Investments	1,496,349	1,207,275
Others	123,736	145,770
Other unallocated liabilities	(258,525)	(208,687)
	4,427,316	3,713,848

Notes to the Interim Financial Information

4 Turnover and segment information (continued)

Revenue	Six months ended 30th September	
	2010 HK\$'000	2009 HK\$'000
Hong Kong	5,311	7,127
Overseas	12,787	19,942
	18,098	27,069

Non-current assets*	30th September		31st March
	2010 HK\$'000	2010 HK\$'000	
Hong Kong	4,427,392	3,713,933	

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

5 Income and expenses by nature

Income	Six months ended 30th September	
	2010 HK\$'000	2009 HK\$'000
Bank interest income	31	–
Interest income from listed investments	12,787	8,613
Dividend income from listed investments	–	12,505
Expenses		
Depreciation	18	241
Employee benefit expense, including Director's emoluments (note)	5,347	6,210
Note: Employee benefit expense		
Wages and salaries	5,214	6,082
Retirement benefits costs	133	128
	5,347	6,210

Notes to the Interim Financial Information

6 Net investment gain

	Six months ended 30th September	
	2010 HK\$'000	2009 HK\$'000
Financial assets at fair value through profit or loss		
– net realised gain	779	119,158
– net unrealised gain from market value movements	74,991	142,134
– net unrealised exchange gain/(loss)	17,974	(5,631)
Derivative financial instruments		
– net realised gain	–	367
	93,744	256,028

7 Other income and charges

	Six months ended 30th September	
	2010 HK\$'000	2009 HK\$'000
Realised loss on warrant assets	–	(3,813)
Unrealised gain/(loss) on		
– warrant assets	–	284
– convertible bonds	–	(2,407)
Exchange (loss)/gain	(312)	179
	(312)	(5,757)

8 Finance costs

	Six months ended 30th September	
	2010 HK\$'000	2009 HK\$'000
Interest expenses and finance charges on		
– convertible bonds	–	2,946
– short-term borrowings	246	720
	246	3,666

Notes to the Interim Financial Information

9 Income tax credit/(expense)

	Six months ended 30th September	
	2010	2009
	HK\$'000	HK\$'000
Deferred income tax	550	(21)

No provision for Hong Kong profits tax has been made as the Group had sufficient tax losses brought forward to set off against the estimated assessable profits for the current period and prior period.

Share of income tax of associated companies for the six months ended 30th September 2010 of HK\$66,374,000 (2009: HK\$18,766,000) is included in the share of profits of associated companies in the profit and loss account. There is no share of income tax of jointly controlled entities for the current period and prior period.

10 Dividend

	Six months ended 30th September	
	2010	2009
	HK\$'000	HK\$'000
Interim dividend of HK1 cent per share with a scrip option (2009: HK1.5 cents per share in scrip)	7,102	10,513

At a meeting held on 26th November 2010, the Board of Directors recommended to pay an interim dividend of HK1 cent per share with a scrip option (2009: HK1.5 cents per share in scrip). The interim dividend is not reflected in the interim financial information, but will be reflected as an appropriation of revenue reserve in the year ending 31st March 2011.

The amount of HK\$7,102,000 is based on 710,150,519 issued shares as at 26th November 2010.

Notes to the Interim Financial Information

11 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	
	2010 HK\$'000	2009 HK\$'000
Profit attributable to shareholders of the Company	806,710	1,008,964
Effect of dilutive potential shares:		
Interest expense saved on convertible bonds	–	1,162
Decrease in share of profit arising from exercise of warrants of an associated company	–	(62)
Profit for calculation of diluted earnings per share	806,710	1,010,064

	Number of shares	
Weighted average number of shares for calculation of basic earnings per share	708,809,638	658,128,632
Effect of dilutive potential shares:		
A portion of share options assumed to be exercised	1,164,627	–
Convertible bonds assumed to be converted at beginning of the period	–	65,237,495
Weighted average number of shares for calculation of diluted earnings per share	709,974,265	723,366,127

Diluted earnings per share for the six months ended 30th September 2010 and 2009 did not assume the exercise of the outstanding share options of the Company, Asia Standard International Group Limited (“Asia Standard”) and Asia Standard Hotel Group Limited (“AS Hotel”) since their exercise would have an anti-dilutive effect.

Notes to the Interim Financial Information

12 Property, plant and equipment

	Other equipment HK\$'000
Cost	
At 31st March 2010	5,120
Additions	9
At 30th September 2010	5,129
Accumulated depreciation	
At 31st March 2010	5,035
Charge for the period	18
At 30th September 2010	5,053
Net book value	
At 30th September 2010	76
At 31st March 2010	85

13 Trade and other receivables

Trade and other receivables of the Group include trade receivables, interest receivables, receivables on disposal of available-for-sale investments, utility deposits and other deposits.

Aging analysis of trade receivables is as follow:

	30th September 2010 HK\$'000	31st March 2010 HK\$'000
0-60 days	35	495

Notes to the Interim Financial Information

14 Warrant assets

During the period, all outstanding bonus warrants granted from AS Hotel, a listed associated company were converted to its equity shares at the conversion price of HK\$0.29.

	HK\$'000
At 31st March 2010	1,439
Conversion of warrants	(1,439)
At 30th September 2010	-

15 Trade and other payables

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

Aging analysis of trade payables is as follow:

	30th September 2010 HK\$'000	31st March 2010 HK\$'000
0-60 days	2,673	38,899
61-120 days	28	67
More than 120 days	81	29
	2,782	38,995

16 Short-term borrowings – secured

The short-term borrowings are secured by certain shares of listed associated companies and certain securities investments. The carrying amount of the short-term borrowings approximates their fair values.

Notes to the Interim Financial Information

17 Share capital

	Number of shares	Amount HK\$'000
Shares of HK\$0.1 each		
Authorised		
At 31st March 2010 and 30th September 2010	3,000,000,000	300,000
Issued and fully paid		
At 31st March 2010	708,707,100	70,871
Scrip dividend (note)	1,443,419	144
At 30th September 2010	710,150,519	71,015

Note:

In September 2010, the Company allotted and issued 1,443,419 new shares at HK\$1.38 for HK\$2 million as scrip dividend.

18 Reserves

	Share premium HK\$'000	Capital reserve HK\$'000	Contributed surplus HK\$'000	Available- for-sale investment reserve HK\$'000	Share option reserve HK\$'000	Revenue reserve HK\$'000	Total HK\$'000
At 31st March 2010	2,092,114	398,021	60,257	32,636	18,910	1,461,404	4,063,342
Profit for the period	–	–	–	–	–	806,710	806,710
Scrip dividend	1,848	–	–	–	–	(8,859)	(7,011)
Fair value loss on investments							
– Associated companies	–	–	–	(1,222)	–	–	(1,222)
Negative goodwill recognised							
– Associated companies	–	–	–	–	–	18,633	18,633
Currency translation differences	–	–	–	–	–	(925)	(925)
At 30th September 2010	2,093,962	398,021	60,257	31,414	18,910	2,276,963	4,879,527

Notes to the Interim Financial Information

19 Capital commitments

The Group did not have any capital commitments which were contracted but not provided for, nor authorised but not contracted for at 30th September 2010 and 31st March 2010.

20 Contingent liabilities

The Group did not have any material contingent liabilities at 30th September 2010 and 31st March 2010.

21 Comparative figures

Certain comparative figures have been reclassified to conform with the current period's presentation.

Other Information

Directors' and chief executive's interests and short positions in shares, underlying shares and debentures

As at 30th September 2010, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Hong Kong Securities and Futures Ordinance (the "SFO") which (a) are required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which are taken or deemed to have under such provisions of the SFO); or (b) were recorded in the register required to be kept under section 352 of the SFO; or (c) were required to be notified to the Company and the Stock Exchange pursuant to 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") were as follows:

(I) Long positions in shares*(a) The Company*

Director	Number of shares held				Percentage of shares in issue (%)
	Personal interest	Corporate interest	Family interest	Total	
Poon Jing	179,336,132	132,535,465	4,869,248	316,740,845	44.60
Fung Siu To, Clement	13,960,793	–	–	13,960,793	1.97

(b) Associated corporations

Director	Associated corporation	Number of shares held			Percentage of shares in issue (%)
		Personal interest	Corporate interest	Total	
Poon Jing	Asia Standard International Group Limited ("Asia Standard")	1,173,615	613,365,030 (Note 1)	614,538,645	49.39
Poon Jing	Asia Standard Hotel Group Limited ("AS Hotel")	49,337	1,116,470,997 (Note 1)	1,116,520,334	72.82
Fung Siu To, Clement	Mark Honour Limited	9	–	9	0.01

Other Information

Directors' and chief executive's interests and short positions in shares, underlying shares and debentures (continued)

(I) Long positions in shares (continued)

(b) Associated corporations (continued)

Notes:

1. By virtue of his controlling interest in the Company, Mr. Poon Jing is deemed to be interested in the shares of Asia Standard and AS Hotel held by the Company and its subsidiaries.
2. By virtue of his interest in the Company, Mr. Poon Jing is deemed to be interested in the shares of all the Company's subsidiaries and associated corporations.

(II) Long positions in underlying shares

Interests in share options

(a) The Company

Director	Outstanding as at 1st April 2010 and 30th September 2010
Fung Siu To, Clement	2,126,301
Lim Yin Cheng	2,126,301
Lun Pui Kan	2,126,301
Kwan Po Lam, Phileas	2,126,301

Notes :

- (1) Options were granted on 29th March 2007 and exercisable during the period from 29th March 2007 to 28th March 2017 at exercise price of HK\$1.4315 (as adjusted) per share.
- (2) During the period, no option was granted to the Directors and the options granted to the Directors have not been exercised, cancelled or lapsed.

Other Information

Directors' and chief executive's interests and short positions in shares, underlying shares and debentures
(continued)

(II) Long positions in underlying shares (continued)

Interests in share options (continued)

(b) *Associated corporations*

– Asia Standard

Director	Outstanding as at 1st April 2010 and 30th September 2010
Fung Siu To, Clement	2,062,176
Lim Yin Cheng	2,062,176
Poon Jing	515,544
Lun Pui Kan	2,062,176
Kwan Po Lam, Phileas	2,062,176

Notes :

- (1) Options were granted on 30th March 2005 and exercisable during the period from 30th March 2005 to 29th March 2015 at exercise price of HK\$3.15 (as adjusted) per share.
- (2) During the period, no option was granted to the Directors and the options granted to the Directors have not been exercised, cancelled or lapsed.

Other Information

Directors' and chief executive's interests and short positions in shares, underlying shares and debentures

(continued)

(II) Long positions in underlying shares (continued)*Interests in share options* (continued)*(b) Associated corporations* (continued)

– AS Hotel

Director	Date of grant	Exercise price (HK\$) (note 1)	Exercise period	Outstanding as at 1st April 2010 and 30th September 2010
Fung Siu To, Clement	29th March 2007	1.296	29th March 2007 to 28th March 2017	8,000,000
Lim Yin Cheng	2nd April 2007	1.300	2nd April 2007 to 1st April 2017	8,000,000
Lun Pui Kan	2nd April 2007	1.300	2nd April 2007 to 1st April 2017	8,000,000
Kwan Po Lam, Phileas	2nd April 2007	1.300	2nd April 2007 to 1st April 2017	8,000,000

Note :

During the period, no option was granted to the Directors and the options granted to the Directors have not been exercised, cancelled or lapsed.

Save as disclosed above, as at 30th September 2010, none of the Directors or chief executive (including their spouse and children under 18 years of age) of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of the SFO) which (a) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which are taken or deemed to have under such provisions of the SFO); or (b) were recorded in the register required to be kept under section 352 of the SFO; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Other Information

Substantial shareholders and other persons' interests and short positions in shares and underlying shares

The register of substantial shareholders maintained under section 336 of the SFO shows that as at 30th September 2010, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and chief executive.

Long positions in shares

Shareholder	Capacity	Number of shares held	Percentage (%)
Heston Holdings Limited ("Heston") (Note 1)	Beneficial owner	46,058,359	6.49
Teddington Holdings Limited ("Teddington") (Note 1)	Beneficial owner	55,287,182	7.79
Dalton Investments LLC ("Dalton") (Note 2)	Investment manager	101,485,680	14.29
Clearwater Insurance Company ("Clearwater Insurance") (Note 2)	Trustee	48,341,035	6.81
Daswani Rajkumar Murlidhar	Beneficial owner	55,134,130	7.76

Notes:

1. Mr. Poon Jing, his family interest and the companies wholly owned by him namely Teddington, Heston and Full Speed Investments Limited together hold 316,740,845 shares. The interest of Teddington and Heston duplicate the interest of Mr. Poon Jing disclosed under the heading "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures".
2. Dalton is the investment manager for Clearwater Insurance. The interest of Clearwater Insurance in the shares duplicate the interest of Dalton disclosed above.

Save as disclosed above, as at 30th September 2010, the Directors are not aware of any other persons who had interests or short positions in the shares or underlying shares of the Company which are required to be recorded in the register required to be kept under section 336 of the SFO.

Other Information

Share option scheme

The Company

The share option scheme of the Company was adopted by the Company on 11th November 2002. As at 30th September 2010, there were 41,927,116 share options outstanding. Movements of the share options of the Company during the period are as follows:

Grantee	Outstanding as at 1st April 2010 and 30th September 2010
Directors (Note 1)	8,505,204
Director of an associated corporation (Note 1)	3,469,228
Employees of associated corporations (Note 1)	24,172,684
Employee of an associated corporation (Note 2)	5,780,000
	41,927,116

Notes:

1. These share options were granted on 29th March 2007 and exercisable during the period from 29th March 2007 to 28th March 2017 at an exercise price of HK\$1.4315 (as adjusted) per share.
2. These share options were granted on 15th August 2008 and exercisable during the period from 15th August 2008 to 14th August 2018 at an exercise price of HK\$1.07 per share.
3. During the period, no option was granted, exercised, cancelled or lapsed.

Other Information

Interim dividend

The Board of Directors recommends an interim dividend for the six months ended 30th September 2010 of HK1 cent per share with 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 interim dividend (the "Scrip Dividend Scheme") (2009: HK1.5 cent per share in scrip) to shareholders whose names appear on the Register of Members of the Company on Friday, 14th January 2011 (the "Record Date").

The Scrip Dividend Scheme will be subject to the Stock Exchange granting listing of and permission to deal in the new shares to be allotted thereunder. For the purpose of determining the number of new shares to be allotted, the market value of new shares will be calculated as the average of the closing prices of the existing shares of the Company in the Stock Exchange for the three trading days prior to and including the Record Date. The interim dividend is expected to be paid on or around Tuesday, 15th February 2011.

Closure of register of members

The Register of Members will be closed from Wednesday, 12th January 2011 to Friday, 14th January 2011, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all share certificates with completed transfer forms either overleaf or separately 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 Tuesday, 11th January 2011.

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 and 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 set out in the Model Code throughout the period ended 30th September 2010.

Other Information

Code on corporate governance practices

During the period, the Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules, except for the deviation from code provision A.4.1 which states that non-executive directors should be appointed for a specific term, subject to re-election. All non-executive director and independent non-executive directors of the Company are not appointed for specific terms, but subject to retirement by rotations and re-elections at the annual general meeting of the Company in accordance with the Bye-Laws of the Company.

Audit committee

The Audit Committee members are Mr. Hung Yat Ming, Mr. Cheung Kwok Wah and Mr. Wong Chi Keung who have reviewed the unaudited interim financial results of the Group for the six months ended 30th September 2010.

On behalf of the Board

Asia Orient Holdings Limited

Fung Siu To, Clement

Chairman

Hong Kong, 26th November 2010



ASIA ORIENT HOLDINGS LIMITED

Stock Code: 214