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ASIA ORIENT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 214)

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

FINANCIAL HIGHLIGHTS

(In HK\$ million, except otherwise indicated)

	Six months ended		Change
	30th September 2016	2015	
Revenue	1,053	735	+43%
Operating profit	1,437	600	+139%
Profit attributable to shareholders of the Company	747	237	+215%
Earnings per share - basic (HK\$)	0.90	0.29	+210%
	30th September 2016	31st March 2016	Change
Total assets	31,586	29,572	+7%
Net assets	21,610	20,730	+4%
Equity attributable to shareholders of the Company	11,264	10,382	+8%
Net debt	7,996	6,753	+18%
Supplementary information with hotel properties in operation at valuation:			
Revalued total assets	35,885	33,370	+8%
Revalued net assets	26,378	25,037	+5%
Equity attributable to shareholders of the Company	13,440	12,071	+11%
Gearing – net debt to revalued net assets	30%	27%	+3%

The board of directors (the “Board”) of Asia Orient Holdings Limited (the “Company”) announces that the unaudited condensed consolidated results of the Company and its subsidiaries (together the “Group”) for the six months ended 30th September 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

	Note	2016 HK\$'000	2015 HK\$'000
Revenue	2	1,052,527	735,140
Cost of sales		<u>(158,871)</u>	<u>(138,593)</u>
Gross profit		893,656	596,547
Selling and administrative expenses		(129,513)	(107,512)
Depreciation		(83,197)	(82,394)
Net investment gain	3	429,924	84,639
Fair value gain of investment properties		<u>326,129</u>	<u>108,905</u>
Operating profit		1,436,999	600,185
Net finance costs	5	(113,273)	(116,195)
Share of profits less losses of			
Joint ventures		(749)	(5,921)
Associated companies		<u>(13,699)</u>	<u>(25,352)</u>
Profit before income tax		1,309,278	452,717
Income tax credit/(expense)	6	<u>3,623</u>	<u>(4,297)</u>
Profit for the period		<u>1,312,901</u>	<u>448,420</u>
Attributable to:			
Shareholders of the Company		747,025	237,353
Non-controlling interests		<u>565,876</u>	<u>211,067</u>
		<u>1,312,901</u>	<u>448,420</u>
Earnings per share (HK\$)			
Basic	7	<u>0.90</u>	<u>0.29</u>
Diluted	7	<u>0.90</u>	<u>0.29</u>

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME -
UNAUDITED**

For the six months ended 30th September

	2016	2015
	HK\$'000	HK\$'000
Profit for the period	<u>1,312,901</u>	<u>448,420</u>
Other comprehensive (charge)/income		
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	<u>(42,904)</u>	<u>(36,633)</u>
	<u>(10,434)</u>	<u>(53,015)</u>
Total comprehensive income for the period	<u>1,302,467</u>	<u>395,405</u>
Attributable to:		
Shareholders of the Company	740,374	214,269
Non-controlling interests	<u>562,093</u>	<u>181,136</u>
	<u>1,302,467</u>	<u>395,405</u>

CONDENSED CONSOLIDATED BALANCE SHEET– UNAUDITED

	Note	30th September 2016 HK\$'000	31st March 2016 HK\$'000
Non-current assets			
Investment properties		7,840,725	7,497,849
Property, plant and equipment		7,287,669	7,277,441
Property held for development for sale		798,743	798,743
Joint ventures and associated companies		3,389,635	3,414,545
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		43,151	33,755
		20,138,825	19,728,534
Current assets			
Properties under development for sale		1,062,310	1,037,210
Completed properties held for sale		3,710	3,710
Hotel and restaurant inventories		15,390	15,342
Trade and other receivables	9	437,089	339,384
Income tax recoverable		13,926	11,550
Financial assets at fair value through profit or loss		9,280,148	7,659,283
Bank balances and cash		634,251	776,514
		11,446,824	9,842,993
Current liabilities			
Trade and other payables	10	175,064	200,369
Dividend payables		49,707	-
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		1,541,780	1,121,813
		2,063,846	1,623,617
Net current assets		9,382,978	8,219,376
Non-current liabilities			
Long term borrowings		6,173,834	5,471,214
Medium term notes		914,430	936,894
Derivative financial instruments		59,630	48,115
Deferred income tax liabilities		763,686	761,902
		7,911,580	7,218,125
Net assets		21,610,223	20,729,785
Equity			
Share capital		82,882	82,882
Reserves		11,180,765	10,299,198
Equity attributable to shareholders of the Company		11,263,647	10,382,080
Non-controlling interests		10,346,576	10,347,705
		21,610,223	20,729,785

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 management, property sales and leasing, hotel and travel operation, management services, interest income and dividend income.

	Property sales HK\$'000	Property leasing HK\$'000	Hotel and travel HK\$'000	Financial Investments HK\$'000	Others HK\$'000	Total HK\$'000
Six months ended 30th September 2016						
Gross income	-	70,618	337,336	2,091,888	21,244	2,521,086
Segment revenue	-	70,618	261,897	698,768	21,244	1,052,527
Contribution to segment results	(919)	55,225	79,734	698,227	14,000	846,267
Depreciation	-	-	(79,572)	-	(3,625)	(83,197)
Net investment gain	-	-	-	429,924	-	429,924
Fair value gain of investment properties	-	326,129	-	-	-	326,129
Share of profits less losses of						
Joint ventures	(2,974)	-	-	-	2,225	(749)
Associated companies	-	(13,670)	-	-	(29)	(13,699)
Segment results	(3,893)	367,684	162	1,128,151	12,571	1,504,675
Unallocated corporate expenses						(82,124)
Net finance costs						(113,273)
Profit before income tax						1,309,278
Six months ended 30th September 2015						
Gross income	-	70,976	354,103	1,021,428	13,286	1,459,793
Segment revenue	-	70,976	260,711	390,167	13,286	735,140
Contribution to segment results	(235)	66,115	84,610	389,630	7,779	547,899
Depreciation	-	-	(78,923)	-	(3,471)	(82,394)
Net investment gain	-	-	-	84,639	-	84,639
Fair value gain of investment properties	-	108,905	-	-	-	108,905
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)	149,760	5,687	474,269	1,061	627,776
Unallocated corporate expenses						(58,864)
Net finance costs						(116,195)
Profit before income tax						452,717

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	Property leasing	Hotel and travel	Financial investments	Others			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
At 30th September 2016								
Assets	3,808,659	9,310,610	7,317,748	9,978,648	580,088	589,896	31,585,649	
Assets include:								
Joint ventures and associated companies	1,943,630	1,439,027	-	-	3,333	3,645	3,389,635	
Addition to non-current assets for the six months ended 30th September 2016*	-	22,182	77,442	-	12,114	-	111,738	
Liabilities								
Borrowings	1,653,687	963,806	1,802,535	1,577,096	280,000	1,438,490	7,715,614	
Other unallocated liabilities							2,259,812	
							<u>9,975,426</u>	
At 31st March 2016								
Assets	3,787,160	8,990,528	7,200,720	8,240,210	554,117	798,792	29,571,527	
Assets include:								
Joint ventures and associated companies	1,947,231	1,462,596	-	-	1,043	3,675	3,414,545	
Addition to non-current assets for the six months ended 30th September 2015*	470,074	4,100	88,094	-	5,189	-	567,457	
Liabilities								
Borrowings	1,650,996	973,499	1,694,789	1,295,801	280,000	697,942	6,593,027	
Other unallocated liabilities							2,248,715	
							<u>8,841,742</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	313,901	310,510
Overseas	738,626	424,630
	<u>1,052,527</u>	<u>735,140</u>
	30th September 2016	31st March 2016
	HK\$'000	HK\$'000
Non-current assets*		
Hong Kong	17,637,689	17,287,638
Overseas	1,679,083	1,700,940
	<u>19,316,772</u>	<u>18,988,578</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	400,073	47,618
- net unrealised exchange (loss)/gain	(58,331)	6,647
- net realised gain (note)	88,182	30,374
	<u>429,924</u>	<u>84,639</u>
Note:		
Net realised gain on financial assets at fair value through profit or loss		
Gross consideration	1,403,119	631,262
Cost of investments	(1,232,830)	(571,120)
Total gain	170,289	60,142
Less: net unrealised gain recognised in prior years	(82,107)	(29,768)
Net realised gain recognised in current period	<u>88,182</u>	<u>30,374</u>

4 Income and expenses by nature

	Six months ended 30th September	
	2016	2015
	HK\$'000	HK\$'000
Income		
Interest income		
- Listed investments	657,750	361,412
- Unlisted investments	1,200	-
- Loan receivables	13,218	2,728
- Bank deposits	826	1,174
Dividend income		
- Listed investments	<u>21,234</u>	<u>18,941</u>
Expenses		
Cost of properties and goods sold	10,783	9,160
Operating lease rental expense 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 expenses		
Long term bank loans	(81,977)	(66,824)
Short term bank loans and overdrafts	(1,199)	(1,569)
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>
	(87,405)	(72,671)
Other incidental borrowing costs	(20,708)	(11,742)
Net foreign exchange gain/(loss) on borrowings	14,130	(15,823)
Fair value loss on derivative financial instruments		
Cash flow hedge, transfer from reserve	<u>(19,290)</u>	<u>(15,959)</u>
	<u>(113,273)</u>	<u>(116,195)</u>

6 Income tax credit/(expense)

	Six months ended 30th September	
	2016	2015
	HK\$'000	HK\$'000
Current income tax expense		
Hong Kong profits tax	(4,141)	(5,813)
Overseas profits tax	(1,198)	(1,227)
Over-provision in prior years	<u>1,351</u>	<u>1,825</u>
	(3,988)	(5,215)
Deferred income tax credit	<u>7,611</u>	<u>918</u>
	<u><u>3,623</u></u>	<u><u>(4,297)</u></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 tax rates prevailing in the countries in which the Group operates.

7 Earnings per share

The calculation of basic and diluted earnings per share for the six months ended 30th September is based on the following:

	Six months ended 30th September	
	2016	2015
	HK\$'000	HK\$'000
Profit attributable to shareholders of the Company for calculation of basic earnings per share	747,025	237,353
Effect of dilutive profit:		
A portion of share options of the subsidiaries assumed to be exercised	<u>(543)</u>	<u>-</u>
Profit attributable to shareholders of the Company for calculation of diluted earnings per share	<u><u>746,482</u></u>	<u><u>237,353</u></u>
	Number of shares	
Weighted average number of shares for calculation of basic earnings per share	828,816,111	811,389,757
Effect of dilutive potential shares:		
A portion of share options of the Company assumed to be exercised	<u>2,964,329</u>	<u>7,637,696</u>
Weighted average number of shares for calculation of diluted earnings per share	<u><u>831,780,440</u></u>	<u><u>819,027,453</u></u>

Diluted earnings per share for the six months ended 30th September 2015 did not assume the exercise of the outstanding portion of share options of Asia Standard International Group Limited (“Asia Standard International”) and Asia Standard Hotel Group Limited since their exercise would have no dilutive effect.

8 Dividend

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

9 Trade and other receivables

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

Trade receivables of the Group amounted to HK\$53,255,000 (31st March 2016: HK\$48,329,000). The credit terms given to the customers vary and are generally based on the financial strengths of individual customers. In order to effectively manage the credit risks associated with trade receivables, credit evaluation of customers are performed periodically.

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

	30th September 2016 HK\$'000	31st March 2016 HK\$'000
0 month to 6 months	49,569	45,087
7 months to 12 months	472	2
More than 12 months	3,214	3,240
	<u>53,255</u>	<u>48,329</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\$16,740,000 (31st March 2016: HK\$22,484,000).

An aging analysis of trade payables is as follows:

	30th September 2016 HK\$'000	31st March 2016 HK\$'000
0 day to 60 days	15,857	21,783
61 days to 120 days	353	157
More than 120 days	530	544
	<u>16,740</u>	<u>22,484</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Results

The Group's revenue for the six months amounted to HK\$1,053 million (2015: HK\$735 million), its profit attributable to shareholders increased from HK\$237 million of interim period last year to HK\$747 million of current period. 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.

The Group carried out its property sales, development and leasing operation through Asia Standard International, its 51.5% owned listed subsidiary.

Property sales and development

Sales

The Group's 50% joint venture development in Shanghai commenced presale in July 2015 and has 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 of a residential joint venture re-development at Perkins Road, Jardine's Lookout in Hong Kong is in progress.

The commercial and residential development at Hung Shui Kiu, Yuen Long is currently undergoing land exchange application. 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 started 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 for this 2,360,000 sq. ft. construction floor area commercial and residential development is ongoing and construction will start once 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 Tower in Wanchai during the period. Larger floor plate users 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 maintains at a similar level compared to the previous period. Overall attributable rental income for the two periods is similar at approximately HK\$88 million.

The investment properties of the Group together with that of an associated company have generated a net attributable revaluation gain of HK\$301 million (2015: HK\$73 million).

Hotel

During the period, Asia Standard International acquired additional shares in the separately listed hotel subsidiary company and currently holds 82.7% interests in that subsidiary group. The parent group Asia Orient holds another 3% directly.

During the interim period, overnight stay visitors to Hong Kong decreased 1% to approximately 13 million, compared to interim period last year. 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 amounted to HK\$262 million (2015: HK\$261 million). Average room rates of the 3 Hong Kong hotels dropped by 2% while average occupancies were approximately 96% for both interim periods. As a result, contribution to segment results before depreciation decreased from HK\$85 million to HK\$80 million.

The opening of the adjacent new hotel in Causeway Bay, the Empire Prestige, in September 2016 adds 94 rooms to the 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's financial investment portfolio amounted to HK\$9,753 million (31st March 2016: HK\$8,071 million), of which HK\$8,550 million (31st March 2016: HK\$7,085 million) were held by the two listed subsidiary groups. The investment portfolio comprise 84% by listed debt securities (mostly were issued by PRC-based real estate companies), and 15% by listed equity securities (of which approximately 76% were issued by major banks) and 1% unlisted funds and securities. They are denominated in different currencies with 86% in United States dollar, 6% in Hong Kong dollar, 4% in Renminbi, 3% in Sterling and 1% in Euro.

The portfolio increase was due to a further investment of HK\$1,313 million and a mark-to-market valuation gain of HK\$369 million, comprising HK\$385 million gain from debt securities and HK\$16 million loss from equity securities. The debt securities of the PRC-based real estate companies continue to benefit from the monetary easing and booming of the property market during the period, while the loss on equity securities in the British markets exceed the gain derived from the US/HK markets.

Interest and dividend income for the period from these investments amounted to HK\$699 million (2015: HK\$390 million). The increase is mostly due to a special one-time recognition of coupon income of debt securities from a PRC issuer.

At 30th September 2016, an approximate value of HK\$1,160 million (31st March 2016: HK\$1,340 million) of these investments were pledged to banks as collateral for credit facilities granted to the Group.

Financial review

The financing and treasury activities of our three listed groups are independently administered. At 30th September 2016, the Group had over HK\$5.8 billion cash and undrawn banking facilities.

At 30th September 2016, the Group's total assets amounted to approximately HK\$31.6 billion (31st March 2016: HK\$29.6 billion). Net assets were HK\$21.6 billion (31st March 2016: HK\$20.7 billion). Adopting market value of hotel properties in operation, the revalued total assets and revalued net assets of the Group would be HK\$35.9 billion (31st March 2016: HK\$33.4 billion) and HK\$26.4 billion (31st March 2016: HK\$25.0 billion), an increase of 8% and 5% respectively when compared to end of last financial year.

Net debt at 30th September 2016 was HK\$7,996 million (31st March 2016: HK\$6,753 million), of which HK\$147 million (31st March 2016: HK\$78 million) was attributable to the parent group. The increase is mainly from draw down of a syndicated bank loan for working capital purpose. The Group's gearing, calculated as net debt to revalued net asset, was approximately 30% (31st March 2016: 27%). 60% of the debts are secured and 88% 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 is less than the comparative period due to a larger net exchange loss on foreign currency borrowings last year.

Currently the maturities of our debts are spreading over a long period of up to 10 years. Revolving loans account for 7% and term loans secured by financial assets repayable between one to five years account for 4%. 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 30th September 2016, the Group had net current assets of HK\$9.4 billion (31st March 2016: HK\$8.2 billion).

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

At 30th September 2016, an approximate HK\$17.5 billion (31st March 2016: HK\$18.0 billion) book value of property assets were pledged to banks as collateral for credit facilities granted to the Group. HK\$1,118 million guarantee (31st March 2016: HK\$881 million) was provided to financial institutions against outstanding bank loans of joint ventures.

Employees and remuneration policies

At 30th September 2016, the Group employed approximately 630 (31st March 2016: 600) employees. Their remuneration packages, commensurate with job nature and experience level, include basic salary, annual bonus, retirement and other benefits.

Future prospects

Recently escalated punitive stamp duty measures, low mortgage ratio and therefore high equity entry requirement added with an imminent US interest rate hike all are suppressing demand in residential segment. Luxury houses and apartments are less affected. Demand for commercial properties are still actively pursued. Retail rentals are however dropping.

Hotel performance is still declining due to reduced mainland tourist traffic, weaker currencies and relaxing visa policies in other tourist destinations.

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

We are expecting an improving rental performance upon gradual completion of the upgrading renovation works in our Wanchai office building.

With a changing administration in the largest economy in the world comes with changing policies affecting both financial and monetary landscape which may result in a more volatile interest rate environment. Management holds a cautious stance towards the performance of the group.

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 ("CG Code") as set out in Appendix 14 of the Listing Rules, except the following deviations :-

1. Code Provision A.4.1 of the CG Code provides that non-executive directors should be appointed for a specific term, subject to re-election. All independent non-executive directors of the Company are not appointed for specific terms, but subject to retirement by rotations and re-elections at the annual general meeting of the Company in accordance with the Bye-Laws of the Company; and
2. Code Provision A.5.1 of the CG Code provides that issuers should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors. The Company does not have a nomination committee. The Board as a whole is responsible for assessing the independence of independent non-executive directors, reviewing the structure, diversity, size and composition of the Board, the appointment of new directors and the nomination of directors for re-election by shareholders at the general meeting of the Company. Under the Bye-Laws of the Company, the Board may from time to time and at any time appoint any person as a director either to fill a casual vacancy or as an addition to the Board. Any director so appointed shall hold office until the next following annual general meeting 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 Orient Holdings 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 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.