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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 2015

FINANCIAL HIGHLIGHTS

(In HK\$ million, except otherwise indicated)

	Six months ended 30th September		Change
	2015	2014	
Revenue	735	678	+8%
Operating profit	600	754	-20%
Profit attributable to shareholders of the Company	237	390	-39%
Earnings per share - basic (HK\$)	0.29	0.51	-43%
	30th September 2015	31st March 2015	Change
Total assets	29,043	27,805	+4%
Net assets	20,209	19,902	+2%
Equity attributable to shareholders of the Company	10,005	9,823	+2%
Net debt	6,868	5,311	+29%
Supplementary information with hotel properties in operation at valuation:			
Revalued total assets	32,691	31,605	+3%
Revalued net assets	24,429	24,282	+1%
Equity attributable to shareholders of the Company	11,651	11,532	+1%
Gearing – net debt to revalued net assets	28%	22%	+6%

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 2015 together with the comparative figures for the six months ended 30th September 2014 were as follows:

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT - UNAUDITED

For the six months ended 30th September

	<i>Note</i>	2015 HK\$'000	2014 HK\$'000
Revenue	2	735,140	678,514
Cost of sales		<u>(138,593)</u>	<u>(138,284)</u>
Gross profit		596,547	540,230
Selling and administrative expenses		(107,512)	(97,416)
Depreciation		(82,394)	(84,029)
Net investment gain	3	84,639	29,714
Fair value gain of investment properties		<u>108,905</u>	<u>365,824</u>
Operating profit		600,185	754,323
Net finance costs		(116,195)	(58,108)
Share of profits less losses of			
Joint ventures		(5,921)	(3,069)
Associated companies		<u>(25,352)</u>	<u>87,620</u>
Profit before income tax		452,717	780,766
Income tax expense	5	<u>(4,297)</u>	<u>(15,917)</u>
Profit for the period		<u>448,420</u>	<u>764,849</u>
Attributable to:			
Shareholders of the Company		237,353	390,281
Non-controlling interests		<u>211,067</u>	<u>374,568</u>
		<u>448,420</u>	<u>764,849</u>
Earnings per share (HK\$)			
Basic	7	<u>0.29</u>	<u>0.51</u>
Diluted	7	<u>0.29</u>	<u>0.49</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - UNAUDITED

For the six months ended 30th September

	2015	2014
	HK\$'000	HK\$'000
Profit for the period	<u>448,420</u>	<u>764,849</u>
Other comprehensive income/(charge)		
Items that have been reclassified or may be reclassified subsequently to profit or loss:		
Net fair value (loss)/gain on available-for-sale investments	(25,254)	3,913
Cash flow hedges		
- fair value gain/(loss)	321	(15,560)
- transfer to finance costs	15,959	(5,975)
Currency translation differences	(7,408)	(1,845)
Share of currency translation differences of joint ventures	(36,633)	1,289
	<u>(53,015)</u>	<u>(18,178)</u>
Total comprehensive income for the period	<u>395,405</u>	<u>746,671</u>
Attributable to:		
Shareholders of the Company	214,269	380,918
Non-controlling interests	<u>181,136</u>	<u>365,753</u>
	<u>395,405</u>	<u>746,671</u>

CONDENSED CONSOLIDATED BALANCE SHEET– UNAUDITED

	Note	30th September 2015 HK\$'000	31st March 2015 HK\$'000
Non-current assets			
Property, plant and equipment		7,154,460	7,151,653
Investment properties		7,708,667	7,595,663
Property held for development for sale	8	798,266	797,485
Joint ventures and associated companies		3,349,034	2,897,663
Available-for-sale investments		195,347	216,159
Financial assets at fair value through profit or loss		181,973	296,187
Loan receivables		284,062	2,629
Deferred income tax assets		25,979	27,859
		<u>19,697,788</u>	<u>18,985,298</u>
Current assets			
Properties under development for sale		1,017,254	1,001,648
Completed properties held for sale		3,816	3,816
Hotel and restaurant inventories		15,294	1,290
Trade and other receivables	9	348,539	367,057
Income tax recoverable		9,466	12,565
Financial assets at fair value through profit or loss		7,364,469	6,147,061
Bank balances and cash		586,171	1,286,677
		<u>9,345,009</u>	<u>8,820,114</u>
Current liabilities			
Trade and other payables	10	220,906	196,675
Dividend payables		61,930	-
Amount due to a joint venture		66,773	71,767
Amount due to an associated company		224,400	224,400
Income tax payable		13,218	17,558
Borrowings		1,764,305	1,099,470
		<u>2,351,532</u>	<u>1,609,870</u>
Net current assets		<u>6,993,477</u>	<u>7,210,244</u>
Non-current liabilities			
Long term borrowings		4,747,018	4,787,666
Derivative financial instruments		39,789	40,110
Medium term notes		943,030	711,020
Deferred income tax liabilities		751,937	754,736
		<u>6,481,774</u>	<u>6,293,532</u>
Net assets		<u>20,209,491</u>	<u>19,902,010</u>
Equity			
Share capital		81,139	81,139
Reserves		9,924,098	9,742,256
Equity attributable to shareholders of the Company		<u>10,005,237</u>	<u>9,823,395</u>
Non-controlling interests		<u>10,204,254</u>	<u>10,078,615</u>
		<u>20,209,491</u>	<u>19,902,010</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 2015 (“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 2015, 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 2015.

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 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
Six months ended 30th September 2014						
Gross income	-	58,793	407,500	646,392	13,528	1,126,213
Segment revenue	-	58,793	299,677	306,516	13,528	678,514
Contribution to segment results	-	56,579	124,321	304,995	9,439	495,334
Depreciation	-	-	(80,605)	-	(3,424)	(84,029)
Net investment gain	-	-	-	29,714	-	29,714
Fair value gain of investment properties	-	365,824	-	-	-	365,824
Share of profits less losses of						
Joint ventures	(2,500)	-	-	-	(569)	(3,069)
Associated companies	-	87,688	-	-	(68)	87,620
Segment results	(2,500)	510,091	43,716	334,709	5,378	891,394
Unallocated corporate expenses						(52,520)
Net finance costs						(58,108)
Profit before income tax						780,766

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 2015								
Assets	3,615,562	9,281,842	7,052,982	7,920,791	576,150	595,470	29,042,797	
Assets include:								
Joint ventures and associated companies	1,795,950	1,549,225	-	-	1,025	2,834	3,349,034	
Addition to non-current assets for the six months ended 30th September 2015*	470,074	4,100	88,094	-	6,189	-	568,457	
Liabilities								
Borrowings	1,632,311	983,138	1,659,327	1,135,300	288,000	813,247	6,511,323	
Other unallocated liabilities							<u>2,321,983</u>	
							<u>8,833,306</u>	
At 31st March 2015								
Assets	3,150,868	9,227,576	7,051,111	6,818,168	282,048	1,275,641	27,805,412	
Assets include:								
Joint ventures and associated companies	1,297,643	1,574,485	-	-	1,025	24,510	2,897,663	
Addition to non-current assets for the six months ended 30th September 2014*	-	285	42,949	-	9,829	-	53,063	
Liabilities								
Borrowings	1,449,808	992,651	1,625,799	1,132,003	-	686,875	5,887,136	
Other unallocated liabilities							<u>2,016,266</u>	
							<u>7,903,402</u>	

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

2 Segment information (continued)

	Six months ended	
	30th September	
	2015	2014
	HK\$'000	HK\$'000
Revenue		
Hong Kong	310,510	366,008
Overseas	<u>424,630</u>	<u>312,506</u>
	<u>735,140</u>	<u>678,514</u>
	30th	31st
	September	March
	2015	2015
	HK\$'000	HK\$'000
Non-current assets*		
Hong Kong	17,501,126	17,086,743
Overseas	<u>1,509,301</u>	<u>1,355,721</u>
	<u>19,010,427</u>	<u>18,442,464</u>

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

3 Net investment gain

	Six months ended	
	30th September	
	2015	2014
	HK\$'000	HK\$'000
Financial assets at fair value through profit or loss		
- net unrealised gain from market price movements	47,618	76,251
- net unrealised exchange gain/(loss)	6,647	(48,097)
- net realised gain (note)	<u>30,374</u>	<u>1,560</u>
	<u>84,639</u>	<u>29,714</u>
Note:		
Net realised gain on financial assets at fair value through profit or loss		
Gross consideration	631,262	339,875
Cost of investments	<u>(571,120)</u>	<u>(258,112)</u>
Total gain	60,142	81,763
Less: net unrealised gain recognised in prior years	<u>(29,768)</u>	<u>(80,203)</u>
Net realised gain recognised in current period	<u>30,374</u>	<u>1,560</u>

4 Income and expenses by nature

	Six months ended 30th September	
	2015	2014
	HK\$'000	HK\$'000
Income		
Interest income		
- Listed investments	361,412	289,587
- Loan receivables	2,728	1,725
- Bank deposits	1,174	4,772
Dividend income		
- Listed investments	<u>18,941</u>	<u>16,044</u>
Expenses		
Cost of properties and goods sold	9,160	10,362
Operating lease rental expense for land and buildings	<u>571</u>	<u>692</u>

5 Income tax expense

	Six months ended 30th September	
	2015	2014
	HK\$'000	HK\$'000
Current income tax		
Hong Kong profits tax	(5,813)	(16,533)
Overseas profits tax	(1,227)	(1,684)
Over-provision in prior years	<u>1,825</u>	<u>816</u>
	(5,215)	(17,401)
Deferred income tax	<u>918</u>	<u>1,484</u>
	<u>(4,297)</u>	<u>(15,917)</u>

Hong Kong profits tax is provided at the rate of 16.5% (2014: 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.

Share of income tax expenses of joint ventures and associated companies for the period of nil (2014: Nil) and HK\$2,106,000 (2014: HK\$1,588,000) are included in the profit and loss account as share of profits less losses of joint ventures and associated companies respectively.

6 Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30th September 2015 (2014: Nil).

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	
	2015 HK\$'000	2014 HK\$'000
Profit attributable to shareholders of the Company	237,353	390,281
Effect of dilutive potential shares:		
Finance costs saved on convertible bonds	<u>-</u>	<u>2,306</u>
Profit for calculation of diluted earnings per share	<u>237,353</u>	<u>392,587</u>
	Number of shares	
Weighted average number of shares for calculation of basic earnings per share	811,389,757	768,809,532
Effect of dilutive potential shares:		
Share options of the Company assumed to be exercised	7,637,696	9,556,881
Convertible bonds assumed to be converted at beginning of the period	<u>-</u>	<u>30,496,770</u>
Weighted average number of shares for calculation of diluted earnings per share	<u>819,027,453</u>	<u>808,863,183</u>

Diluted earnings per share for the six months ended 30th September 2015 and 2014 did not assume the exercise of the outstanding share options of Asia Standard International Group Limited and Asia Standard Hotel Group Limited since their exercise would have an anti-dilutive effect.

8 Property held for development for sale

The amount represents a 100% interest, acquired by the Group in 2010, in a piece of land situated in Seac Pai Van, Coloane, Macau. The land concession was granted for a term of 25 years from 7th December 1990, for industrial use, and is renewable, under certain conditions, for further terms until 19th December 2049. In 1993, the government had determined to change the district to residential use. Since then, despite repeated request, the government has not issued the new master zoning plan of the district and so the land has not been developed. The land concession period is ending on 6th December 2015, and the Group has already submitted to the Macau government a request for renewal of the land concession.

The land is included by Macau government in a list that non-development of the land is not the responsibility of the concessionaires. However, in November 2015, it was reported in the news that the Secretary of Transports and Public Works indicated that the government will resume the undeveloped lands in Seac Pai Van upon expiry of the land concession.

The Group has been seeking legal advice and clarification from the government on the matter. Management is actively pursuing the development rights of the project and extension of the land concession. Based on the above, the Directors considered it premature to determine any impairment that may be necessary and accordingly no provision is made as at 30th September 2015.

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. The comparative figure also included deposit for setting up a joint venture.

Trade receivables of the Group amounted to HK\$55,195,000 (31st March 2015: HK\$53,806,000). 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 2015 HK\$'000	31st March 2015 HK\$'000
0 day to 60 days	50,283	49,353
61 days to 120 days	1,256	994
More than 120 days	3,656	3,459
	<u>55,195</u>	<u>53,806</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\$15,703,000 (31st March 2015: HK\$17,148,000).

An aging analysis of trade payables is as follows:

	30th September 2015 HK\$'000	31st March 2015 HK\$'000
0 day to 60 days	15,132	16,033
61 days to 120 days	200	692
More than 120 days	371	423
	<u>15,703</u>	<u>17,148</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Results

The Group's revenue for the six months amounted to HK\$735 million (2014: HK\$678 million), it recorded a HK\$237 million (2014: HK\$390 million) profit attributable to shareholders. The decrease in profit is mainly due to decrease in valuation gain of the Group's investment properties as compared to interim period of last year.

The Group's property sales, development and leasing operation is carried out through Asia Standard International, its 51.2% owned listed subsidiary.

Property sales and development

Sales

The Group's 50% joint venture development in Shanghai, Queen's Gate, has launched presale of the phase I of units in July and contracted approximately RMB600 million up to the end of September 2015. The project is situated in the traditional high end and low-density residential neighborhood of Qingpu district providing over 300 villas and apartments with total construction floor area of approximately 1,080,000 sq. ft. Construction is at the final stage and is applying for the completion certificate. Presale consent for the phase II is also being applied.

Development

In Hong Kong, the foundation of luxurious a residential joint venture redevelopment at Perkins Road is ongoing and will be finished in first quarter 2016. The redevelopment is estimated to be completed in 2017.

Our Hung Shui Kiu development is currently undergoing land exchange process. Approval for a development scheme under Town Planning Board was obtained. Similarly, another residential development next to the Lam Tei light rail station is also in the process of land exchange application with the government after obtaining town planning board approval.

During the period, we entered into a 40% joint venture residential project at Po Shan Road in mid-levels, another luxurious re-development. Demolition of the original building is completed and site investigation is underway.

In Beijing, land clearances and resettlement for our joint venture development in Tongzhou are currently under preparation and expected to take place in the second half of the financial year. Structural and foundation design are ongoing and construction will start once resettlement completes.

In Macau, the Group is waiting for the issuance of the master zoning plan in the Seac Pai Van district from the government. The lease of our development site in Seac Pai Van is expiring in the coming December and the Group has applied for extension. Further details are given in the Notes to the Interim Financial Information relating to "property held for development for sale".

Leasing

Rental income attributable to our 433,000 sq. ft. investment properties portfolio in Central, Wan Chai and Causeway Bay amounted to HK\$88 million (2014: HK\$72 million), an increase of 22%. Majority of the increase is due to acquisition of an adjacent commercial building in Wanchai in October last year, and substantial renovation and improvement work is being carried out for these two structurally connected towers.

Revaluation gain (including the deficit generated from an investment property owned by an associated company) of HK\$73 million (2014: HK\$445 million) was recorded.

Hotel

The hotel and travel operation is carried out through Asia Standard Hotel, another separately listed subsidiary 70.2% owned by Asia Standard International, and 3% directly owned by the parent group.

During the period, overnight stay visitors to Hong Kong decreased 6% to approximately 13 million, compared to interim period last year. Strong Hong Kong Dollars, anti-parallel trading protest, relaxed visa policies of competing tourist destinations available to mainland travelers all contributed to the decrease.

In the face of a 2% increase in total hotel room supply compared to September 2014, revenue arising from the hotel and travel segment amounted to HK\$261 million (2014: HK\$300 million). Average room rates of the 3 Hong Kong hotels dropped by 22% while average occupancies continued to exceed 95%. As a result, contribution to segment results before depreciation was approximately HK\$85 million (2014: HK\$124 million).

Superstructure construction of the adjacent new hotel in Causeway Bay was completed during the period. Occupation permit has just been obtained and interior fittings are under progress. This will add 94 rooms upon expected opening in the first half of 2016. Superstructure work of the other new hotel in Tsimshatsui has commenced during the period, adding another 90 rooms to the portfolio upon completion in 2017.

Financial investments

At 30th September 2015, the Group's financial investment portfolio amounted to HK\$7,742 million (31st March 2015: HK\$6,659 million), of which HK\$6,865 million (31st March 2015: HK\$6,079 million) were held in the Group's two listed subsidiaries. The investment portfolio comprise 78% by listed debt securities (of which approximately 95% were issued by PRC real estate companies), and 22% by listed equity securities (of which approximately 86% were issued by large banks). They are denominated in different currencies with 76% in United States dollar, 8% in Sterling, 7% in Renminbi, 5% in Hong Kong dollar and 4% in Euro.

The increase arose from a further investment of HK\$1,054 million and a mark-to-market valuation net gain of HK\$29 million, comprising HK\$230 million gain from debt securities and HK\$201 million loss from equity securities. The debt securities of the PRC property companies have benefitted from the monetary easing and the interest rate cut in the Mainland, while our equity securities have dropped following the general downward trend of the worldwide equity markets during the period.

Interest and dividend income for the period from these investments amounted to HK\$390 million (2014: HK\$306 million). The increase is mostly due to the larger debt securities investment portfolio.

At 30th September 2015, an approximate value of HK\$980 million (31st March 2015: HK\$1,600 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 2015, the Group had over HK\$4 billion cash and undrawn banking facilities.

At 30th September 2015, the Group's total assets amounted to approximately HK\$29.0 billion (31st March 2015: HK\$27.8 billion). Net assets were HK\$20.2 billion (31st March 2015: HK\$19.9 billion). Adopting market value of hotel properties in operation, the revalued total assets and revalued net assets of the Group would be HK\$32.7 billion (31st March 2015: HK\$31.6 billion) and HK\$24.4 billion (31st March 2015: HK\$24.3 billion).

In April 2015, the Group issued HK\$250 million 5-year floating rate medium term notes out of its medium term note programme, adding to the existing RMB500 million issued in April 2013 and HK\$100 million issued in July 2014.

Net debt at 30th September 2015 was HK\$6,868 million (31st March 2015: HK\$5,311 million), of which HK\$104 million (31st March 2015: net cash of HK\$153 million) was attributable to the parent group. The increase is mainly due to investment in JV development project and further financial investments. The Group's gearing, calculated as net debt to revalued net asset, was approximately 28% (31st March 2015: 22%). 68% of the debts are secured and 85% of the debts are at floating rates. As at 30th September 2015, 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 during the year.

Currently the maturities of our debts are spreading over a long period of up to 11 years. Revolving loans account for 16% and term loans secured by financial assets repayable between one to five years account for 5%. Term loans secured by property assets account for 53% with 3% repayable within 1 year, 38% repayable between one to five years and 12% repayable after five years. The remaining 26% comprise unsecured term loans and medium term notes. As at 30th September 2015, the Group had net current assets of HK\$7.0 billion (31st March 2015: HK\$7.2 billion).

About 83% of the Group's borrowings are in Hong Kong dollar, 8% in Renminbi, 8% in United States dollar, and the remaining 1% in other currencies.

At 30th September 2015, an approximate HK\$18.0 billion (31st March 2015: HK\$17.9 billion) book value of property assets were pledged to banks as collateral for credit facilities granted to the Group. HK\$881 million guarantee (31st March 2015: HK\$617 million) was provided to financial institutions against credit facilities granted to joint ventures.

Employees and remuneration policies

At 30th September 2015, the Group employed approximately 620 (31st March 2015: 590) employees. Their remuneration packages, commensurate with job nature and experience level, include basic salary, annual bonus, retirement and other benefits.

Future prospects

Punitive stamp duty measures, lower mortgage ratio and therefore high equity entry requirement added with an imminent US interest rate hike all are hurting demand in residential segment. However, record selling price for luxury standard homes and apartments are still registered. Enbloc transactions for centrally located commercial properties are still actively pursued as record prices transacted and reported. Retail rentals are dropping due to sluggish spending by tourists.

Hotel performance is declining due to unfriendly atmosphere together with weaker currencies in other destination have lured our mainland customers away coupled with visas tightening locally while competing destination continues to relax and streamlining are inducements to a lacklustre performance in the hotel industry.

Financial performance for our investment portfolio is steady. Office rental will improve upon upgrading programme is completed in our Wanchai building.

Notwithstanding with these adverse externalities, management holds a cautious stance towards the performance of the group while counting on a more friendly attitude towards property sector in the mainland and gradual easing on its monetary policies. We also count on European and Japanese quantitative easing to counter balance a gradual but slow imminent U.S. interest rate hike.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30th September 2015 (2014: 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 2015.

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 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 and 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 2015.

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

Hong Kong, 30th November 2015

As at the date of this announcement, the executive directors of the Company are Mr. Fung Siu To, Clement, Dr. Lim Yin Cheng, Mr. Poon Jing, Mr. Poon Hai, Mr. Lun Pui Kan and Mr. Kwan Po Lam, Phileas; and the independent non-executive directors are Mr. Cheung Kwok Wah, Mr. Hung Yat Ming and Mr. Wong Chi Keung.