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ASIA STANDARD INTERNATIONAL GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 129)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2016

FINANCIAL HIGHLIGHTS

(In HK\$ million, except otherwise indicated)

	Six months ended 30th September		Change
	2016	2015	
Revenue	940	675	+39%
Operating profit	1,309	590	+122%
Profit attributable to shareholders of the Company	1,145	392	+192%
Earnings per share – basic (HK\$)	0.88	0.31	+184%
	30th September 2016	31st March 2016	
Total assets	26,442	24,609	+7%
Net assets	17,317	16,566	+5%
Equity attributable to shareholders of the Company	16,690	15,564	+7%
Net debt	7,854	6,676	+18%
Supplementary information with hotel properties in operation at valuation:			
Revalued total assets	34,421	32,126	+7%
Revalued net assets	25,216	24,028	+5%
Equity attributable to shareholders of the Company	23,223	20,805	+12%
Gearing - net debt to revalued net assets	31%	28%	+3%

The Board of Directors (the “Board”) of Asia Standard International Group 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 2016 together with the comparative figures for the six months ended 30th September 2015 were as follows:

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT - UNAUDITED

For the six months ended 30th September

	<i>Note</i>	2016 HK\$'000	2015 HK\$'000
Revenue	2	940,076	674,763
Cost of sales		(155,691)	(133,753)
Gross profit		784,385	541,010
Selling and administrative expenses		(124,296)	(102,672)
Depreciation		(43,971)	(42,885)
Net investment gain	3	362,797	83,463
Fair value gain of investment properties		330,216	111,107
Operating profit		1,309,131	590,023
Net finance costs	5	(111,496)	(111,069)
Share of profits less losses of Joint ventures Associated companies		(749) (13,699)	(5,921) (25,352)
Profit before income tax		1,183,187	447,681
Income tax expense	6	(310)	(10,179)
Profit for the period		1,182,877	437,502
Attributable to:			
Shareholders of the Company		1,144,608	391,827
Non-controlling interests		38,269	45,675
		1,182,877	437,502
Earnings per share (HK\$)			
Basic	8	0.88	0.31
Diluted	8	0.88	0.31

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - UNAUDITED
For the six months ended 30th September

	2016 HK\$'000	2015 HK\$'000
Profit for the period	1,182,877	437,502
Other comprehensive income/(charge)		
Items that have been reclassified or may be reclassified subsequently to profit or loss:		
Net fair value gain/(loss) on available-for-sale investments	26,900	(25,254)
Cash flow hedges		
- Fair value (loss)/gain	(11,516)	321
- Transfer to finance costs	19,290	15,959
Currency translation differences	(2,204)	(7,408)
Share of currency translation differences of joint ventures	(42,904)	(36,633)
	(10,434)	(53,015)
Total comprehensive income for the period	1,172,443	384,487
Attributable to:		
Shareholders of the Company	1,130,432	348,731
Non-controlling interests	42,011	35,756
	1,172,443	384,487

CONDENSED CONSOLIDATED BALANCE SHEET - UNAUDITED

	<i>Note</i>	30th September 2016 HK\$'000	31st March 2016 HK\$'000
Non-current assets			
Investment properties		7,878,757	7,531,794
Property, plant and equipment		3,431,029	3,381,582
Property held for development for sale		798,743	798,743
Joint ventures and associated companies		3,352,777	3,377,687
Loan receivables		305,745	294,704
Available-for-sale investments		200,097	170,896
Financial assets at fair value through profit or loss		273,060	240,601
Deferred income tax assets		42,970	33,554
		16,283,178	15,829,561
Current assets			
Properties under development for sale		1,051,448	1,026,348
Completed properties held for sale		3,511	3,511
Hotel and restaurant inventories		15,390	15,342
Trade and other receivables	9	396,997	311,956
Income tax recoverable		13,926	11,550
Financial assets at fair value through profit or loss		8,076,691	6,673,070
Bank balances and cash		600,747	737,211
		10,158,710	8,778,988
Current liabilities			
Trade and other payables	10	150,109	171,676
Dividend payable		48,866	-
Amount due to a joint venture		58,070	62,403
Amount due to an associated company		224,400	224,400
Income tax payable		14,825	14,632
Borrowings		1,460,543	1,104,751
		1,956,813	1,577,862
Net current assets		8,201,897	7,201,126

CONDENSED CONSOLIDATED BALANCE SHEET - UNAUDITED

	30th September 2016 HK\$'000	31st March 2016 HK\$'000
Non-current liabilities		
Long term borrowings	6,073,834	5,371,214
Medium term notes	920,155	936,894
Derivative financial instruments	59,630	48,115
Deferred income tax liabilities	114,699	108,961
	<u>7,168,318</u>	<u>6,465,184</u>
Net assets	<u>17,316,757</u>	<u>16,565,503</u>
Equity		
Share capital	12,991	12,991
Reserves	16,677,028	15,551,005
Equity attributable to shareholders of the Company	16,690,019	15,563,996
Non-controlling interests	626,738	1,001,507
	<u>17,316,757</u>	<u>16,565,503</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 2016 (“Interim Financial Information”) has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants, and should be read in conjunction with the annual financial statements for the year ended 31st March 2016, which have been prepared in accordance with Hong Kong Financial Reporting Standards.

The accounting policies and methods of computation used in the preparation of this Interim Financial Information are consistent with those used in the annual financial statements for the year ended 31st March 2016.

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

2 Segment information

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

	Property sales HK\$'000	Property leasing HK\$'000	Hotel and travel HK\$'000	Financial investments HK\$'000	Others HK\$'000	Total HK\$'000
Six months ended 30th September 2016						
Gross income	-	71,155	337,336	1,748,254	14,756	2,171,501
Segment revenue	-	71,155	261,897	592,268	14,756	940,076
Contribution to segment results	(919)	52,459	79,734	591,774	13,995	737,043
Depreciation	-	-	(41,367)	-	(2,604)	(43,971)
Net investment gain	-	-	-	362,797	-	362,797
Fair value gain of investment properties	-	330,216	-	-	-	330,216
Share of profits less losses of						
Joint ventures	(2,974)	-	-	-	2,225	(749)
Associated companies	-	(13,670)	-	-	(29)	(13,699)
Segment results	(3,893)	369,005	38,367	954,571	13,587	1,371,637
Unallocated corporate expenses						(76,954)
Net finance costs						(111,496)
Profit before income tax						1,183,187
Six months ended 30th September 2015						
Gross income	-	71,513	354,103	924,324	4,308	1,354,248
Segment revenue	-	71,513	260,711	338,231	4,308	674,763
Contribution to segment results	(235)	66,652	84,610	337,702	3,641	492,370
Depreciation	-	-	(40,718)	-	(2,167)	(42,885)
Net investment gain	-	-	-	83,463	-	83,463
Fair value gain of investment properties	-	111,107	-	-	-	111,107
Share of profits less losses of						
Joint ventures	(2,766)	-	-	-	(3,155)	(5,921)
Associated companies	-	(25,260)	-	-	(92)	(25,352)
Segment results	(3,001)	152,499	43,892	421,165	(1,773)	612,782
Unallocated corporate expenses						(54,032)
Net finance costs						(111,069)
Profit before income tax						447,681

Notes:

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

2 Segment information (continued)

	Business segments					Unallocated HK\$'000	Total HK\$'000
	Property sales HK\$'000	Property leasing HK\$'000	Hotel and travel HK\$'000	Financial investments HK\$'000	Others HK\$'000		
As at 30th September 2016							
Assets	3,760,740	9,348,642	3,638,057	8,737,905	410,347	546,197	26,441,888
Assets include:							
Joint ventures and associated companies	1,906,772	1,439,027	-	-	3,333	3,645	3,352,777
Addition to non-current assets for the six months ended 30th September 2016*	-	22,182	77,442	-	12,107	-	111,731
Liabilities							
Borrowings	1,653,687	963,806	1,802,535	1,395,859	280,000	1,438,490	7,534,377
Other unallocated liabilities							<u>1,590,754</u>
							<u>9,125,131</u>

As at 31st March 2016

Assets	3,739,241	9,024,473	3,482,824	7,224,066	382,173	755,772	24,608,549
Assets include:							
Joint ventures and associated companies	1,910,373	1,462,596	-	-	1,043	3,675	3,377,687
Addition to non-current assets for the six months ended 30th September 2015*	470,074	4,100	88,094	-	6,163	-	568,431
Liabilities							
Borrowings	1,650,996	973,499	1,694,789	1,178,739	280,000	697,942	6,475,965
Other unallocated liabilities							<u>1,567,081</u>
							<u>8,043,046</u>

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

2 Segment information (continued)

	Six months ended 30th September	
	2016	2015
	HK\$'000	HK\$'000
Revenue		
Hong Kong	297,926	289,402
Overseas	<u>642,150</u>	<u>385,361</u>
	<u>940,076</u>	<u>674,763</u>
	30th September 2016	31st March 2016
	HK\$'000	HK\$'000
Non-current assets*		
Hong Kong	14,038,342	13,645,742
Overseas	<u>1,422,964</u>	<u>1,444,064</u>
	<u>15,461,306</u>	<u>15,089,806</u>

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

3 Net investment gain

	Six months ended 30th September	
	2016	2015
	HK\$'000	HK\$'000
Financial assets at fair value through profit or loss		
- net unrealised gain from market price movements	340,816	49,719
- net unrealised exchange (loss)/gain	(51,860)	5,633
- net realised gain (note)	<u>73,841</u>	<u>28,111</u>
	<u>362,797</u>	<u>83,463</u>
Note:		
Net realised gain on financial assets at fair value through profit or loss		
Gross consideration	1,155,986	586,093
Cost of investments	<u>(1,016,356)</u>	<u>(530,465)</u>
Total gain	<u>139,630</u>	<u>55,628</u>
Less: net unrealised gain recognised in prior years	<u>(65,789)</u>	<u>(27,517)</u>
Net realised gain recognised in current period	<u>73,841</u>	<u>28,111</u>

4 Income and expenses by nature

	Six months ended 30th September	
	2016	2015
	HK\$'000	HK\$'000
Income		
Interest income		
- Listed investments	557,099	312,070
- Unlisted investments	1,200	-
- Loan receivables	13,213	2,728
- Bank deposit	826	1,171
Dividend income		
- Listed investments	<u>18,379</u>	<u>17,300</u>
Expenses		
Cost of properties and goods sold	10,783	9,160
Operating lease rental expenses for land and buildings	<u>451</u>	<u>571</u>

5 Net finance costs

	Six months ended 30th September	
	2016	2015
	HK\$'000	HK\$'000
Interest expense		
Long term bank loans	(80,330)	(65,817)
Short term bank loans and overdrafts	(1,199)	(1,333)
Medium term notes	(25,966)	(26,334)
Interest income from hedging derivative financial instruments	1,642	2,694
Interest capitalised	<u>20,095</u>	<u>19,362</u>
	(85,758)	(71,428)
Other incidental borrowing costs	(20,551)	(11,492)
Net foreign exchange gain/(loss) on borrowings	14,103	(12,190)
Fair value loss on derivative financial instruments		
Cash flow hedge, transfer from reserve	(19,290)	(15,959)
	<u>(111,496)</u>	<u>(111,069)</u>

6 Income tax expense

	Six months ended 30th September	
	2016	2015
	HK\$'000	HK\$'000
Current income tax		
Hong Kong profits tax	(4,141)	(5,813)
Overseas profits tax	(1,198)	(1,227)
Over provision in prior years	1,351	1,825
	<u>(3,988)</u>	<u>(5,215)</u>
Deferred income tax credit/(charge)	3,678	(4,964)
	<u>(310)</u>	<u>(10,179)</u>

Hong Kong profits tax is provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profit for the period. Income tax on overseas profits has been calculated on the estimated assessable profit for the period at the rates of tax 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 2016 (2015: Nil).

8 Earnings per share

The calculation of basic earnings per share is based on profit attributable to shareholders of the Company of HK\$1,144,608,000 (2015: HK\$391,827,000) and divided by the weighted average number of 1,299,150,233 (2015: 1,271,235,217) shares in issue during the period.

The calculation of diluted earnings per share for the six months ended 30th September 2016 was based on HK\$1,144,091,000 equalling to the profit attributable to shareholders of the Company of HK\$1,144,608,000 less HK\$517,000 assuming the Company's listed subsidiary's share options had been converted at the beginning of the period and divided by 1,299,486,693 shares, equalling to the weighted average number of 1,299,150,233 share in issued during the period with an increase of 336,460 potential share deemed to be issue assuming the Company's share option had been exercised at the beginning of the period.

For the six months ended 30th September 2015, the Company's and its listed subsidiary's outstanding share options did not have a dilution effect on the earnings per share, so the basic and diluted earnings per share were equal.

9 Trade and other receivables

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

Trade receivables of the Group amounted to HK\$53,241,000 (31st March 2016: HK\$48,287,000). 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:

	30th September 2016 HK\$'000	31st March 2016 HK\$'000
0 month to 6 months	49,555	45,047
7 months to 12 months	472	-
More than 12 months	<u>3,214</u>	<u>3,240</u>
	<u>53,241</u>	<u>48,287</u>

10 Trade and other payables

Trade and other payables of the Group include trade payables, rental and management fee deposits, retentions payable of construction costs, interest payable and various accruals. Trade payables of the Group amounted to HK\$14,633,000 (31st March 2016: HK\$19,275,000).

Aging analysis of trade payables is as follows:

	30th September 2016 HK\$'000	31st March 2016 HK\$'000
0 day to 60 days	13,810	18,725
61 days to 120 days	353	141
More than 120 days	<u>470</u>	<u>409</u>
	<u>14,633</u>	<u>19,275</u>

Management Discussion and Analysis

RESULTS

The Group recorded revenue of HK\$940 million (2015: HK\$675 million) for the first half of the financial year with profit attributable to shareholders of the Company at HK\$1,145 million (2015: HK\$392 million). The increase in profit is mainly due to increase in income from and mark-to-market valuation gain of its financial investment, together with increase in net fair value surplus from revaluation of investment properties.

PROPERTIES SALES, DEVELOPMENT AND LEASING

Sales

The Group's 50% joint venture development in Shanghai commenced presale in July 2015 and contracted about RMB2.4 billion up to this interim period, for about two-third of the saleable area. The Group will recognise the associated profit in the second half of the financial year.

Development

Superstructure construction is in progress for the residential joint venture re-development at Perkins Road, Jardine's Lookout in Hong Kong.

The commercial and residential development at Hung Shui Kiu, Yuen Long is currently undergoing land exchange process. Approval for a development scheme under Town Planning Board was obtained. Another residential development at the Lam Tei station nearby is in the process of land exchange application with the government. These two projects will provide approximately 590,000 sq. ft. of developable GFA.

During the period, foundation construction just commenced for a luxurious residential development at Po Shan Road, mid-level. We own 40% of this development.

Resettlement of the residents and site clearance for the 50% joint venture project at Tongzhou in Beijing is currently in progress. Structural and foundation design are ongoing and construction will start once the site clearance completes.

We are pending response from Macau government regarding the development status of the Group's site in Seac Pai Van, Macau. Further details are given in the Notes to the Interim Financial Information relating to "Properties held for development for sale".

The hotel subsidiary group's acquisition of the land and buildings located in the West End area of downtown Vancouver as mentioned in last annual report was completed during this interim period. This is a joint venture redevelopment project of a high-end residential complex for sale, currently application for re-zoning of the land is in process.

Leasing

The Group continued the renovation and upgrade programme of the Asia Orient Towers in Wanchai during the period. Larger floor plate have been planned in our tenant mix.

Increased rental income is recorded from Asia Standard Tower in Central while that generated from Goldmark in Causeway Bay maintain at a similar level compared to the previous period. Overall attributable rental income for the two periods is similar at approximately HK\$88 million.

Investment properties net revaluation surplus (taking into account the building owned by an associated company) of HK\$305 million (2015: HK\$75 million) was recorded.

HOTEL

During the period, the Group acquired additional shares in the separately listed hotel subsidiary company and currently holds 82.7% interests in that subsidiary group.

During the interim period, overnight stay visitors to Hong Kong decreased 1% to approximately 13 million. Strong Hong Kong Dollars, hostile and unfriendly treatment of mainland tourists and further relaxed visa policies of other tourists destinations all contributed to the decrease. Hotel rooms supply is approximately 74,000 rooms, similar to that at end March 2016.

Revenue arising from the hotel and travel segment for the six months amounted to HK\$262 million (2015: HK\$261 million). Average occupancies for the 3 Hong Kong hotels were approximately 96% for both periods while average room rates dropped by 2%. As a result, contribution to segment results before depreciation decreased from HK\$85 million to HK\$80 million.

Our adjacent new hotel in Causeway Bay, the Empire Prestige, was opened by end September 2016, adding 94 rooms to the operating fleet. Superstructure work of the other new hotel in Tsimshatsui is in progress, adding another 90 rooms to the portfolio upon completion in 2017.

FINANCIAL INVESTMENTS

At 30th September 2016, the Group held financial investments of approximately HK\$8,550 million (31st March 2016: HK\$7,085 million), with HK\$2,115 million (31st March 2016: HK\$1,962 million) held by the listed hotel subsidiary group. The investment portfolio comprise 82% by listed debt securities (mostly were issued by PRC-based real estate companies), 17% by listed equity securities (of which approximately 75% were issued by major banks) and 1% unlisted funds and securities. They are denominated in different currencies with 84% in United States dollar, 7% in Hong Kong dollar, 5% in Renminbi, 3% in Sterling and 1% in Euro.

The portfolio increase largely arose from a further investment of HK\$1,149 million and a mark-to-market valuation net gain of HK\$316 million, comprising HK\$313 million gain from debt securities and HK\$3 million gain from equity securities. The debt securities of the PRC-based real estate companies continue to benefit from monetary easing and the booming property market in the Mainland during the period, while the gain and loss on equity securities in the US/HK and British markets offset each other.

Interest and dividend income from these investments amounted to HK\$592 million (2015: HK\$338 million). The increase is mostly due to a special one-time coupon income of certain debt securities from a PRC-based real estate issuer.

At 30th September 2016, an approximate value of HK\$960 million (31st March 2016: HK\$1,310 million) of these investments were pledged to banks as collateral for credit facilities granted to the Group.

FINANCIAL REVIEW

Save for that of the listed hotel subsidiary group which is independently administered, the Group's financing and treasury activities are centrally managed and controlled at the corporate level. At 30th September 2016, it had over HK\$5.6 billion cash and undrawn banking facilities.

At 30th September 2016, the Group's total assets were approximately HK\$26.4 billion, compared to HK\$24.6 billion at end of last financial year. The net assets were HK\$17.3 billion (31st March 2016: HK\$16.6 billion). Adopting market value of hotel properties, the revalued total assets and revalued net assets of the Group would be HK\$34.4 billion and HK\$25.2 billion, an increase of 7% and 5% compared to HK\$32.1 billion and HK\$24.0 billion respectively at the end of last financial year.

Net debt were HK\$7.9 billion (31st March 2016: HK\$6.7 billion), including HK\$1.9 billion (31st March 2016: HK\$1.9 billion) which belonged to the separately listed hotel subsidiary group. The increase is mainly from drawdown of a 5-years unsecured bank loan for working capital purpose. Currently, the Group's gearing (net debt to revalued net asset value) is approximately 31% (31st March 2016: 28%). 60% of the debts are secured and 87% of the debts are at floating rates. As at 30th September 2016, RMB500 million cross currency swap contracts were held to hedge the repayment of the Renminbi medium term notes. Total interest cost increased as a result of increased borrowings but net finance cost similar to comparative period due to a larger net exchange loss on foreign currency borrowings in last year.

Currently the maturities of our debts are well spread over a long period of up to 10 years. Revolving loans account for 6% and term loans secured by financial assets repayable between one to five years account for 5%. Term loans secured by property assets account for 51% with 10% repayable within 1 year, 33% repayable between one to five years and 8% repayable after five years. The remaining 38% comprise unsecured term loans and medium term notes. As at 31st March 2016, the Group had net current assets of HK\$8.2 billion (31st March 2016: HK\$7.2 billion).

About 86% of the Group's borrowings are in Hong Kong dollar, 7% in Renminbi, 6% in United States dollar and the remaining 1% in other currencies.

As at 30th September 2016, property assets with an aggregate net book value of HK\$13,600 million (31st March 2016: HK\$14,000 million) were pledged to secure banking facilities of the Group. HK\$1,118 million (31st March 2016: HK\$881 million) guarantee was provided to financial institution against outstanding bank loan of joint ventures.

EMPLOYEES AND REMUNERATION POLICIES

At 30th September 2016, the Group employed approximately 470 (31st March 2016: 440) 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

The tightened mortgage ratios, interest rates hikes expectation and the further strengthened punitive tax measures to suppress the properties demand, impact the local properties market and expect to reduce the transaction volume, particularly the secondary mass residential sector, and to a shorter term suppress or reduce the asset price. Luxury segment is likely to be less affected. Demand for commercial properties are still actively pursued. Retail rentals are however dropping.

The monetary easing and more favoured mortgage policy caused property prices in major first tier cities like Shanghai and Beijing to rise considerably over the interim period. Mainland government has recently imposed more stringent measures to prevent the property market from being overheated, avoiding assets bubble formation and aiming a healthy sustainable growth.

Hotel performance is continually under pressure as still adversely affected by the reduced mainland tourist traffic, weaker currencies and relaxed visas policies from our competing destinations.

Equity securities market continue to be volatile, affected by locality specific events.

Improving rental performance is evidenced with a new tenant mix upon upgrading renovation works in part of our Wanchai office building. Further improvement is expecting when the entire upgrade is completed in the coming year.

The changing administration in US are bringing forth changing policies affecting both financial and monetary landscape, possibly resulting in a more volatile interest rate environment. Management remain cautious in the rapidly changing environment and is affirmative with the Group's performance.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30th September 2016 (2015: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the period, the Company had not redeemed any of its shares. Neither the company nor any of its subsidiaries purchased or sold any of the Company's listed securities during the period.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company has made specific enquiry of all directors regarding any non-compliance with the Model Code during the period, and they all confirmed that they have fully complied with the required standard as set out in the Model Code throughout the period ended 30th September 2016.

CORPORATE GOVERNANCE CODE

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

1. Code Provision A.4.1 of the CG Code provides that non-executive directors should be appointed for a specific term, subject to re-election. All independent non-executive directors of the Company are not appointed for specific terms, but subject to retirement by rotations and re-elections at the annual general meeting of the Company in accordance with the Bye-Laws of the Company; and

2. Code Provision A.5.1 of the CG Code provides that issuers should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors. The Company does not have a nomination committee. The Board as a whole is responsible for assessing the independence of independent non-executive directors, reviewing the structure, diversity, size and composition of the Board, the appointment of new directors and the nomination of directors for re-election by shareholders at the general meeting of the Company. Under the Bye-Laws of the Company, the Board may at any time, and from time to 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 unaudited interim results of the Group for the six months ended 30th September 2016.

By Order of the Board
Asia Standard International Group Limited
Fung Siu To, Clement
Chairman

Hong Kong, 28th November 2016

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, Mr. Kwan Po Lam, Phileas, and the independent non-executive directors are Mr. Koon Bok Ming, Alan, Mr. Leung Wai Keung and Mr. Wong Chi Keung.