



ASIA ORIENT HOLDINGS LIMITED

Stock Code: 214

Interim Report 2014

Corporate Information

Directors

Executive

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

Independent Non-executive

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

Audit committee

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

Remuneration committee

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

Authorised representatives

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

Company secretary

Mr. Tung Kwok Lui

Registered office

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

Principal office in Hong Kong

30th Floor, Asia Orient Tower, Town Place,
33 Lockhart Road, Wanchai,
Hong Kong

Telephone 2866 3336
Facsimile 2866 3772
Website <http://www.asiaorient.com.hk>
Email aoinfo@asiastandard.com

Principal bankers

HSBC
Bank of China (Hong Kong)
Hang Seng Bank
Industrial and Commercial Bank of China (Asia)
Bank of East Asia
Chiyu Banking
Chong Hing Bank
Barclays Bank
Bank Morgan Stanley
UBS
Bank Julius Baer

Legal advisers

Stephenson Harwood
18th Floor, United Centre,
95 Queensway,
Hong Kong

Appleby
2206-19, Jardine House,
1 Connaught Place, Central,
Hong Kong

Auditor

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

Share registrar in Bermuda

MUFG Fund Services (Bermuda) Limited
The Belvedere Building,
69 Pitts Bay Road,
Pembroke HM08,
Bermuda

Hong Kong branch share registrar and transfer office

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

Financial Highlights

	Six months ended		
	30th September		
	2014	2013	Change
(in HK\$ million, except otherwise indicated)			
Consolidated profit and loss account			
Revenue	678	702	-3%
Operating profit	754	1,056	-19%
Profit attributable to shareholders of the Company	390	536	-27%
Earnings per share – basic (HK\$)	0.51	0.75	-32%

	30th	31st	Change
	September	March	
	2014	2014	
Consolidated balance sheet			
Total assets	26,851	25,434	+6%
Net assets	19,737	19,005	+4%
Equity attributable to shareholders of the Company	9,663	9,264	+4%
Net debt	4,472	3,948	+13%

Supplementary information with hotel properties in operation at valuation (note):

Revalued total assets	30,200	28,271	+7%
Revalued net assets	23,667	22,430	+6%
Equity attributable to shareholders of the Company	11,184	10,589	+6%
Equity attributable to shareholders of the Company per share (HK\$)	13.99	14.06	-0.5%
Gearing – net debt to revalued net assets	19%	18%	+1%

Note: According to the Group's accounting policies, hotel properties in operation were carried at cost less accumulated depreciation. To give further information on the economic substance of its hotel properties investments, the Group hereby presents supplementary unaudited financial information taking into account the fair market value of hotel properties in operation and excluding the corresponding deferred income tax on Hong Kong properties as Hong Kong tax jurisdiction does not include capital gain tax.

The four hotel properties in operation in Hong Kong and Canada were revalued by Vigers Appraisal & Consulting Limited and CBRE Limited respectively, independent professional valuers, on an open market value basis as at 30th September 2014 and 31st March 2014.

Management Discussion and Analysis



“Queen’s Gate” in Shanghai

Results

The Group’s revenue for the six months amounted to HK\$678 million (2013: HK\$702 million, adjusted for certain accounting changes), it recorded a HK\$390 million (2013: HK\$536 million) profit attributable to shareholders. The decrease in profit is mainly due to the decrease in mark-to-market valuation gain of the Group’s financial investment as compared to the same period last year.

The Group’s property sales, development and leasing operation is carried out through Asia Standard International, its 50.9% owned listed subsidiary.

Property sales, development and leasing

Sales

The Group is actively progressing along its development pipeline during the period, with the current schedule that its 50% joint venture luxurious residential development in Shanghai will be put on market for sale in the near term. The Group did not contract any sale nor launch any new development during the interim period,

while a HK\$160 million sale of the inventory retail podium of Canaryside in Yau Tong was recognised in the same period last year.

Development

At Perkins Road in Hong Kong, the joint venture project will be redeveloped into an ultra-luxurious high-rise residential building and is currently under foundation construction. Another detached residential development in the same proximity at Henderson Road is also at foundation construction stage.

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. The 112,000 sq. ft. site will provide approximately 900 residential units and retail shops with an approximate total GFA of 519,000 sq. ft., which are conveniently located adjacent to a light rail station linked to the West Rail network. Another residential development at the Lam Tei station nearby is in the process of planning application with the government.

Management Discussion and Analysis



“Queen’s Gate” in Shanghai

We are progressing well with the superstructure construction in the traditional high end and low-density residential neighborhood in the Qingpu district, Puxi in Shanghai. This 1.5 million sq. ft. site will be developed into over 300 villas and apartments with total construction floor area of 1,080,000 sq. ft. This 50% joint venture development is scheduled to be completed towards end 2015 and pre-sale will commence in the near term, barring unforeseen circumstances.

During the period, we focused and have obtained all the building planning permits for the 2,360,000 sq. ft. floor area waterfront residential/commercial development in Beijing. Land clearances and resettlement for this 50% joint venture development in Tongzhou are currently under preparation. Structural and foundation design has commenced and demolition will start once resettlement completes.

In Macau, with urban planning legislation became effective in March this year, our formal application for the development of the 190,000 sq. ft. site in Seac Pac Van zoning outline was submitted. The application is now under process and evaluation by the relevant authorities.

Leasing

Rental income attributable to our 353,000 sq. ft. investment properties portfolio in Central, Wan Chai and Causeway Bay amounted to HK\$72 million (2013: HK\$65 million), an increase of 11%.

Investment properties revaluation gain (including that generated from properties owned by an associated company) of HK\$445 million (2013: HK\$124 million) was recorded.

Management Discussion and Analysis



Asia Orient Tower (including the newly acquired adjoining Fook Lee Commercial Centre)

During the period, the Group succeeded in the acquisition of the commercial building adjacent to our building in Wanchai, adding approximately 80,000 sq. ft. to the leasing portfolio. The buildings are structurally connected to each other, resulting in a much larger floor plate accommodation.

Hotel

The hotel and travel operation is carried out through Asia Standard Hotel, another separately listed subsidiary 70.1% owned by Asia Standard International, and 3% directly owned by the parent group.

Overnight-stay visitors to Hong Kong increased 7% to 14 million during the period. Growth has come from short haul markets where mainland China continues to be the most important inbound source.

In the face of a 5% increase in total hotel rooms supply, revenue arising from the hotel and travel segment for the period amount to HK\$300 million (2013: HK\$264 million, adjusted for accounting changes on certain travel business). Average occupancies for the 3 Hong Kong hotels stay above 95% for both interim periods while average room rate slightly dropped. Contribution to segment results before depreciation was approximately HK\$124 million (2013: HK\$128 million).

Foundation work of the adjacent new hotel in Causeway Bay was completed during the period and superstructure works have commenced. This will add 94 rooms upon completion in 2016. At the same time, foundation work of the other new hotel in Tsimshatsui is in progress and scheduled to complete by early 2015, adding another 90 rooms to the portfolio upon full completion in 2017.

Financial investments

For the period under review, the Group's financial investments continue to benefit from the ample liquidity and low interest rate environment.

At 30th September 2014, the Group's financial investment portfolio amounted to HK\$7,179 million (31st March 2014: HK\$6,382 million), of which HK\$6,409 million were held in the group's two listed subsidiaries. The increase arose from a mark to market valuation gain of HK\$32 million and a further investment of HK\$765 million.

Interest and dividend income for the period from these investments amounted to HK\$306 million (2013: HK\$210 million).

Management Discussion and Analysis

These financial investments comprise 69% by listed debt securities (of which approximately 92% were issued by PRC real estate companies), and 30% by listed equity securities (of which approximately 75% were issued by large banks). They are denominated in different currencies with 62% in United States dollar, 11% in Sterling, 11% in Hong Kong dollar, 11% in Renminbi and 5% in Euro.

At 30th September 2014, an approximate value of HK\$1,030 million (31st March 2014: HK\$1,140 million) of these investments were pledged to banks as collateral for credit facilities granted to the Group.

Financial review

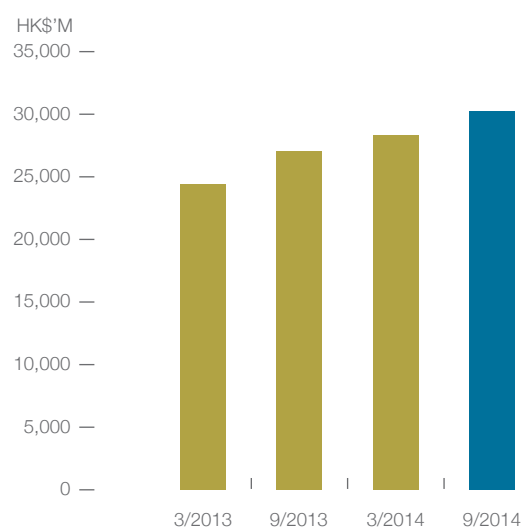
The financing and treasury activities of our three listed groups are independently administered. At 30th September 2014, the Group had approximately HK\$6.2 billion cash and undrawn banking facilities which provide the Group with strong financing flexibility to meet any development opportunities as they arise.

At 30th September 2014, the Group's total assets amounted to approximately HK\$26.9 billion (31st March 2014: HK\$25.4 billion). Net assets were HK\$19.7 billion (31st March 2014: HK\$19.0 billion). Adopting market value of hotel properties in operation, the revalued total assets and revalued net assets of the Group would be HK\$30.2 billion (31st March 2014: HK\$28.3 billion) and HK\$23.7 billion (31st March 2014: HK\$22.4 billion).

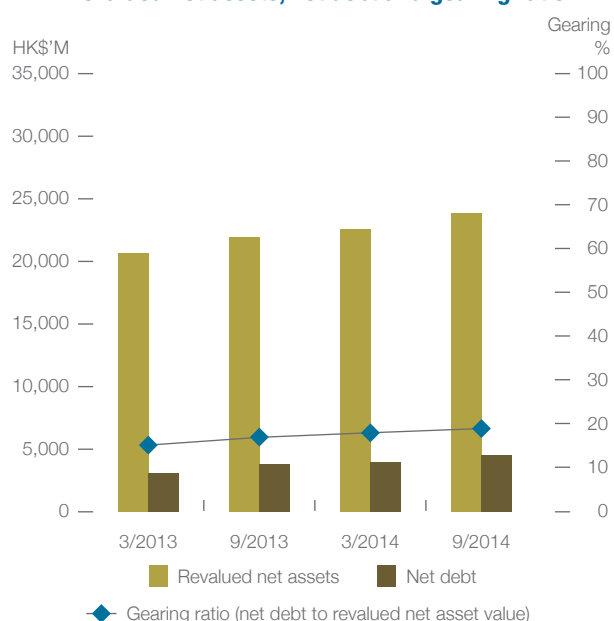
In July 2014, the Group issued HK\$100 million 5-years medium term notes out of its medium term note programme, adding to the existing RMB500 million issued in April 2013.

Net debt at 30th September 2014 was HK\$4,472 million (31st March 2014: HK\$3,948 million), of which HK\$17 million (31st March 2014: HK\$30 million) was attributable to the parent group. The Group's gearing, calculated as net debt to revalued net asset, was 19% (31st March 2014: 18%).

Revalued total assets



Revalued net assets, net debt and gearing ratio



Management Discussion and Analysis

76% of the debts are secured and 80% of the debts are at floating rates. As at 30th September 2014, HK\$50 million (31st March 2014: HK\$50 million) interest rate swap contract and RMB500 million (31st March 2014: RMB500 million) cross currency swap contracts were held to hedge our borrowings. Total interest costs increased due to increased borrowings during the year.

Currently the maturities of our debts are well spread over a long period of up to 12 years. Revolving loans account for 5% and term loans secured by financial assets repayable between one to five years account for 8%. Term loans secured by property assets account for 63% with 8% repayable within 1 year, 38% repayable between one to five years and 17% repayable after five years. The remaining 24% comprise unsecured syndicated loan and medium term notes. As at 30th September 2014, the Group had net current assets of HK\$8.8 billion (31st March 2014: HK\$7.9 billion).

About 78% of the Group's debts are in Hong Kong dollar, 11% in Renminbi, 10% in US dollars, and the remaining 1% in other currencies.

At 30th September 2014, an approximate HK\$16.2 billion (31st March 2014: HK\$15.8 billion) book value of property assets were pledged to banks as collateral for credit facilities granted to the Group. HK\$402 million guarantee (31st March 2014: HK\$380 million) was provided to financial institutions against credit facilities granted to joint ventures.

Employees and remuneration policies

At 30th September 2014, the Group employed approximately 580 (31st March 2014: 570) full time employees. Their remuneration packages, commensurate with job nature and experience level, include basic salary, annual bonus, retirement and other benefits.

Future prospects

Local and mainland property markets have been facing public interventions in various forms and experienced a brief challenging time. With the soft landing of the mainland economy and the continual low interest rate environment, effect of these non-market forces had been partially counteracted, lending support to the market participants.

Financial investment remains a strong performer and, with the recent enlargement of the leasing property portfolio, further strengthens the Group's recurring income base.

Our hotel segment is being challenged with the local political turmoil and the impact to the operating results is surfacing in the second half of the year. Hotel management is exploring every means to mitigate the effect while up-keeping the service standards.

Management holds a cautious stance but remains affirmative in the group's performance.

Report on Review of Interim Financial Information

To the board of directors of
Asia Orient Holdings Limited

(incorporated in Bermuda with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 9 to 29, which comprises the condensed consolidated balance sheet of Asia Orient Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30th September 2014 and the related condensed consolidated profit and loss account, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The Directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

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

Conclusion

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

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 25th November 2014

Condensed Consolidated Profit and Loss Account – Unaudited

	Note	For the six months ended 30th September	
		2014 HK\$'000	2013 HK\$'000 (Restated)
Revenue	5	678,514	702,491
Cost of sales		(138,284)	(230,582)
Gross profit		540,230	471,909
Selling and administrative expenses		(97,416)	(97,377)
Depreciation		(84,029)	(82,364)
Net investment gain	6	29,714	666,500
Fair value gain of investment properties		365,824	97,190
Operating profit		754,323	1,055,858
Net finance costs	8	(58,108)	(45,087)
Share of profits less losses of			
Joint ventures		(3,069)	(1,722)
Associated companies		87,620	35,880
Profit before income tax		780,766	1,044,929
Income tax expense	9	(15,917)	(17,110)
Profit for the period		764,849	1,027,819
Attributable to:			
Shareholders of the Company		390,281	535,567
Non-controlling interests		374,568	492,252
		764,849	1,027,819
Earnings per share (HK\$)			
Basic	11	0.51	0.75
Diluted	11	0.49	0.68

Condensed Consolidated Statement of Comprehensive Income – Unaudited

	For the six months ended 30th September	
	2014	2013
	HK\$'000	HK\$'000
Profit for the period	764,849	1,027,819
Other comprehensive income		
Items that have been reclassified or may be reclassified subsequently to profit or loss:		
Net fair value gain on available-for-sale investments	3,913	8,246
Cash flow hedges		
– fair value (loss)/gains	(15,560)	6,557
– transfer to finance costs	(5,975)	(4,471)
Currency translation differences	(1,845)	(2,529)
Share of currency translation differences to joint ventures	1,289	327
	(18,178)	8,130
Total comprehensive income for the period	746,671	1,035,949
Attributable to:		
Shareholders of the Company	380,918	539,210
Non-controlling interests	365,753	496,739
	746,671	1,035,949

Condensed Consolidated Balance Sheet – Unaudited

	Note	30th September 2014 HK\$'000	31st March 2014 HK\$'000
Non-current assets			
Property, plant and equipment	12	7,191,270	7,224,741
Investment properties	13	5,902,018	5,535,909
Joint ventures		1,268,535	1,198,343
Associated companies		1,584,447	1,519,893
Available-for-sale investments		251,291	241,078
Financial assets at fair value through profit or loss	15	453,410	554,844
Derivative financial instruments		–	10,427
Mortgage loans receivable		2,724	2,797
Deferred income tax assets		4,973	3,573
		16,658,668	16,291,605
Current assets			
Properties under development for sale		1,771,296	1,748,797
Completed properties held for sale		3,816	3,816
Hotel and restaurant inventories		1,516	1,567
Trade and other receivables	14	660,467	307,066
Income tax recoverable		5,624	5,589
Financial assets at fair value through profit or loss	15	6,474,189	5,586,317
Bank balances and cash		1,275,884	1,489,650
		10,192,792	9,142,804
Current liabilities			
Trade and other payables	16	228,895	167,412
Amount due to a joint venture		77,023	37,058
Amount due to an associated company		224,400	–
Income tax payable		49,291	37,139
Dividend payable		31,972	–
Derivative financial instruments		499	982
Convertible bonds		–	48,149
Borrowings	17	731,478	929,483
		1,343,558	1,220,223
Net current assets		8,849,234	7,922,581
Total assets less current liabilities		25,507,902	24,214,186

Condensed Consolidated Balance Sheet – Unaudited

	Note	30th September 2014 HK\$'000	31st March 2014 HK\$'000
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Non-current liabilities			
Long term borrowings	17	4,301,865	3,849,758
Derivative financial instruments		5,133	–
Medium term notes	18	714,430	609,894
Deferred income tax liabilities		749,399	749,483
		5,770,827	5,209,135
<hr/>			
Net assets		19,737,075	19,005,051
<hr/>			
Equity			
Share capital	19	79,931	75,294
Reserves	20	9,583,282	9,188,928
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Equity attributable to shareholders of the Company		9,663,213	9,264,222
Non-controlling interests		10,073,862	9,740,829
		19,737,075	19,005,051
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Condensed Consolidated Statement of Cash Flows – Unaudited

	For the six months ended 30th September	
	2014	2013
	HK\$'000	HK\$'000
Cash flows from operating activities		
Net cash used in operation	(676,105)	(556,572)
Net income tax paid	(5,284)	(6,348)
Net interest paid	(70,310)	(55,625)
Net cash used in operating activities	(751,699)	(618,545)
Cash flows from investing activities		
Addition to investment properties	(285)	(287)
Net addition to property, plant and equipment	(45,460)	(32,513)
Increase in investments in joint ventures	–	(23,574)
Advances to associated companies and joint ventures	192,359	(28,528)
Dividend received from an associated company	23,100	–
Net cash generated from/(used in) investing activities	169,714	(84,902)
Cash flows from financing activities		
Drawdown of long term borrowings	590,288	725,228
Repayment of long term borrowings	(162,037)	(57,845)
Net (decrease)/increase in short term borrowings	(173,796)	46,161
Net proceeds from medium term notes	98,581	611,546
Dividends paid	–	(9,003)
Dividends paid to non-controlling interests	–	(17,721)
Net cash generated from financing activities	353,036	1,298,366
Net (decrease)/increase in cash and cash equivalents	(228,949)	594,919
Cash and cash equivalents at the beginning of the period	1,462,252	413,968
Changes in exchange rates	368	775
Cash and cash equivalents at the end of the period	1,233,671	1,009,662
Analysis of the balances of cash and cash equivalents		
Bank balances and cash (excluding restricted bank balances)	1,233,671	1,009,662

Condensed Consolidated Statement of Changes in Equity – Unaudited

	Attributable to shareholders of the Company			Non- controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Reserves HK\$'000	Total HK\$'000		
At 31st March 2013	71,416	8,301,776	8,373,192	9,159,260	17,532,452
Net fair value gain on available-for-sale investments	–	3,396	3,396	4,850	8,246
Cash flow hedges					
– fair value gains	–	3,319	3,319	3,238	6,557
– transfer to finance costs	–	(2,263)	(2,263)	(2,208)	(4,471)
Currency translation differences	–	(809)	(809)	(1,393)	(2,202)
Profit for the period	–	535,567	535,567	492,252	1,027,819
Total comprehensive income for the period	–	539,210	539,210	496,739	1,035,949
Net increase in shareholding of subsidiaries	–	99,677	99,677	(99,677)	–
Dividends paid	1,242	(10,245)	(9,003)	(17,254)	(26,257)
Total transactions with owners	1,242	89,432	90,674	(116,931)	(26,257)
At 30th September 2013	72,658	8,930,418	9,003,076	9,539,068	18,542,144
At 31st March 2014	75,294	9,188,928	9,264,222	9,740,829	19,005,051
Net fair value gain on available-for-sale investments	–	1,640	1,640	2,273	3,913
Cash flow hedges					
– fair value loss	–	(7,923)	(7,923)	(7,637)	(15,560)
– transfer to finance costs	–	(3,043)	(3,043)	(2,932)	(5,975)
Currency translation differences	–	(37)	(37)	(519)	(556)
Profit for the period	–	390,281	390,281	374,568	764,849
Total comprehensive income for the period	–	380,918	380,918	365,753	746,671
Conversion of convertible bonds	4,637	45,380	50,017	–	50,017
Share options granted by a subsidiary	–	28	28	28	56
Dividends paid	–	(31,972)	(31,972)	(32,748)	(64,720)
Total transactions with owners	4,637	13,436	18,073	(32,720)	(14,647)
At 30th September 2014	79,931	9,583,282	9,663,213	10,073,862	19,737,075

Notes to the Interim Financial Information

1 General information

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

2 Basis of preparation

The unaudited condensed consolidated interim financial information for the six months ended 30th September 2014 (“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 2014, 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 2014. As described in the annual financial statements for the year ended 31st March 2014, the Group has changed its policy regarding the recognition of revenue for travel operation on net basis for the commission earned as an agent, and on a gross basis for custom-made incentive tours. The comparatives have been restated by decreasing revenue and corresponding cost of sales of HK\$114,800,000 with no impact to gross profit.

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.

3 Financial risk management

(i) Financial risk factors

The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and cash flow interest rate risk), credit risk and liquidity risk. There have been no changes in the overall risk management since the year ended 31st March 2014.

The Interim Financial Information does not include financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements as at 31st March 2014.

(ii) Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Notes to the Interim Financial Information

3 Financial risk management (continued)

(ii) Fair value estimation (continued)

The following table presents the Group's financial instruments that are measured at fair value.

	Level 1 HK\$'000	Level 2 HK\$'000	Total HK\$'000
At 30th September 2014			
Assets			
Financial assets at fair value through profit or loss	6,918,726	8,873	6,927,599
Available-for-sale investments	227,678	23,613	251,291
	7,146,404	32,486	7,178,890
Liabilities			
Derivative financial instruments			
– applying hedge accounting	–	5,133	5,133
– not applying hedge accounting	–	499	499
	–	5,632	5,632

At 31st March 2014

Assets			
Financial assets at fair value through profit or loss	6,132,297	8,864	6,141,161
Available-for-sale investments	218,492	22,586	241,078
Derivative financial instruments			
– applying hedge accounting	–	10,427	10,427
	6,350,789	41,877	6,392,666
Liabilities			
Derivative financial instruments			
– not applying hedge accounting	–	982	982

During the six months ended 30th September 2014, there was no transfer between level 1 and level 2 fair value measurements and there was no change in valuation technique.

- Financial instruments in level 1

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price. These instruments are included in level 1.

Notes to the Interim Financial Information

3 Financial risk management (continued)

(ii) Fair value estimation (continued)

- Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (over-the-counter derivatives) is determined by using latest available transaction price or valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Quoted market prices or dealer quotes for similar instruments are used for long term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The carrying value less impairment provision of trade receivables and payables are a reasonable approximation of their fair values.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are related to fair value of investment properties, impairment of trade and other receivables, income taxes, fair value of derivative financial instruments and impairment of available-for-sale investments and revenue recognition on a gross versus net basis for travel operation.

At 30th September 2014, the Group had investment properties with fair value of HK\$5,902,018,000 (31st March 2014: HK\$5,535,909,000). The best evidence of fair value is current prices in an active market for similar properties. In the absence of such information, the amount is determined within a range of reasonable fair value estimates. Information from a variety of sources are considered in making the judgement:

- (i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
- (ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
- (iii) discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts, and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

5 Segment information

The Group is principally engaged in property management, development and investment, hotel, travel operation and securities investments. Revenue includes revenue from property management, property sales and leasing, hotel and travel operation, management services, interest income and dividend income.

Notes to the Interim Financial Information

5 Segment information (continued)

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments. The operating segments were determined based on the reports reviewed by the chief operating decision-maker. The Group is organised into four main operating segments, comprising property sales, property leasing, hotel and travel and financial investments. Segment assets consist primarily of property, plant and equipment, investment properties, available-for-sale investments, other non-current assets, hotel inventories, properties, trade and other receivables and financial assets at fair value through profit or loss. Segment liabilities comprise mainly borrowings.

	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 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
Six months ended 30th September 2013						
Gross income	160,000	52,962	378,955	478,950	14,919	1,085,786
Segment revenue (restated)	160,000	52,962	264,155	210,455	14,919	702,491
Contribution to segment results	31,592	48,066	128,453	210,172	702	418,985
Depreciation	-	-	(79,285)	-	(3,079)	(82,364)
Net investment gain	-	-	-	666,500	-	666,500
Fair value gain of investment properties	-	97,190	-	-	-	97,190
Share of profits less losses of						
Joint ventures	(1,177)	-	-	-	(545)	(1,722)
Associated companies	-	35,880	-	-	-	35,880
Segment results	30,415	181,136	49,168	876,672	(2,922)	1,134,469
Unallocated corporate expenses						(44,453)
Net finance costs						(45,087)
Profit before income tax						1,044,929

Notes to the Interim Financial Information

5 Segment information (continued)

Notes:

- (a) Management regards gross income of travel operation as gross sales proceeds from the sales of air-ticket, hotel reservation arrangement and incentive travel tours.
- (b) 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.

	Business segments						Total HK\$'000
	Property sales HK\$'000	Property leasing HK\$'000	Hotel and travel HK\$'000	Financial investments HK\$'000	Others HK\$'000	Unallocated HK\$'000	
At 30th September 2014							
Assets	3,266,063	7,493,890	7,025,296	7,479,943	277,345	1,308,923	26,851,460
Assets include:							
Joint ventures and associated companies	1,286,240	1,534,716	-	-	936	31,090	2,852,982
Addition to non-current assets for the six months ended 30th September 2014*	-	285	42,949	-	9,829	-	53,063
Liabilities							
Borrowings	1,436,656	453,266	1,678,727	780,444	-	684,250	5,033,343
Other unallocated liabilities							2,081,042
							7,114,385
At 31st March 2014							
Assets	2,968,339	7,059,892	7,075,098	6,537,159	264,499	1,529,422	25,434,409
Assets include:							
Joint ventures and associated companies	1,215,450	1,470,128	-	-	931	31,727	2,718,236
Addition to non-current assets for the six months ended 30th September 2013*	7,456	287	36,652	-	31,656	-	76,051
Liabilities							
Borrowings	1,968,371	444,776	1,410,553	955,541	-	-	4,779,241
Other unallocated liabilities							1,650,117
							6,429,358

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

Notes to the Interim Financial Information

5 Segment information (continued)

	Six months ended 30th September	
	2014 HK\$'000	2013 HK\$'000 (Restated)
Revenue		
Hong Kong	366,008	465,639
Overseas	312,506	236,852
	678,514	702,491
	30th September 2014 HK\$'000	31st March 2013 HK\$'000
Non-current assets*		
Hong Kong	14,566,581	14,153,871
Overseas	1,379,689	1,325,015
	15,946,270	15,478,886

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

6 Net investment gain

	Six months ended 30th September	
	2014 HK\$'000	2013 HK\$'000
Financial assets at fair value through profit or loss		
– net unrealised gain from market price movements	76,251	575,680
– net unrealised exchange (loss)/gain	(48,097)	77,331
– net realised gain (note)	1,560	13,489
	29,714	666,500
Note:		
Net realised gain on financial assets at fair value through profit or loss		
Gross consideration	339,875	268,495
Cost of investments	(258,112)	(233,562)
Total gain	81,763	34,933
Less: net unrealised gain recognised in prior years	(80,203)	(21,444)
Net realised gain recognised in current period	1,560	13,489

Notes to the Interim Financial Information

7 Income and expenses by nature

	Six months ended 30th September	
	2014 HK\$'000	2013 HK\$'000
Income		
Net rental income (note (a))	56,579	48,066
Interest income		
– Listed investments	289,587	200,666
– Unlisted investments	–	4
– Other receivables	1,728	1,759
– Bank deposits	4,772	2,735
Dividend income		
– Listed investments	16,044	9,704
Expenses		
Cost of properties and goods sold (restated)	10,362	60,612
Employee benefit expense, including Director's emoluments (note (b))	93,512	87,772
Loss on disposal of properties, plant and equipment	8	1,290
Operating lease rental expense for land and buildings	692	4,853
Notes:		
(a) Net rental income		
Gross rental income		
– Investment properties	58,768	52,938
– Properties held for sale	25	23
	58,793	52,961
Outgoings	(2,214)	(4,895)
	56,579	48,066
(b) Employee benefit expense		
Wages and salaries	90,425	84,701
Share option expense	56	–
Retirement benefit costs	3,031	3,071
	93,512	87,772

Notes to the Interim Financial Information

8 Net finance costs

	Six months ended 30th September	
	2014 HK\$'000	2013 HK\$'000
Interest expenses		
Long term bank loans	(57,143)	(38,238)
Short term bank loans and overdrafts	(518)	(2,155)
Convertible bonds	(2,978)	(5,835)
Medium term notes	(21,491)	(18,699)
Interest income from hedging derivative financial instruments	2,931	2,872
Interest capitalised under properties under development	27,820	18,335
	(51,379)	(43,720)
Other incidental borrowing costs	(9,428)	(5,306)
Net foreign exchange loss on borrowings	(3,758)	(1,412)
Fair value gain on derivative financial instruments		
Cash flow hedge, transfer from reserve	5,975	4,471
Not applying hedging accounting	482	880
	(58,108)	(45,087)

9 Income tax expense

	Six months ended 30th September	
	2014 HK\$'000	2013 HK\$'000
Current income tax		
Hong Kong profits tax	(16,533)	(40,697)
Overseas profits tax	(1,684)	(571)
Over-provision in prior years	816	112
	(17,401)	(41,156)
Deferred income tax	1,484	24,046
	(15,917)	(17,110)

Hong Kong profits tax is provided at the rate of 16.5% (2013: 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 (2013: HK\$54,000) and HK\$1,588,000 (2013: HK\$1,817,000) are included in the profit and loss account as share of profits less losses of joint ventures and associated companies respectively.

Notes to the Interim Financial Information

10 Dividend

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 30th September 2014 (2013: Nil).

11 Earnings per share

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

	Six months ended 30th September	
	2014 HK\$'000	2013 HK\$'000
Profit attributable to shareholders of the Company	390,281	535,567
Effect of dilutive potential shares:		
Finance costs saved on convertible bonds	2,306	4,524
Profit for calculation of diluted earnings per share	392,587	540,091
	Number of shares	
Weighted average number of shares for calculation of basic earnings per share	768,809,532	714,157,660
Effect of dilutive potential shares:		
Share options assumed to be exercised	9,556,881	4,188,226
Convertible bonds assumed to be converted at beginning of the period	30,496,770	72,727,272
Weighted average number of shares for calculation of diluted earnings per share	808,863,183	791,073,158

Diluted earnings per share for the six months ended 30th September 2014 and 2013 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.

Notes to the Interim Financial Information

12 Property, plant and equipment

	Freehold land of a hotel in Canada HK\$'000	Leasehold land in Hong Kong HK\$'000	Hotel buildings HK\$'000	Other buildings HK\$'000	Other equipments HK\$'000	Total HK\$'000
Cost						
At 31st March 2014	226,340	6,111,306	2,198,763	77,230	122,544	8,736,183
Currency translation differences	(916)	–	(5,576)	–	24	(6,468)
Additions	–	3,094	37,738	9,094	2,853	52,779
Disposals	–	–	(189)	–	–	(189)
At 30th September 2014	225,424	6,114,400	2,230,736	86,324	125,421	8,782,305
Accumulated depreciation						
At 31st March 2014	–	618,302	856,330	9,668	27,142	1,511,442
Currency translation differences	–	–	(4,264)	–	9	(4,255)
Charge for the period	–	42,073	35,890	752	5,314	84,029
Disposals	–	–	(181)	–	–	(181)
At 30th September 2014	–	660,375	887,775	10,420	32,465	1,591,035
Net book value						
At 30th September 2014	225,424	5,454,025	1,342,961	75,904	92,956	7,191,270
At 31st March 2014	226,340	5,493,004	1,342,433	67,562	95,402	7,224,741

Supplementary information with hotel properties in operation at valuation:

According to the Group's accounting policies, the carrying amount of the four hotel properties in operation in Hong Kong and Canada were HK\$6,089,023,000 (31st March 2014: HK\$6,163,761,000).

The aggregate open market value, on a highest and best use basis, of the four hotel properties in operation in Hong Kong and Canada based on valuations conducted by Vigers Appraisal & Consulting Limited ("Vigers") and CBRE Limited ("CBRE") respectively, independent professional valuers, amounted to HK\$9,437,443,000 (31st March 2014: HK\$9,000,577,000), is regarded as level 3 hierarchy for disclosure purpose under HKFRS 13.

The hotel properties portfolio in operation in Hong Kong comprised 3 hotels. Vigers used the discounted cash flow ("DCF") method, which is considered the most appropriate valuation approach for assessing the market value of the properties as it would better reflect specific characteristics of the income-producing properties such as occupancies, average room rates, potential income growth and all out-goings, subject to future economic conditions in the markets. The direct comparison method was also used as a check on the valuation arrived at from the DCF method. For the hotel property in operation in Canada, CBRE used the direct comparison method for assessing the market value of the property taking into account of its re-development potential. This approach directly uses market comparable transactions to determine the market value. Appropriate adjustments are applied to the comparable transactions to adjust for the discrepancies between the property and the comparables.

The supplementary information with hotel properties in operation at valuation is for readers' information only. It does not constitute a disclosure requirement under HKAS 16 and HKAS 17.

Notes to the Interim Financial Information

13 Investment properties

Investment properties were revalued by Prudential Surveyors International Limited, independent professional valuers, on an open market value basis as at 30th September 2014 and 31st March 2014. All of the fair value measurements of the Group's investment properties were categorised as level 3 of the fair value hierarchy. There were no transfers into or out of level 3 during the period.

14 Trade and other receivables

Trade and other receivables of the Group include trade receivables, loans receivable, prepayments, utility and other deposits, accrued interest receivables, accrued dividend receivables together with the purchase deposit and related stamp duty in respect of a property acquisition (note 24).

Trade receivables of the Group amounted to HK\$191,184,000 (31st March 2014: HK\$56,885,000). 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 2014 HK\$'000	31st March 2014 HK\$'000
0 day to 60 days	186,510	51,847
61 days to 120 days	1,013	1,083
121 days to 180 days	394	3,955
Over 180 days	3,267	–
	191,184	56,885

Notes to the Interim Financial Information

15 Financial assets at fair value through profit or loss

	30th September 2014 HK\$'000	31st March 2014 HK\$'000
Equity securities		
– Listed in Europe	774,752	733,825
– Listed in the USA	649,506	595,964
– Listed in Hong Kong	89,017	48,854
	1,513,275	1,378,643
Debt securities		
– Listed in Singapore	3,391,615	2,475,801
– Listed in Hong Kong	1,164,090	1,081,121
– Listed in Europe	396,336	641,888
	4,952,041	4,198,810
Unlisted fund	8,873	8,864
Total amount included in current assets	6,474,189	5,586,317
Equity securities included in non-current assets		
– Listed in Hong Kong	453,410	554,844
	6,927,599	6,141,161

Financial assets at fair value through profit or loss are denominated in the following currencies:

United States dollar	4,487,552	3,840,050
Sterling	774,751	733,825
Renminbi	726,533	525,800
Hong Kong dollar	542,427	603,698
Euro	396,336	437,788
	6,927,599	6,141,161

Note:

The debt securities carry fixed coupons ranging from 2% to 13.875% (31st March 2014: from 2% to 13.875%) per annum and their nominal values are equivalent to HK\$5,154,569,000 (31st March 2014: HK\$4,415,723,000).

Notes to the Interim Financial Information

16 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\$20,240,000 (31st March 2014: HK\$18,112,000).

An aging analysis of trade payables is as follows:

	30th September 2014 HK\$'000	31st March 2014 HK\$'000
0 day to 60 days	19,429	17,487
61 days to 120 days	408	243
121 days to 180 days	356	226
Over 180 days	47	156
	20,240	18,112

17 Borrowings

	30th September 2014 HK\$'000	31st March 2014 HK\$'000
Current liabilities		
Short term bank loans and overdrafts		
Secured	216,950	373,045
Unsecured	–	20,000
	216,950	393,045
Current portion of long term bank loans	481,777	498,159
Portion of long term bank loans with a repayment on demand clause	32,751	38,279
	731,478	929,483
Non-current liabilities		
Long term bank loans, secured	4,301,865	3,849,758
	5,033,343	4,779,241

The maturity of the long term bank loans, based on the scheduled repayment dates set out in the loan agreements and ignoring the effect of any repayment on demand clause, are as follows:

Repayable within one year	481,777	498,159
Repayable between one and two years	757,259	447,870
Repayable between two and five years	2,618,388	2,604,167
Repayable after five years	958,969	836,000
	4,816,393	4,386,196
Current portion included in current liabilities	(481,777)	(498,159)
	4,334,616	3,888,037

The carrying amounts of the short term and long term borrowings approximate their fair values.

Notes to the Interim Financial Information

18 Medium term notes

In April 2013, Asia Standard issued RMB500 million notes at coupon of 6.5% per annum for a period of 5 years under a medium term note programme. Cross currency swap contracts were entered into simultaneously to hedge the principal repayment and interest payments. The notes are listed on The Stock Exchange of Hong Kong Limited.

In July 2014, Asia Standard issued additional HK\$100 million notes at coupon of 4.8% per annum for a period of 5 years under the medium term note programme. The notes are listed on The Stock Exchange of Hong Kong Limited.

The carrying amounts approximate its fair value.

19 Share capital

	Number of shares	Amount HK\$'000
Shares of HK\$0.1 each		
Authorised		
At 31st March 2014 and 30th September 2014	3,000,000,000	300,000
	Number of shares	Amount
	30th	30th
	September	September
	2014	2014
	31st	31st
	March	March
	2014	2014
		HK\$'000
		HK\$'000
Issued and fully paid:		
At the beginning of the period/year	752,942,668	71,416
Scrip dividend (note a)	–	1,242
Conversion of convertible bonds (note b)	46,363,634	2,636
At the end of the period/year	799,306,302	75,294

Note:

- In September 2013, 12,421,373 new shares were allotted and issued at HK\$1.69 per share in lieu of dividend.
- During the period, 46,363,635 (year ended 31st March 2014: 26,363,635) new shares were allotted and issued at HK\$1.1 per share upon conversion of convertible bonds with principal amount of HK\$51 million (year ended 31st March 2014: HK\$29 million).

20 Reserves

	Share premium HK\$'000	Capital reserve HK\$'000	Contributed surplus HK\$'000	Convertible bond reserve HK\$'000	Share option reserve HK\$'000	Hedging reserve HK\$'000	Available- for-sale investments reserve HK\$'000	Currency translation reserve HK\$'000	Revenue reserve HK\$'000	Total HK\$'000
At 31st March 2014	2,144,417	398,021	60,257	12,100	10,210	7,048	(4,602)	9,119	6,552,358	9,188,928
Currency translation differences	–	–	–	–	–	–	–	(37)	–	(37)
Cash flow hedges	–	–	–	–	–	–	–	–	–	–
– fair value loss	–	–	–	–	–	(7,923)	–	–	–	(7,923)
– transfer to finance costs	–	–	–	–	–	(3,043)	–	–	–	(3,043)
Net fair value gain on available-for-sale investments	–	–	–	–	–	–	1,640	–	–	1,640
Profit for the period	–	–	–	–	–	–	–	–	390,281	390,281
Share options granted by a subsidiary	–	–	–	–	28	–	–	–	–	28
Conversion of convertible bonds	45,380	–	–	(12,100)	–	–	–	–	12,100	45,380
2014 final dividend	–	–	–	–	–	–	–	–	(31,972)	(31,972)
At 30th September 2014	2,189,797	398,021	60,257	–	10,238	(3,918)	(2,962)	9,082	6,922,767	9,583,282

Notes to the Interim Financial Information

21 Capital commitments

Capital commitments at the balance sheet date are as follows:

	30th September 2014 HK\$'000	31st March 2014 HK\$'000
Investment property		
Contracted but not provided for (note 24)	994,500	–
Property, plant and equipment		
Contracted but not provided for	160,331	53,025
Authorised but not contracted for	185,275	306,448
Joint ventures		
Contracted but not provided for	352,778	349,432
Authorised but not contracted for	97,029	57,650
	1,789,913	766,555

22 Financial guarantees

	30th September 2014 HK\$'000	31st March 2014 HK\$'000
Guarantees for the banking and loan facilities of joint ventures	402,085	380,075

23 Related party transactions

During the period, no significant transactions have been entered except for income from joint ventures comprising management fee, project management fee, agency fee and interest income of HK\$5,505,000 (2013: HK\$1,630,000).

No transactions have been entered with the directors of the Company (being the key management personnel) during the period other than the emoluments paid to them (being key management personnel compensation) (2013: Nil).

24 Event after the reporting period

The Group has during the period entered into a transaction to acquire a commercial building with a consideration of HK\$1,105 million, as disclosed in the announcement of 23rd July 2014. As at 30th September 2014, a 10% deposit and related stamp duty totaling HK\$204.4 million had been paid (included under trade and other receivables in the balance sheet) and the remaining unpaid consideration was shown as capital commitment (note 21).

In October 2014, the transaction was completed and the acquired building will be classified under investment properties in the Group's annual financial statements for the year ending 31st March 2015.

Other Information

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

As at 30th September 2014, the interests and short positions of the Directors and Chief Executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance (the "SFO") which (a) are required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which are taken or deemed to have under such provisions of the SFO); or (b) were recorded in the register required to be kept under Section 352 of the SFO; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

I. Long positions in shares

(a) The Company

Director	Number of shares held			Total	Percentage of shares in issue (%)
	Personal interest	Corporate interest	Family interest		
Poon Jing	258,345,614	136,375,288	4,995,066	399,715,968	50.01
Poon Hai	8,800,000	–	–	8,800,000	1.10
Fung Siu To, Clement	14,500,440	–	–	14,500,440	1.81

(b) Associated corporations

Director	Associated corporation	Number of shares held			Total	Percentage of shares in issue (%)
		Personal interest	Corporate interest			
Poon Jing	Asia Standard International Group Limited ("Asia Standard")	1,223,452	638,938,336 (Notes)	640,161,788	51.01	
	Asia Standard Hotel Group Limited ("Asia Standard Hotel")	50,050	1,132,669,492 (Notes)	1,132,719,542	73.08	
Fung Siu To, Clement	Mark Honour Limited	9	–	9	0.01	

Notes:

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

Other Information

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

II. Long positions in underlying shares

Interests in share options

(a) The Company

Director	Outstanding as at 1st April 2014 and 30th September 2014
Fung Siu To, Clement	2,126,301
Lim Yin Cheng	2,126,301
Lun Pui Kan	2,126,301
Kwan Po Lam, Phileas	2,126,301

Notes:

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

(b) Associated corporations

– Asia Standard

Director	Outstanding as at 1st April 2014 and 30th September 2014
Fung Siu To, Clement	2,062,176
Lim Yin Cheng	2,062,176
Poon Jing	515,544
Lun Pui Kan	2,062,176
Kwan Po Lam, Phileas	2,062,176

Notes:

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

Other Information

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

II. Long positions in underlying shares (continued)

Interests in share options (continued)

(c) Associated corporations

– Asia Standard Hotel

Director	Date of grant	Exercise price (HK\$)	Exercise period	Outstanding as at 1st April 2014 and 30th September 2014
Fung Siu To, Clement	29th March 2007	1.296	29th March 2007 to 28th March 2017	8,000,000
Lim Yin Cheng	2nd April 2007	1.300	2nd April 2007 to 1st April 2017	8,000,000
Lun Pui Kan	2nd April 2007	1.300	2nd April 2007 to 1st April 2017	8,000,000
Kwan Po Lam, Phileas	2nd April 2007	1.300	2nd April 2007 to 1st April 2017	8,000,000

Note:

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

Save as disclosed above, as at 30th September 2014, none of the Directors or Chief Executive (including their spouse and children under 18 years of age) of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of the SFO) which (a) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which are taken or deemed to have under such provisions of the SFO); or (b) were recorded in the register required to be kept under Section 352 of the SFO; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 30th September 2014, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and Chief Executive.

Other Information

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

Long positions in shares and underlying shares of the Company

Shareholder	Capacity	Number of shares held	Percentage (%)
Heston Holdings Limited ("Heston") (Note 1)	Beneficial owner	47,360,116	5.92
Teddington Holdings Limited ("Teddington") (Note 1)	Beneficial owner	56,934,459	7.12
Dalton Investments LLC ("Dalton") (Note 2)	Investment manager	135,678,237	16.97
Clearwater Insurance Company ("Clearwater Insurance") (Note 2)	Trustee	48,341,035	6.04
Daswani Rajkumar Murlidhar	Beneficial owner	49,007,674	6.13

Notes:

1. Mr. Poon Jing, his family interest and the companies wholly owned by him namely Teddington, Heston and Full Speed Investments Limited together hold 399,715,968 shares. The interest of Teddington and Heston duplicate the interest of Mr. Poon Jing disclosed under the heading "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures".
2. Dalton is the investment manager for Clearwater Insurance. The interest of Clearwater Insurance in the shares duplicates the interest of Dalton disclosed above.

Save as disclosed above, as at 30th September 2014, the Directors are not aware of any other persons who had interests or short positions in the shares or underlying shares of the Company which are required to be recorded in the register required to be kept under Section 336 of the SFO.

Share option schemes

The Company

The share option scheme of the Company adopted by the Company on 11th November 2002 (the "2002 Share Option Scheme") was expired on the tenth anniversary of such adoption date. Following the expiry of the 2002 Share Option Scheme, no further share option can be granted thereunder but all outstanding share options granted under the 2002 Share Option Scheme and yet to be exercised shall remain valid and exercisable. As at 30th September 2014, there were 36,147,116 share options granted under the 2002 Share Option Scheme outstanding. Movements of share options granted under the 2002 Share Option Scheme during the period are as follows:

Grantee	Outstanding as at 1st April 2014 and 30th September 2014
Directors (Note 1)	8,505,204
Director of a subsidiary (Note 1)	3,469,228
Employees of subsidiaries (Note 1)	24,172,684
	36,147,116

Other Information

Share option schemes (continued)

The Company (continued)

Notes:

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

The Company adopted a new share option scheme on 29th August 2014 (the “2014 Share Option Scheme”). No share option has been granted under the 2014 Share Option Scheme since its adoption.

Subsidiaries

– Asia Standard

The share option scheme of Asia Standard adopted by Asia Standard on 27th August 2004 (the “2004 Asia Standard Share Option Scheme”) was expired on the tenth anniversary of such adoption date. Following the expiry of the 2004 Asia Standard Share Option Scheme, no further share option can be granted thereunder but all outstanding share options granted under the 2004 Asia Standard Share Option Scheme and yet to be exercised shall remain valid and exercisable. As at 30th September 2014, there were 12,341,965 share options granted under the 2004 Asia Standard Share Option Scheme outstanding. Movements of share options granted under 2004 Asia Standard Share Option Scheme during the period are as follows:

Grantee	Date of grant	Exercise price (HK\$)	Exercise period	Outstanding as at 1st April 2014 and 30th September 2014
Directors	30th March 2005	3.15	30th March 2005 to 29th March 2015	8,764,248
Other employees	30th March 2005	3.15	30th March 2005 to 29th March 2015	2,577,717
	13th March 2014	2.00	10th March 2017 to 12th March 2024	1,000,000
				12,341,965

Note:

During the period, no option was granted, exercised, cancelled or lapsed.

Asia Standard adopted a new share option scheme on 29th August 2014 (the “2014 Asia Standard Share Option Scheme”). No share option has been granted under the 2014 Asia Standard Share Option Scheme since its adoption.

Other Information

Share option schemes (continued)

Subsidiaries (continued)

– Asia Standard Hotel

The share option scheme of Asia Standard Hotel was adopted by Asia Standard Hotel on 28th August 2006. As at 30th September 2014, there were 78,999,999 share options outstanding. Movements of the share options of Asia Standard Hotel during the period are as follows:

Grantee	Date of grant	Exercise price (HK\$)	Exercise period	Outstanding as at 1st April 2014 and 30th September 2014
Directors	29th March 2007	1.296	29th March 2007 to 28th March 2017	8,000,000
	2nd April 2007	1.300	2nd April 2007 to 1st April 2017	24,000,000
Director of a subsidiary	2nd April 2007	1.300	2nd April 2007 to 1st April 2017	8,000,000
Employees	29th March 2007	1.296	29th March 2007 to 28th March 2017	8,000,000
	2nd April 2007	1.300	2nd April 2007 to 1st April 2017	30,999,999
				78,999,999

Note:

During the period, no option was granted, exercised, cancelled or lapsed.

Interim dividend

The Board of Directors (the “Board”) does not recommend the payment of an interim dividend for the six months ended 30th September 2014 (2013: 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 and has made specific enquiry of all directors regarding any non-compliance with the Model Code during the period, and they all confirmed that they have fully complied with the required standard as set out in the Model Code throughout the period ended 30th September 2014.

Other Information

Change in directors' information

Change in the information of the Directors of the Company, since the disclosure made in 2014 annual report of the Company, that are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules is set out below:

- Mr. Wong Chi Keung, an Independent Non-executive Director of the Company, retired as an independent non-executive director of PacMOS Technologies Holdings Limited, a company listed on the Stock Exchange, at the annual general meeting of such company held on 30th June 2014.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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 of the Company and shall then 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 2014.

On behalf of the Board
Asia Orient Holdings Limited
Fung Siu To, Clement
Chairman

Hong Kong, 25th November 2014

