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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 2011

FINANCIAL HIGHLIGHTS (In HK\$ million, except otherwise indicated)				
in 1111¢ minion, encept onier wise mateurea;	Six months ended 30th September			
	2011	2010 (Restated)	Change	
Consolidated profit and loss account		(Restated)		
Revenue	589	595	-1%	
Operating (loss)/profit	(610)	1,359	N/A	
(Loss)/profit attributable to shareholders of the Company	(192)	1,555	N/A	
Consolidated balance sheet	30th September 2011	31st March 2011 (Restated)		
	4	4.4 = 0.0		
Total assets	15,265	14,732	+4%	
Net assets	10,180	10,589	-4%	
Equity attributable to shareholders of the Company	9,533	9,774	-2%	
Net debt	4,588	3,571	+28%	
Supplementary information with hotel properties at valuat	ion:			
Revalued total assets	20,518	18,991	+8%	
Revalued net assets	15,405	14,819	+4%	
Equity attributable to shareholders of the Company	13,184	12,729	+4%	
Equity attributable to shareholders of the Company per share (HK\$)	10.79	10.41	+4%	
Gearing - net debt to revalued net asset value	30%	24%	+6%	

The Directors of Asia Standard International Group Limited (the "Company") announce that the unaudited consolidated results of the Company and its subsidiaries (together the "Group") for the six months ended 30th September 2011 together with the comparative figures for the six months ended 30th September 2010 were as follows:

# **CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT - UNAUDITED** For the six months ended 30th September

	Note	2011 HK\$'000	2010 HK\$'000 (Restated)
Revenue	2	589,257	595,182
Cost of sales		(195,255)	(246,899)
Gross profit	_	394,002	348,283
Selling and administrative expenses		(89,726)	(80,535)
Depreciation		(45,991)	(43,362)
Fair value gain of investment properties		854,137	711,800
Net investment (loss)/gain	3	(1,722,790)	410,183
Other gain		-	12,664
Operating (loss)/profit	_	(610,368)	1,359,033
Net finance income/(costs)		13,515	(42,260)
Share of profits less losses of Jointly controlled entities Associated companies		44,692 212,617	46,879 259,675
(Loss)/profit before income tax	_	(339,544)	1,623,327
Income tax credit/(expense)	5	907	(20,774)
(Loss)/profit for the period		(338,637)	1,602,553
Attributable to: Shareholders of the Company		(191,867)	1,555,098
Non-controlling interests	_	(146,770)	47,455
	=	(338,637)	1,602,553
Dividend	6	<u>-</u>	6,222
(Loss)/earnings per share (HK\$) Basic	7	(0.16)	1.25
Diluted	7 -	(0.16)	1.25

# ${\bf CONDENSED\ CONSOLIDATED\ STATEMENT\ OF\ COMPREHENSIVE\ INCOME\ -\ UNAUDITED\ } For\ the\ six\ months\ ended\ 30th\ September$

	2011 HK\$'000	2010 HK\$'000 (Restated)
(Loss)/profit for the period	(338,637)	1,602,553
Other comprehensive (charge)/income Net fair value loss on available-for-sale investments	(58,036)	(3,386)
Impairment of available-for-sale investments charged to profit and loss account	1,517	112
Currency translation differences	(14,148)	(2,480)
	(70,667)	(5,754)
Total comprehensive (charge)/income for the period	(409,304)	1,596,799
Total comprehensive (charge)/income attributable to: Shareholders of the Company	(241,244)	1,551,080
Non-controlling interests	(168,060)	45,719
	(409,304)	1,596,799

#### CONDENSED CONSOLIDATED BALANCE SHEET - UNAUDITED 30th 31st September March 2011 Note 2011 HK\$'000 HK\$'000 (Restated) Non-current assets Property, plant and equipment 2,559,819 2,617,038 Investment properties 4,245,258 3,391,122 Jointly controlled entities 1,017,108 568,871 Associated companies 1,171,919 987,338 Available-for-sale investments 174,636 230,257 81,729 Mortgage loans receivable 73,784 Deferred income tax assets 1,386 5,252 9,243,910 7,881,607 Current assets 1,464,433 1,122,355 Properties under development for sale Completed properties held for sale 56,961 90,289 Hotel and restaurant inventories 2,159 2,341 Mortgage loans receivable 2,899 3,664 Trade and other receivables 8 276,614 230,845 Amount due from an associated company 13,200 Amount due from a jointly controlled entity 65,000 Income tax recoverable 13 513 Financial assets at fair value through profit or loss 3,918,834 5,020,218 Bank balances and cash 285,501 315,300 6,020,614 6,850,525 Current liabilities 9 100,384 133,590 Trade and other payables Amount due to an associated company 14,850 26,242 Derivative financial instruments 33,853 Borrowings 2,315,630 1,615,997 Income tax payable 22,573 36,857 2,472,440 1,827,536 Net current assets 3,548,174 5,022,989

12,792,084

12,904,596

Total assets less current liabilities

# **CONDENSED CONSOLIDATED BALANCE SHEET – UNAUDITED** (CONTINUED)

	30th September 2011 HK\$'000	31st March 2010 HK\$'000 (Restated)
Non-current liabilities		
Long term borrowings Deferred income tax liabilities	2,557,879 54,089	2,270,071 45,105
	2,611,968	2,315,176
Net assets	10,180,116	10,589,420
Equity		
Share capital	12,224	12,224
Reserves	9,520,291	9,761,535
Equity attributable to shareholders of the Company	9,532,515	9,773,759
Non-controlling interests	647,601	815,661
	10,180,116	10,589,420

#### 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, and should be read in conjunction with the annual financial statements for the year ended 31st March 2011.

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 2011, except for the adoption of new or revised standards and amendments to existing standards ("new HKFRSs"), which are relevant to the Group's operations and are applicable to the Group's accounting periods beginning on 1st April 2011.

The following new HKFRSs are relevant to the Group's operations and are mandatory for accounting periods beginning on or after 1st January 2011:

HKAS 24 (Revised) Related Party Disclosures
Amendment to HKAS 34 Interim Financial Reporting

The adoption of new HKFRSs 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 Group has decided to early adopt the amendments to HKAS 12, Deferred tax: recovery of underlying assets ("HKAS 12 (Amendment)"), in respect of the recognition of deferred tax on investment properties carried at fair value under HKAS 40, Investment property. The amendments are effective for annual periods beginning on or after 1 January 2012, but early adoption is permitted.

The change in policy arising from the adoption of HKAS 12 (Amendment) is the only change which has had a material impact on the current and comparative periods. The Group does not have to provide deferred tax on fair value changes arising from revaluation of investment properties in Hong Kong. Previously, where these properties were held under leasehold interests, deferred tax was generally measured using the tax rate that would apply as a result of recovery of the asset's value through use.

This change in accounting policy has been applied retrospectively. The impact of the adoption of HKAS 12 (Amendment) is as follows:

## Consolidated profit and loss account

	For the six months ended 30th September		
	2011		
	HK\$'000	HK\$'000	
Increase in share of profits less losses of associated companies	33,759	41,927	
Decrease in income tax expense	140,933	116,639	
Decrease in loss/increase in profit for the period and attributable to shareholders of the Company	174,692	158,566	
Decrease in loss/increase in earnings per share (HK\$)	0.14	0.13	

## 1 Basis of preparation (continued)

## **Consolidated balance sheet**

	30th September 2011 HK\$'000	31st March 2011 HK\$'000
Increase/(decrease) in:		
Associated companies	143,886	110,127
Deferred income tax liabilities	(546,744)	(405,811)
Retained earnings	690,630	515,938

Except for disclosure above, certain new and revised standards have been issued but not yet effective for the year ended 31st March 2012 and have not been early adopted by the Group. The Group has already commenced an assessment of the related impact to the Group. The Group is not yet in a position to state whether they will have substantial changes to the Group's accounting policies and presentation of the condensed consolidated interim financial information.

# 2 Turnover and segment information

Turnover comprises revenue from property sales and leasing, hotel and travel agency, interest income and dividend income, together with gross proceeds from disposal of financial assets at fair value through profit or loss. Revenue includes revenue from property sales and leasing, hotel and travel agency, interest income and dividend income.

	Property sales HK\$'000	Property leasing HK\$'000	Hotel and travel HK\$'000	Investments HK\$'000	Others HK\$'000	Total HK\$'000
Six months ended 30th Sep	tember 2011					
Turnover	37,919	44,520	340,775	1,514,835	9,480	1,947,529
Segment revenue	37,919	44,520	340,775	156,563	9,480	589,257
Contribution to segment						
results	4,645	42,580	130,713	156,563	9,480	343,981
Depreciation	-	-	(44,329)	-	(1,662)	(45,991)
Fair value gain of						
investment properties	-	854,137	-	-	-	854,137
Net investment loss	<u> </u>			(1,722,790)		<u>(1,722,790</u> )
Segment results	4,645	896,717	86,384	(1,566,227)	7,818	(570,663)
Unallocated corporate expe	/	070,717	00,504	(1,500,227)	7,010	(39,705)
Operating loss						(610,368)
Net finance income						13,515
Share of profits less losses	of					
Jointly controlled entitie		_	-	-	_	44,692
Associated companies	(16)	212,643	-	-	(10)	212,617
Loss before income tax						(339,544)
Income tax credit						907
Loss for the period						(338,637)

# 2 Turnover and segment information (continued)

	Property sales	Property leasing	Hotel and travel	Investments	Others	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Six months ended 30th Septe	ember 2010 (1	Restated)				
Turnover	132,910	38,271	313,761	630,131	13,919	1,128,992
Segment revenue	132,910	38,271	313,761	96,321	13,919	595,182
Contribution to segment						
results	63,537	34,628	97,939	96,321	13,919	306,344
Depreciation		-	(42,947)	-	(415)	(43,362)
Fair value gain of investment properties		711,800				711,800
Net investment gain	-	711,000	-	410,183	-	410,183
Other gain	<u>-</u>	<u> </u>	<u>-</u>		12,664	12,664
~ .	.aa-	<b>-</b> 1 - 100	~	<b>70.7.70.</b> 4	• • • • •	4 00 - 400
Segment results	63,537	746,428	54,992	506,504	26,168	1,397,629
Unallocated corporate expens	ses					(38,596)
Operating profit						1,359,033
Finance costs						(42,260)
Share of profits less losses of						
Jointly controlled entities	46,883	-	-	-	(4)	46,879
Associated companies	257	259,428	-	-	(10)	259,675
Profit before income tax						1,623,327
Income tax expense						(20,774)
-						
Profit for the period						1,602,553

# 2 Turnover and segment information (continued)

	Property sales HK\$'000	Property leasing HK\$'000	Hotel and travel HK\$'000	Investments HK\$'000	Others HK\$'000	Total HK\$'000
As at 30th September 2011						
Segment assets Other unallocated assets	2,642,346	5,333,684	2,645,605	4,237,283	236,837	15,095,755 <u>168,769</u> 15,264,524
Segment assets include: Jointly controlled entities and associated companies	s 1,120,343	1,080,963	-	-	921	2,202,227
Addition to non-current ass for the six months ended	ets					
30th September 2011*	500,000	-	4,951	-	420	505,371
Segment liabilities Borrowings Other unallocated liabilities	1,605,000	490,452	1,069,869	1,708,188	-	4,873,509 210,899
						5,084,408
As at 31st March 2011 (Resta	nted)					
Segment assets Other unallocated assets	1,951,195	4,279,224	2,695,054	5,358,447	244,584	14,528,504 203,628 14,732,132
Segment assets include: Jointly controlled entities and associated companies	737,108	883,170	-	-	931	1,621,209
Addition to non-current asset for the six months ended 30th September 2010*	s -	10,225	14,100	-	237	24,562
Segment liabilities Borrowings Other unallocated liabilities	775,000	498,484	1,097,683	1,514,901	-	3,886,068 256,644 4,142,712

<sup>\*</sup> The amounts exclude financial instruments and deferred income tax assets

# 2 Turnover and segment information (continued)

	Six months ended 30th September		
	2011 HK\$'000	2010 HK\$'000	
Revenue			
Hong Kong	378,838	446,419	
Overseas	210,419	148,763	
	589,257	595,182	
	30th September	31st March	
	2011	2011	
Non-current assets*	HK\$'000	HK\$'000 (Restated)	
Hong Kong	8,455,407	6,994,163	
Overseas	538,697	570,206	
	8,994,104	7,564,369	

<sup>\*</sup> The amounts exclude financial instruments and deferred income tax assets.

# 3 Net investment (loss)/gain

	Six months ended 30th September	
	2011	2010
	HK\$'000	HK\$'000
Financial assets at fair value through profit or loss		
- net unrealised (loss)/gain from market price movements	(1,594,128)	336,632
- net unrealised exchange (loss)/gain	(124,925)	78,096
- net realised gain (note)	5,579	5,865
Impairment for available-for-sale investments	(1,517)	(112)
Net unrealised loss on derivative financial instruments	(7,799)	(10,298)
	(1,722,790)	410,183
Note:		
Net realised gain on financial assets at fair value through profit or loss		
Gross proceeds	1,358,272	533,810
Cost of purchase	(759,102)	(280,284)
Total gain	599,170	253,526
Net unrealised gain recognised in prior years	(593,591)	(247,661)
	5,579	5,865

## 4 Income and expenses by nature

	Six months ended 30th September		
	2011 HK\$'000	2010 HK\$'000	
Income		11114 000	
Interest income			
- Listed investments	144,347	72,541	
- Unlisted investments	180	345	
- A jointly controlled entity	4,493	8,793	
- Other receivables	2,210	2,020	
- Bank deposit	325	443	
Dividend income			
- Listed investments		23,435	
Expenses			
Operating lease rental expenses for land and buildings Cost of properties and goods sold	3,620 120,476	3,001 164,327	

## 5 Income tax credit/(expense)

	Six months ended 30th September	
	2011	2010
	HK\$'000	HK\$'000 (Restated)
Current income tax		
Hong Kong profits tax	(4,327)	(5,071)
Over provision in prior years	18,085	-
	13,758	(5,071)
Deferred income tax	(12,851)	(15,703)
	907	(20,774)

Hong Kong profits tax is provided at the rate of 16.5% (2010: 16.5%) on the estimate 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 charge of jointly controlled entities and associated companies for the period of HK\$9,022,000 (2010: HK\$7,828,000) and HK\$1,566,000 (2010: HK\$982,000, restated) are included in the profit and loss account as share of profits less losses of jointly controlled entities and associated companies respectively.

#### 6 Dividend

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 30th September 2011 (2010: HK0.5 cent per share with a scrip option).

## 7 (Loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on loss attributable to shareholders of the Company of HK\$191,867,000 (2010: profit of HK\$1,555,098,000, restated) and divided by the weighted average number of 1,222,371,832 (2010: 1,245,420,493) shares in issue during the period.

For the six months ended 30th September 2011, the Company's and its listed subsidiary's outstanding share options did not have a diluted effect on the earnings per share, the basic and diluted earnings per share were equal.

The calculation of diluted earnings per share for the six months ended 30th September 2010 was based on HK\$1,553,776,000 equalling to the profit attributable to shareholders of the Company of HK\$1,555,098,000 with a decrease in share of profit after tax of HK\$1,322,000 from the Company's listed subsidiary arising from potential conversion of its warrants and divided by 1,245,420,493 shares in issued during the period. The Company's and its listed subsidiary's outstanding share options did not have a diluted effect on the earnings per share.

#### 8 Trade and other receivables

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

Trade receivables of the Group amounted to HK\$41,594,000 (31st March 2011: HK\$68,287,000). 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:

	ptember 2011 HK\$'000	31st March 2011 HK\$'000
0 day to 60 days 61 days to 120 days More than 120 days	40,604 965 25	67,764 500 23
	41,594	68,287

## 9 Trade and other payables

Trade and other payables of the Group include trade payables, rental and management fee deposits, retentions payable of construction costs and various accruals. Trade payables of the Group amounted to HK\$14,015,000 (31st March 2011: HK\$56,009,000).

Aging analysis of trade payables is as follows:

	30th September 2011 HK\$'000	31st March 2011 HK\$'000
0 day to 60 days	13,958	55,945
61 days to 120 days	38	47
More than 120 days	19	17
	14,015	56,009

## 10 Comparative figures

Certain comparative figures have been restated as a result of the adoption of new HKFRS and to conform with current period's presentation.

#### MANAGEMENT DISCUSSION AND ANALYSIS

#### **RESULTS**

The Group recorded HK\$589 million revenue for the first half of the financial year (2010: HK\$595 million). It recorded a HK\$192 million loss attributable to shareholders of the Company (2010: HK\$1,555 million profit).

The Group recorded unrealised loss arising from change in fair value of the Group's securities investment in the current period whereas unrealised gain was recorded in the same period last year due to increase in fair value of securities investment. These unrealised gain or losses have no cash flow impact to the Group for the respective reporting periods.

### PROPERTIES SALES, DEVELOPMENT AND LEASING

#### Sales

Revenue from property sales amounted to HK\$38 million (2010: HK\$133 million) with operating profit of HK\$5 million (2010: HK\$64 million) excluding sales from The Westminster Terrace, the 50% joint venture luxurious residential development. Current period sales from this project amounted to HK\$256 million (2010: HK\$277 million) with a pre-tax profit of HK\$109 million (2010: HK\$95 million). However, by accounting convention, this sales and profit were not included in the Group's revenue and segment results but separately accounted for as share of profit from jointly controlled entity.

## Development

The land premium discussion of the residential development at Hung Shui Kiu, New Territories, which yield approximately 590,000 sq. ft. GFA has been in progress with Government.

Planning application for residential development in Macau is currently underway.

Planning parameters have recently been approved at our 50% joint venture in Beijing for an approximately 2 million sq. ft. GFA residential/commercial development. Land premium assessment is in progress and details on demolition and resettlement is being worked out.

During the period, the Group jointly with its partner acquired another 1.5 million sq. ft. site in Shanghai, planning to be developed into low rise residential buildings and villas. The Group has a 47.5% stake in this project and has contracted to increase to 50%.

#### Leasing

Rental income attributable to the Group was approximately HK\$55 million, compared to HK\$46 million over the same period last year.

Revaluation gain (including that generated from properties owned by an associated company) of HK\$1,059 million was recorded, compared to HK\$966 million of interim period last year. During the period, the Group adopted the revised accounting standard on income taxes with the effect that deferred tax provision on revaluation surplus of investment properties in Hong Kong is no longer required, the comparative figure for last period has been adjusted accordingly.

## **HOTEL**

Revenue arising from the hotel and travel operation increased by 9% from HK\$314 million of last interim period to HK\$341 million of current period, coupled with minor reduction in travel agency and catering operation. Contribution to segment results before depreciation has risen strongly to HK\$131 million compared to HK\$98 million of interim period last year.

An unrealised investment loss of HK\$634 million (2010: HK\$92 million gain) arising from change in fair value of its financial asset investment was registered. As a result, the hotel group recorded a net loss of HK\$487 million (2010: HK\$151 million profit) on revenue of HK\$401 million (2010: HK\$346 million).

#### **INVESTMENTS**

At 30th September 2011, the Group held financial investments of approximately HK\$4,093 million (31st March 2011: HK\$5,250 million), with HK\$1,565 million (31st March 2011: HK\$1,919 million) held by the listed hotel subsidiary group. The Group recorded a net unrealised fair value loss of HK\$1,727 million (2010: HK\$404 million gain), together with a net realised gain of HK\$6 million (2010: HK\$6 million). Income during the period from these investments amounted to HK\$156 million (2010: HK\$96 million).

These financial investments comprise 64% by debt securities and 36% by equity securities. They are denominated in different currencies with 34% in Sterling, 26% in US\$, 22% in Euro and 18% in HK\$. The net exposure to foreign exchange from these foreign currencies investments were mitigated by partially financing in the same foreign currencies of these assets.

At 30th September 2011, an approximate value of HK\$1,510 million (31st March 2011: HK\$1,040 million) of these investments were pledged to banks as collateral for credit facilities granted to the Group.

## FINANCIAL REVIEW

At 30th September 2011, the Group's total assets were approximately HK\$15.3 billion, compared to HK\$14.7 billion at end of last financial year. The net assets decreased by 4% to HK\$10.2 billion. Adopting market value of hotel properties, the revalued total assets and revalued net assets of the Group would be HK\$20.5 billion and HK\$15.4 billion, an increase of 8% and 4% compared to HK\$19.0 billion and HK\$14.8 billion respectively at the end of last financial year.

Net debt increased to HK\$4.6 billion (31st March 2011: HK\$3.6 billion), including HK\$1.9 billion (31st March 2011: HK\$1.7 billion) which belonged to the separately listed hotel subsidiary group. Net debt to revalued net asset value is approximately 30% (31st March 2011: 24%). All the debts are at floating rates and interest rate fluctuation is partly managed through interest rate swaps. At 30th September 2011, a total of HK\$200 million interest rate swap contracts were held for hedging purpose against our borrowings. Total interest costs increased due to increase in average loan balance.

The maturity of our debts spread over a long period of up to 15 years. 20% of total borrowings are from revolving credit facilities secured by property assets. 21% are from revolving credit facilities through the pledge of financial assets investment. 20% is repayable between one to five years and 34% repayable after five years, which are also secured by property assets. At 30th September 2011, the Group had current assets of HK\$6,021 million (31st March 2011: HK\$6,851 million).

About 80% of the Group's borrowings are in Hong Kong dollar and 14% in Euro. With the weakening of Euro against Hong Kong dollars, the Group recorded an exchange gain in these foreign currencies loan revaluation for the period, resulting in a net credit in total finance costs.

As at 30th September 2011, property assets with an aggregated net book value of HK\$8,865 million (31st March 2011: HK\$7,779 million) were pledged to secure banking facilities of the Group. There were no guarantees (31st March 2011: Nil) provided by the Group to financial institutions in relation to borrowings extended to the Group's associated companies or jointly controlled entities.

#### **EMPLOYEES AND REMUNERATION POLICIES**

As at 30th September 2011, the Group employed approximately 520 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 Group has property development interests in Hong Kong, Shanghai, Beijing and Macau. We expect that these projects will in time bring substantial return to the shareholders. With the property market in Hong Kong and mainland China fine tuned by government policies from being overheated, management is taking a cautious approach but remain optimistic over the future performance of the Group.

#### INTERIM DIVIDEND

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 30th September 2011 (2010: HK0.5 cent per share, with a scrip option).

## 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 2011.

### 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 has reviewed the unaudited interim results of the Group for the six months ended 30th September 2011.

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

Hong Kong, 28th November 2011

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. Lun Pui Kan, Mr. Kwan Po Lam, Phileas; the non-executive directors are Mr. Au Yat Chuen and Mr. Loup, Nicholas James and the independent non-executive directors are Mr. Koon Bok Ming, Alan, Mr. Leung Wai Keung and Mr. Wong Chi Keung.