

Extracts from the Audited Consolidated Financial Statements of Asia Standard Hotel Group Limited

Asia Standard Hotel Group Limited ("Asia Standard Hotel") is a principal subsidiary of the Company. It is incorporated in Bermuda and listed in Hong Kong and its subsidiaries are principally engaged in hotel and catering services, travel agency businesses and management services.

To provide shareholders with further information on the financial performance and position of Asia Standard Hotel, the following is a summary of the audited consolidated financial statements of Asia Standard Hotel for the year ended 31st March 2006.

Consolidated profit and loss account

For the year ended 31st March

	2006 HK\$'000	2005 HK\$'000 (restated)
Turnover	569,792	569,248
Cost of sales	(357,042)	(388,016)
Gross profit	212,750	181,232
Administrative expenses	(77,203)	(76,533)
Operating profit before other charges	135,547	104,699
Other charges	(90,241)	(86,529)
Operating profit	45,306	18,170
Interest income	2,683	2,140
Net (loss)/gain from financial assets	(11,731)	58,601
Finance costs	(54,280)	(37,695)
(Loss)/profit before income tax	(18,022)	41,216
Income tax expense	(2,821)	(12,009)
(Loss)/profit for the year	(20,843)	29,207
Dividend	30,279	–
(Loss)/earnings per share (basic and diluted)	(0.38) cent	0.58 cent

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Consolidated balance sheet

As at 31st March 2006

	2006 HK\$'000	2005 HK\$'000 (restated)
Non-current assets		
Property, plant and equipment	877,179	894,931
Leasehold land	1,325,426	1,346,063
Goodwill	13,188	13,188
Deferred income tax assets	40,130	42,951
	2,255,923	2,297,133
Current assets		
Inventories	2,566	2,690
Derivative financial instruments	1,257	–
Financial assets at fair value through profit or loss	61,957	93,137
Trade and other receivables	50,181	82,004
Current income tax recoverable	200	200
Bank balances and cash	44,677	64,972
	160,838	243,003
Current liabilities		
Trade and other payables	47,480	47,585
Current income tax payable	10,973	10,973
Bank overdraft-unsecured	–	8,778
Current portion of borrowings	17,943	37,678
	76,396	105,014
Net current assets	84,442	137,989
Total assets less current liabilities	2,340,365	2,435,122
Non-current liabilities		
Borrowings	863,880	1,208,092
Net assets	1,476,485	1,227,030
Equity		
Share capital	126,162	101,042
Reserves	1,350,323	1,125,988
	1,476,485	1,227,030