



ASIA STANDARD INTERNATIONAL GROUP LIMITED

Stock Code: 129

Interim Report 2009



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. Lun Pui Kan
Mr. Kwan Po Lam, Phileas
Mr. Loup, Nicholas James

Non-executive

Mr. Au Yat Chuen

Independent non-executive

Mr. Koon Bok Ming, Alan
Mr. Leung Wai Keung
Mr. Wong Chi Keung

Audit committee

Mr. Koon Bok Ming, Alan (*Chairman*)
Mr. Leung Wai Keung
Mr. Wong Chi Keung

Remuneration committee

Mr. Fung Siu To, Clement (*Chairman*)
Mr. Loup, Nicholas James
Mr. Koon Bok Ming, Alan
Mr. Leung Wai Keung
Mr. Wong Chi Keung

Authorised representatives

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

Company secretary

Ms. Man Sau Ying

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.asiastandard.com>

E-mail as_info@asia-standard.com.hk

Principal bankers

The Hongkong and Shanghai Banking
Corporation Limited
Bank of China (Hong Kong) Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of
China (Asia) Limited
The Bank of East Asia Limited

Legal advisers

Stephenson Harwood & Lo
35th Floor, Bank of China Tower,
1 Garden Road, Central,
Hong Kong

Appleby

8th Floor, Bank of America Tower
12 Harcourt Road, Central
Hong Kong

Auditor

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

Share registrar in Bermuda

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre,
11 Bermudiana 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		
	2009	2008	Change
(In HK\$ million, except otherwise indicated)			
Consolidated profit and loss account			
Revenue	892	461	+93%
Operating profit	1,284	111	+10.6 times
Profit attributable to shareholders of the Company	1,115	100	+10.2 times
Earnings per share (HK cent)			
Basic	96.9	9.2	+9.5 times
Diluted	96.8	9.2	+9.5 times

	30th September 2009	31st March 2009	Change
Consolidated balance sheet			
Total assets	9,619	8,132	+18%
Net assets	6,715	5,276	+27%
Equity attributable to shareholders of the Company	6,008	4,670	+29%
Net debt	2,230	2,073	+8%

Supplementary information with hotel properties at valuation (note):

Revalued total assets	11,396	9,900	+15%
Revalued net assets	8,204	6,757	+21%
Equity attributable to shareholders of the Company	7,030	5,687	+24%
Equity attributable to shareholders of the Company per share (HK\$)	5.64	5.00	+13%
Gearing – net debt to revalued net asset value (%)	27%	31%	-4%

Note: Hong Kong Financial Reporting Standards ("HKFRS") do not permit leasehold land other than investment properties to be carried at valuation. The Group considers that such treatment does not reflect the economic substance of its hotel property investments. Therefore the Group has presented supplementary unaudited financial information taking into account the fair market value of hotel properties and corresponding deferred tax in addition to those in accordance with HKFRS.

The hotel properties in Hong Kong and Canada were revalued by Knight Frank and Grant Thornton Management Consultants respectively, independent professional valuers, on an open market value basis as at 30th September 2009.

Management Discussion and Analysis



Results

The Group recorded a 93% increase in revenue for the first half of the financial year to HK\$892 million (2008: HK\$461 million) with profit attributable to shareholders increased to HK\$1,115 million (2008: HK\$100 million).

The revenue and profit increment is attributed to increased property sales and due to largely unrealised fair value gain on financial assets.

Properties sales, development and leasing

Revenue from property sales for the six months amounted to HK\$533 million. This segment contributed HK\$183 million to operating profit as compared to HK\$32 million of same period last year on a turnover of HK\$82 million. Jadewater, our residential development at Aberdeen, is the main contributor for this segment.

The Group's joint venture residential development at Castle Peak Road, The Westminster Terrace, was completed during this period. Sales for this 200,000 sq. ft. GFA development has commenced and will likely contribute to Asia Standard's result in the second half of the financial year.

Currently the Group holds approximately 670,000 square feet attributable GFA of residential properties under development in Hong Kong. In addition, we hold approximately 2 million sq. ft. GFA in a joint venture residential/commercial development in Beijing and are under progress to obtain planning clearances.

Rental income attributable to the Group from the attributable 282,000 sq. ft. office portfolio was approximately HK\$42 million, compared to HK\$44 million of same period last year. Revaluation surplus totaling HK\$47 million (net of deferred tax) was recorded, while last corresponding period had a surplus of HK\$44 million.

Management Discussion and Analysis

Empire Hotel, Causeway Bay



In the second half of the reporting period, the room occupancy rates are gradually returning to the level before the swine flu epidemic, thus improving the overall yield of our room.

The hotel group's new 280 rooms hotel in Causeway Bay was completed and became fully operational towards the later half of the reporting period.

Capital expenditures for 28 rooms expansion were added to Empire Kowloon Hotel and completed in February 2009 together with brand new conference facilities for Empire Hong Kong Hotel to complement its business repositioning.

The Empire Landmark Hotel in Vancouver has also planned for an extensive renovation and upgrading in the coming 2 years to reposition in the market.

Currently the hotel group owns four hotels with 1,343 rooms.

Hotels

Revenue and gross profit were reduced during the first half of the financial year for the hotels. There is however a gain of HK\$325 million, largely unrealised, from its financial asset investment. Overall it reported a net profit of HK\$313 million compared to HK\$1.5 million profit of same period last year.

Investments

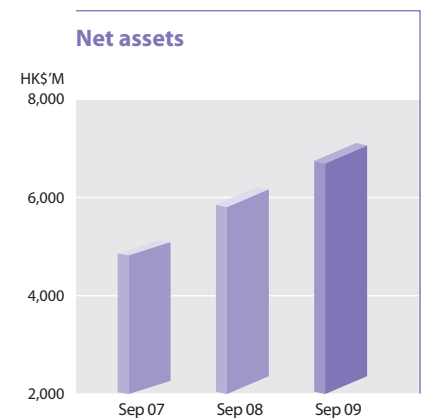
At 30th September 2009, the Group held financial investments of approximately HK\$2,490 million (31st March 2009: HK\$893 million), with HK\$1,161 million (31st March 2009: HK\$490 million) held by the listed hotel subsidiary group. The Group recorded a net unrealised gain of HK\$837 million (2008: HK\$97 million loss) for the six months period, together with

a realised gain of HK\$140 million (2008: HK\$1 million). Income during the period from these investments amounted to HK\$88 million (2008: HK\$8 million).

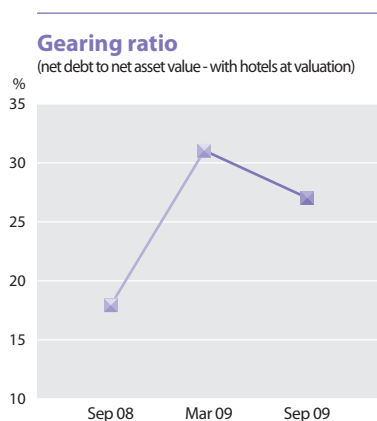
Financial review

At 30th September 2009, the Group's total assets were approximately HK\$9.6 billion, compared to HK\$8.1 billion as at the last financial year end. The net assets increased by 27% to HK\$6.7 billion. Adopting market value of hotel properties, the revalued net assets of the Group would be HK\$8.2 billion, an increase of 21% compared to HK\$6.8 billion at 31st March 2009.

Net debt stood at HK\$2.2 billion (31st March 2009: HK\$2.1 billion), including HK\$1.5 billion (31st March 2009: HK\$1.3 billion) which belonged to the separately listed hotel group. Net debt to revalued net asset value is approximately 27% (31st March 2009: 31%). Total finance costs increased due to increased borrowings over the same period last year.

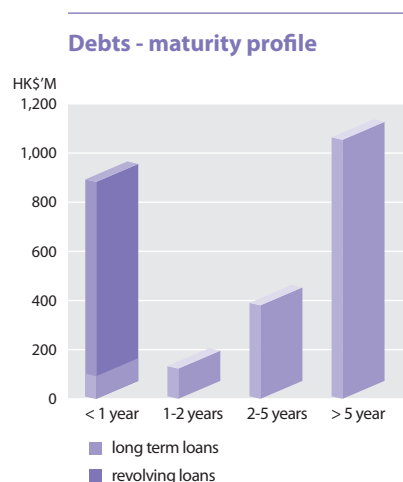


Management Discussion and Analysis



About 94% of the Group's borrowings are in Hong Kong dollar. All the debts are at floating rates and interest rate level is managed through interest rate swaps. As at 30th September 2009, a total of HK\$250 million interest rate swap contracts were held for hedging purpose against our borrowings. The maturity of our debts spread over a long period of up to thirteen years, with approximately 36% repayable within one year and 43% repayable after five years. As at 30th September 2009, the Group had net current assets of HK\$2,325 million (31st March 2009: HK\$1,477 million).

During the period, the Group underwent a capital reorganisation of consolidating every 10 shares of the Company into one share and reduction of nominal value of each share from HK\$0.10 (after share consolidation) to HK\$0.01. The scheme was effective on 9th September 2009.



As at 30th September 2009, assets with an aggregated net book value of HK\$5,764 million (31st March 2009: HK\$5,828 million) were pledged to secure banking facilities of the Group. The guarantees provided to financial institutions for jointly controlled entities were HK\$314 million (31st March 2009: HK\$278 million).

Employees and remuneration policies

As at 30th September 2009, the Group employed 464 employees and approximately 90% worked for the separately listed hotel subgroup. 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 demand for properties in the local market has picked up very strongly due to abundances of credit and investors hedging for inflation. The current low interest environment, coupled with the few new supply of properties, continues to make the prospect of property development and investment an attractive one.

The travel industry, hampered by the swine flu outbreak, resulted in fewer numbers of arrivals in the first quarter of the financial year. With the lessening effect of the pandemic in the second half of 2009, and slow recovery in the economy, we are confident that our hotels performance will meet management expectation.

The Group's investments in fixed income financial assets start generating recurrent income in the current period, and will provide a steady source of revenue in subsequent years.

Report on Review of Interim Financial Information

To the Board of Directors of
Asia Standard International Group Limited
(incorporated in Bermuda with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 6 to 26, which comprises the condensed consolidated balance sheet of Asia Standard International Group Limited (the "Company") and its subsidiaries (together, the "Group") as at 30th September 2009 and the related condensed consolidated profit and loss account, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement 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 Main Board of 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, 8th December 2009

Condensed Consolidated Profit and Loss Account – Unaudited

	Note	Six months ended 30th September	
		2009 HK\$'000	2008 HK\$'000
Revenue	4	892,377	461,317
Cost of sales	7	(485,401)	(241,558)
Gross profit		406,976	219,759
Net investment gain/(loss)	5	95,260	(96,320)
Selling and administrative expenses	7	(89,781)	(73,222)
Depreciation and amortisation		(47,162)	(37,697)
Other income and charges	6	61,666	98,429
Operating profit		1,283,959	110,949
Finance costs	8	(30,017)	(16,352)
Share of profits less losses of			
Jointly controlled entities		(287)	(1,196)
Associated companies		4,255	12,537
Profit before income tax		1,257,910	105,938
Income tax expense	9	(42,317)	(6,577)
Profit for the period		1,215,593	99,361
Attributable to:			
Shareholders of the Company		1,115,138	99,870
Minority interests		100,455	(509)
		1,215,593	99,361
Dividend	10	12,471	11,211
Earnings per share (HK cent)			
Basic	11	96.9	9.2
Diluted	11	96.8	9.2

Condensed Consolidated Statement of Comprehensive Income – Unaudited

	Six months ended 30th September	
	2009 HK\$'000	2008 HK\$'000
Profit for the period	1,215,593	99,361
Other comprehensive income		
Net fair value gain/(loss) on available-for-sale investments	157,228	(60,108)
Impairment of available-for-sale investments charged to profit and loss account	1,531	32,756
Currency translation differences	27,023	(5,910)
	185,782	(33,262)
Total comprehensive income for the period	1,401,375	66,099
Attributable to:		
Shareholders of the Company	1,243,173	77,206
Minority interests	158,202	(11,107)
	1,401,375	66,099

Condensed Consolidated Balance Sheet – Unaudited

	<i>Note</i>	30th September 2009 HK\$'000	31st March 2009 HK\$'000
Non-current assets			
Property, plant and equipment	12	989,698	940,979
Investment properties	13	1,906,500	1,849,000
Leasehold land		1,698,928	1,712,251
Jointly controlled entities		499,499	524,965
Associated companies		569,612	565,343
Available-for-sale investments		347,135	186,830
Goodwill		5,103	5,103
Mortgage loans receivable		97,799	24,747
Deferred income tax assets		20,616	35,239
		6,134,890	5,844,457
Current assets			
Properties under development for sale		433,602	400,768
Completed properties held for sale		433,752	698,709
Mortgage loans receivable		16,627	1,874
Hotel and restaurant inventories		2,115	2,160
Trade and other receivables	14	247,826	232,958
Financial assets at fair value through profit or loss		2,141,054	693,075
Derivative financial instruments		119	13,429
Income tax recoverable		–	79
Bank balances and cash		209,427	244,783
		3,484,522	2,287,835
Current liabilities			
Trade and other payables	15	146,087	137,497
Amount due to an associated company		51,150	51,150
Derivative financial instruments		21,762	22,344
Warrant liabilities	16	11,366	8,481
Short term borrowings	19	789,204	415,011
Current portion of long term borrowings	19	92,038	42,230
Amounts due to minority shareholders		–	105,303
Income tax payable		48,159	28,743
		1,159,766	810,759
Net current assets		2,324,756	1,477,076
Total assets less current liabilities		8,459,646	7,321,533

Condensed Consolidated Balance Sheet – Unaudited

	<i>Note</i>	30th September 2009 HK\$'000	31st March 2009 HK\$'000
Non-current liabilities			
Warrant liabilities	<i>16</i>	–	7,893
Long term borrowings	<i>19</i>	1,558,555	1,860,196
Deferred income tax liabilities		186,391	177,779
		1,744,946	2,045,868
Net assets			
		6,714,700	5,275,665
Equity			
Share capital	<i>17</i>	12,471	113,664
Reserves	<i>18</i>	5,995,494	4,556,311
Equity attributable to shareholders of the Company		6,007,965	4,669,975
Minority interests		706,735	605,690
		6,714,700	5,275,665

Condensed Consolidated Cash Flow Statement – Unaudited

	Six months ended 30th September	
	2009 HK\$'000	2008 HK\$'000
Net cash generated before working capital changes	204,381	130,956
Change in working capital	(204,899)	(102,599)
Net cash (used in)/generated from operating activities	(518)	28,357
Net cash used in investing activities	(220,031)	(110,177)
Net cash generated from/(used in) financing activities	195,090	(97,658)
Net decrease in cash and cash equivalents	(25,459)	(179,478)
Cash and cash equivalents at the beginning of the period	226,768	592,949
Changes in exchange rates	2,084	715
Cash and cash equivalents at the end of the period	203,393	414,186
Analysis of the balances of cash and cash equivalents		
Bank balances and cash (excluding restricted bank balances)	203,393	414,186

Condensed Consolidated Statement of Changes in Equity – Unaudited

	Shareholders of the Company HK\$'000	Minority interests HK\$'000	Total HK\$'000
At 31st March 2008	5,111,246	689,573	5,800,819
Profit for the period	99,870	(509)	99,361
Currency translation differences	(4,001)	(1,909)	(5,910)
Fair value loss on available-for-sale investments	(40,839)	(19,269)	(60,108)
Impairment of available-for-sale investments charged to profit and loss account	22,176	10,580	32,756
Total comprehensive income for the period	77,206	(11,107)	66,099
Issue of warrants	(26,102)	–	(26,102)
2008 final dividend	(21,752)	(2,918)	(24,670)
Conversion of warrants	9,827	–	9,827
	(38,027)	(2,918)	(40,945)
At 30th September 2008	5,150,425	675,548	5,825,973
At 31st March 2009	4,669,975	605,690	5,275,665
Profit for the period	1,115,138	100,455	1,215,593
Currency translation differences	18,295	8,728	27,023
Fair value gain on available-for-sale investments	108,703	48,525	157,228
Impairment of available-for-sale investments charged to profit and loss account	1,037	494	1,531
Total comprehensive income for the period	1,243,173	158,202	1,401,375
Conversion of warrants	98,000	350	98,350
Share repurchase	(3,183)	–	(3,183)
Acquisition of additional interest in subsidiaries	–	(57,507)	(57,507)
	94,817	(57,157)	37,660
At 30th September 2009	6,007,965	706,735	6,714,700

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 (the “HKICPA”), and should be read in conjunction with the annual financial statements for the year ended 31st March 2009.

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 2009.

The following new and revised standards and amendments to existing standards (“new HKFRS”) are relevant to the Group’s operations and are mandatory for accounting periods beginning on or after 1st January 2009:

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 40 (Amendment)	Investment Property
HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments

Except for certain changes in presentation and disclosures as described below, the adoption of the above new HKFRS 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.

- HKAS 1 (Revised), “Presentation of Financial Statements”. The Group has elected to present two statements: a profit and loss account and a statement of comprehensive income. The interim financial information has been prepared under the revised disclosure requirements.
- HKFRS 8, “Operating Segments”. HKFRS 8 replaces HKAS 14, “Segment reporting”. It requires a “management approach” under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in certain changes in the presentation and disclosure information of the reportable segments.

The HKICPA has issued certain new and revised standards, interpretations and amendments to existing standards that are not yet effective for the year ending 31st March 2010. The Group has not early adopted these standards, interpretations and amendments. 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 change to the Group’s accounting policies and presentation of the financial statements.

Notes to the Interim Financial Information

2 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and price risk), credit risk, liquidity risk and interest rate risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

3 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 include those related to investment properties, impairment of trade and other receivables, income taxes, fair value of warrant liabilities and derivative financial instruments and impairment of available-for-sale investments.

4 Turnover and segment information

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

The Group is principally engaged in property development and investment, hotel, travel agency and catering operations and securities investments. Turnover comprises revenue from property sales and leasing, hotel and travel agency operation, management services, interest and dividend income, together with gross proceeds from disposal of financial assets at fair value through profit or loss and derivative financial instruments. Revenue includes revenue from property sales and leasing, hotel and travel agency operation, management services, interest and dividend income.

Business segments

The Group is organised into four main business segments, comprising property sales, property leasing, hotel and travel and investments. There are no other significant identifiable separate business segments. Segment revenue from external customers is after elimination of inter-segment revenues.

Notes to the Interim Financial Information

4 Turnover and segment information (continued)

Business segments (continued)

	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 September 2009						
Turnover	532,880	35,365	232,167	696,653	3,724	1,500,789
Segment revenue	532,880	35,365	232,167	88,241	3,724	892,377
Contribution to segment results	182,810	32,316	40,067	88,241	3,724	347,158
Net investment gain	-	-	-	952,260	-	952,260
Depreciation and amortisation	(4,661)	-	(42,101)	-	(400)	(47,162)
Other income and charges	2,069	55,860	-	-	3,737	61,666
Segment results	180,218	88,176	(2,034)	1,040,501	7,061	1,313,922
Unallocated corporate expenses						(29,963)
Operating profit						1,283,959
Finance costs						(30,017)
Share of results of						
Jointly controlled entities	(283)	-	-	-	(4)	(287)
Associated companies	(1,844)	6,103	-	-	(4)	4,255
Profit before income tax						1,257,910
Income tax expense						(42,317)
Profit for the period						1,215,593
Six months ended 30th September 2008						
Turnover	81,602	36,314	326,197	14,429	9,235	467,777
Segment revenue	81,602	36,314	326,197	7,969	9,235	461,317
Contribution to segment results	32,175	34,955	88,005	7,969	9,235	172,339
Net investment loss	-	-	-	(96,320)	-	(96,320)
Depreciation and amortisation	(4,661)	-	(32,568)	-	(468)	(37,697)
Other income and charges	3,500	47,053	-	-	47,876	98,429
Segment results	31,014	82,008	55,437	(88,351)	56,643	136,751
Unallocated corporate expenses						(25,802)
Operating profit						110,949
Finance costs						(16,352)
Share of results of						
Jointly controlled entities	(1,194)	-	-	-	(2)	(1,196)
Associated companies	(1,764)	14,409	-	-	(108)	12,537
Profit before income tax						105,938
Income tax expense						(6,577)
Profit for the period						99,361

Notes to the Interim Financial Information

4 Turnover and segment information (continued)

Business segments (continued)

	Property sales HK\$'000	Property leasing HK\$'000	Hotel and travel HK\$'000	Investments HK\$'000	Others HK\$'000	Total HK\$'000
At 30th September 2009						
Segment assets	1,546,176	2,429,605	2,730,063	2,535,773	230,271	9,471,888
Other unallocated assets						147,524
						9,619,412
Segment assets include:						
Jointly controlled entities and associated companies	592,721	475,432	–	–	958	1,069,111
Additions to non-current assets	–	1,640	39,193	–	20	40,853
Segment liabilities						
Borrowings	–	499,207	1,003,761	19,554	917,275	2,439,797
Other unallocated liabilities						464,915
						2,904,712
At 31st March 2009						
Segment assets	1,802,167	2,366,573	2,690,771	934,066	147,761	7,941,338
Other unallocated assets						190,954
						8,132,292
Segment assets include:						
Jointly controlled entities and associated companies	620,013	469,329	–	–	966	1,090,308
Additions to non-current assets for the six months ended 30th September 2008	–	2,067	72,769	–	2,622	77,458
Segment liabilities						
Borrowings	260,853	499,177	992,396	–	565,011	2,317,437
Other unallocated liabilities						539,190
						2,856,627

Notes to the Interim Financial Information

4 Turnover and segment information (continued)

Geographical segments

The Group's business activities in various geographical areas are as follows:

Hong Kong	–	all the Group's business segments
China (excluding Hong Kong)	–	property sale and catering
North America	–	hotel, catering and investment
Europe	–	investment

	Six months ended 30th September 2009			At 30th September 2009
	Turnover HK\$'000	Segment revenue HK\$'000	Operating profit HK\$'000	Total assets HK\$'000
Hong Kong	949,031	763,393	249,824	6,897,029
China (excluding Hong Kong)	2,162	2,162	352	281,541
North America	62,720	45,428	20,697	414,336
Europe	486,876	81,394	1,013,086	2,026,506
	1,500,789	892,377	1,283,959	9,619,412

	Six months ended 30th September 2008			At 31st March 2009
	Turnover HK\$'000	Segment revenue HK\$'000	Operating profit/(loss) HK\$'000	Total assets HK\$'000
Hong Kong	399,000	392,540	106,347	6,925,006
China (excluding Hong Kong)	4,428	4,428	1,581	317,826
North America	64,250	64,250	3,777	266,464
Europe	99	99	(756)	622,996
	467,777	461,317	110,949	8,132,292

Notes to the Interim Financial Information

5 Net investment gain/(loss)

	Six months ended 30th September	
	2009 HK\$'000	2008 HK\$'000
Unrealised gain/(loss) on:		
– financial assets at fair value through profit or loss	833,713	(48,786)
– derivative financial instruments	4,740	(15,282)
Net realised gain/(loss) on:		
– financial assets at fair value through profit or loss	142,052	504
– derivative financial instruments	(3,566)	–
– available-for-sale investments	1,114	–
Provision for interest receivable from financial assets at fair value through profit or loss	(24,262)	–
Impairment of available-for-sale investments	(1,531)	(32,756)
	952,260	(96,320)

6 Other income and charges

	Six months ended 30th September	
	2009 HK\$'000	2008 HK\$'000
Surplus on revaluation of investment properties	55,860	47,053
Net write-back of provision for diminution in value of properties under development for sale/completed properties held for sale	2,069	3,500
Net fair value gain on warrant liabilities	3,737	47,876
	61,666	98,429

Notes to the Interim Financial Information

7 Income and expenses by nature

	Six months ended 30th September	
	2009 HK\$'000	2008 HK\$'000
Income		
Net rental income (note (a))	32,316	34,955
Interest income		
– Listed investments	35,326	–
– Unlisted investments	153	–
– Other receivables	1,824	6,961
– Bank deposit	121	2,031
Dividend income		
– Listed investments	52,673	7,969
– Unlisted investments	89	–
Expenses		
Operating lease rental expenses for land and buildings	3,099	3,167
Employee benefit expense, including Directors' emoluments (note (b))	70,191	60,786
Cost of properties and goods sold	369,971	170,614
Notes:		
(a) Net rental income		
Gross rental income		
– Investment properties	32,633	33,597
– Properties held for sale	2,732	2,831
	35,365	36,428
Outgoings	(3,049)	(1,473)
	32,316	34,955
(b) Employee benefit expense		
Wages and salaries	68,753	59,410
Retirement benefits costs	1,438	2,077
	70,191	61,487
Capitalised under properties under development	–	(701)
	70,191	60,786

Notes to the Interim Financial Information

8 Finance costs

	Six months ended 30th September	
	2009 HK\$'000	2008 HK\$'000
Interest expense		
Long term bank loans	18,325	22,415
Loans from minority shareholders of subsidiaries	1,240	1,603
Short term bank loans and overdrafts	3,733	2,333
Other incidental borrowing costs	2,423	1,847
Net foreign exchange loss/(gain) on borrowings	8,828	(469)
Fair value gain on interest rate swaps	(4,532)	(4,244)
	30,017	23,485
Capitalised as cost of properties under development		
Interest expense	–	(7,133)
	30,017	16,352

9 Income tax expense

	Six months ended 30th September	
	2009 HK\$'000	2008 HK\$'000
Current income tax		
Hong Kong profits tax	(18,296)	–
Overseas profits tax	(785)	–
Over provisions in prior years	–	5,672
	(19,081)	5,672
Deferred income tax	(23,236)	(12,249)
	(42,317)	(6,577)

Hong Kong profits tax is provided at the rate of 16.5% on the estimated assessable profit for the period. In 2008, no Hong Kong profits tax was provided as the Group had sufficient tax loss brought forward to set off against 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 rates of tax prevailing in the countries in which the Group operates.

Notes to the Interim Financial Information

9 Income tax expense (continued)

Share of income tax of jointly controlled entities and associated companies for the period of HK\$4,000 (2008: HK\$226,000) and HK\$709,000 (2008: HK\$1,354,000) are included in the profit and loss account as share of profits less losses of jointly controlled entities and associated companies respectively.

10 Dividend

	Six months ended 30th September	
	2009	2008
	HK\$'000	HK\$'000
Interim, HK1.0 cent (2008: HK1.0 cent in scrip, adjusted for consolidation of every 10 shares into 1 share in September 2009) per share	12,471	11,211

At a meeting held on 8th December 2009, the Board of Directors recommended to pay an interim dividend of HK1.0 cent per share in cash. The interim dividend is not reflected in the interim financial information, but will be reflected as an appropriation of revenue reserve in the year ending 31st March 2010.

The amount of HK\$12,471,296 is based on 1,247,129,646 issued shares as at 8th December 2009.

11 Earnings per share

The calculation of basic earnings per share is based on profit attributable to shareholders of the Company of HK\$1,115,138,000 (2008: HK\$99,870,000) and divided by the weighted average number of 1,151,345,529 (2008: 1,089,025,518) shares in issue during the period. The comparatives have been restated due to consolidation of every 10 shares into 1 share during the period.

The calculation of diluted earnings per share for the period ended 30th September 2009 is based on HK\$1,114,799,000 equalling to the profit attributable to shareholders of the Company of HK\$1,115,138,000 with a decrease in share of profit after tax of HK\$339,000 from the Company's listed subsidiary arising from potential conversion of its warrants and divided by the weighted average number of 1,151,345,529 shares in issue during the period. The outstanding share options of the Company and its listed subsidiary did not have a diluted effect on the earnings per share.

In 2008, the Company and its listed subsidiary's outstanding share options and warrants did not have a dilutive effect on the earnings per share, the basic and diluted earnings per share were equal.

Notes to the Interim Financial Information

12 Property, plant and equipment

	Freehold land of a hotel in Canada HK\$'000	Hotel buildings HK\$'000	Other buildings HK\$'000	Other equipment HK\$'000	Total HK\$'000
Cost					
At 31st March 2009	62,754	1,339,465	19,000	52,162	1,473,381
Reclassification	–	10,902	–	(10,902)	–
Currency translation difference	11,005	64,427	–	21	75,453
Additions	–	39,179	–	34	39,213
Disposals	–	(25)	(2,550)	(31)	(2,606)
At 30th September 2009	73,759	1,453,948	16,450	41,284	1,585,441
Accumulated depreciation					
At 31st March 2009	–	483,238	6,142	43,022	532,402
Reclassification	–	3,226	–	(3,226)	–
Currency translation difference	–	35,119	–	17	35,136
Charge for the period	–	28,784	157	237	29,178
Disposals	–	(25)	(917)	(31)	(973)
At 30th September 2009	–	550,342	5,382	40,019	595,743
Net book value					
At 30th September 2009	73,759	903,606	11,068	1,265	989,698
At 31st March 2009	62,754	856,227	12,858	9,140	940,979

13 Investment properties

Investment properties were revalued by Knight Frank, independent professional valuers, on an open market value basis as at 30th September 2009.

Notes to the Interim Financial Information

14 Trade and other receivables

Trade and other receivables of the Group include trade receivables, utility and other deposits, dividend receivable and stakeholders' accounts.

Trade receivables of the Group amounted to HK\$73,192,000 (2009: HK\$93,660,000). 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 evaluations of customers are performed periodically.

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

	30th September 2009 HK\$'000	31st March 2009 HK\$'000
0 day to 60 days	71,884	93,259
61 days to 120 days	1,251	160
More than 120 days	57	241
	73,192	93,660

15 Trade and other payables

Trade and other payables of the Group include trade payables, rental and management fee deposits, other payables, retentions payable of construction costs and various accruals. Trade payables of the Group amounted to HK\$16,977,000 (2009: HK\$17,128,000).

Aging analysis of trade payables is as follows:

	30th September 2009 HK\$'000	31st March 2009 HK\$'000
0 day to 60 days	14,928	16,974
61 days to 120 days	1,245	41
More than 120 days	804	113
	16,977	17,128

Notes to the Interim Financial Information

16 Warrant liabilities

(a) The Company

On 8th September 2008, the Company issued new warrants to shareholders on the basis of one warrant for every five shares of the Company. The initial subscription price was at HK\$0.1 per share and the warrants are exercisable at any time within one year from the date of issue. Apart from the adjustments upon occurrence of the usual adjustment events, the subscription price is subject to the reset adjustment ten business days before the date of expiration of the warrants. The warrants were expired on 7th September 2009.

Movement of the warrant liabilities during the period is as follows:

	HK\$'000
At 31st March 2009	8,481
Fair value gain credited to profit and loss account	(7,308)
Set off against reserve upon conversion of warrants	(1,173)
At 30th September 2009	-

(b) Listed subsidiary

Warrants were issued by the listed subsidiary on 7th September 2007 with similar terms and conditions to that of the Company except that the initial subscription price was HK\$0.146 per share and three years maturity. Following the 4th reset arrangement on 6th September 2009, the subscription price of the warrants became HK\$0.029 per share. As a result of the capital reorganisation by the listed subsidiary effective on 9th September 2009, the subscription price was adjusted to HK\$0.29 per share.

Movement of the warrant liabilities during the period is as follows:

	HK\$'000
At 31st March 2009	7,893
Fair value loss charged to profit and loss account	3,571
Set off against minority interest upon conversion of warrants	(98)
At 30th September 2009	11,366

Notes to the Interim Financial Information

17 Share capital

Shares of HK\$0.01 each	Number of shares	Amount HK\$'000
Authorised:		
At 31st March 2009 and 30th September 2009	400,000,000,000	4,000,000
Issued and fully paid:		
At 31st March 2009	11,366,385,969	113,664
Conversion of warrants	1,138,498,464	11,385
Exercise of share options	27	–
Capital Reorganisation (note (i))	(11,254,396,014)	(112,544)
Share repurchase (note (ii))	(3,358,800)	(34)
At 30th September 2009	1,247,129,646	12,471

Notes:

- (i) On 8th July 2009, the Company proposed reorganisation of the share capital ("Capital Reorganisation"). The Capital Reorganisation became effective on 8th September 2009 after approval by the shareholders. The Capital Reorganisation involved the following:
- (a) Every ten issued shares of HK\$0.01 each were consolidated into one share of HK\$0.1 each.
- (b) The paid-up capital of each consolidated share was reduced from HK\$0.1 to HK\$0.01 by cancelling the paid-up amount to the extent of HK\$0.09 so as to form a registered share of HK\$0.01 each.
- (ii) All the purchased shares were cancelled in October 2009.

Notes to the Interim Financial Information

18 Reserves

	Share premium HK\$'000	Capital redemption reserve HK\$'000	Share option reserve HK\$'000	Warrants reserve HK\$'000	Available- for-sale investments reserve HK\$'000	Contributed surplus HK\$'000	Revenue reserve HK\$'000	Total HK\$'000
At 31st March 2009	1,923,369	43,868	16,638	(26,097)	(10,772)	2,670,292	(60,987)	4,556,311
Currency translation differences	-	-	-	-	-	-	18,295	18,295
Fair value gain on available-for-sale investments	-	-	-	-	110,777	-	-	110,777
Impairment of available-for-sale investments charged to profit and loss account	-	-	-	-	(1,037)	-	-	(1,037)
Profit for the period	-	-	-	-	-	-	1,115,138	1,115,138
Conversion of warrants	85,442	-	-	13,662	-	-	(12,489)	86,615
Expiry of warrants	-	-	-	12,435	-	-	(12,435)	-
Capital Reorganisation (note 17(i))	-	-	-	-	-	112,544	-	112,544
Share repurchase (note 17(ii))	-	34	-	-	-	-	(3,183)	(3,149)
At 30th September 2009	2,008,811	43,902	16,638	-	98,968	2,782,836	1,044,339	5,995,494

19 Borrowings

	30th September 2009 HK\$'000	31st March 2009 HK\$'000
Short term bank loans		
Secured	717,204	385,011
Unsecured	72,000	30,000
	789,204	415,011
Long term bank loans, secured	1,650,593	1,902,426
	2,439,797	2,317,437
The maturity of the long term bank loans is as follows:		
Repayable within one year	92,038	42,230
Repayable between one and two years	123,637	111,568
Repayable between two and five years	380,735	650,758
Repayable after five years	1,054,183	1,097,870
	1,650,593	1,902,426
Current portion included in current liabilities	(92,038)	(42,230)
	1,558,555	1,860,196

Notes to the Interim Financial Information

20 Capital commitments

Capital commitments at the balance sheet date are as follows:

	30th September 2009 HK\$'000	31st March 2009 HK\$'000
Property, plant and equipment		
Contracted but not provided for	11,884	35,992
Authorised but not contracted for	33,794	33,162
	45,678	69,154

21 Financial guarantees

	30th September 2009 HK\$'000	31st March 2009 HK\$'000
Guarantees for the banking and loan facilities of:		
A jointly controlled entity	313,840	278,390

22 Comparative figures

Certain comparative figures have been restated to conform with the current period's presentation.

Pro Forma Combined Balance Sheet of Affiliated Companies

The Group had amounts due from and loans to certain affiliated companies in a total sum of HK\$1,135 million (before Group's provisions) and guarantees given to banks for facilities utilised of HK\$314 million totaling HK\$1,449 million as at 30th September 2009 which exceed 8% of the Group's consolidated total assets. A pro forma combined balance sheet of certain affiliated companies with major financial assistance from the Group and the Group's attributable interest in these affiliated companies are presented below:

	Pro forma combined balance sheet HK\$'000	Group's attributable interest HK\$'000
Property, plant and equipment	7,288	2,615
Investment properties	1,570,000	518,100
Properties under development for sale	1,820,390	870,950
Deferred income tax assets	8,370	4,185
Current assets	504,867	209,330
Current liabilities	(182,625)	(78,388)
Long term borrowings	(764,930)	(359,133)
Deferred income tax liabilities	(161,644)	(54,830)
Minority interests	(4,461)	(2,231)
Shareholders' advance	(2,297,158)	(542,494)
	500,097	568,104

Other Information

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

As at 30th September 2009, 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 Hong Kong 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			Percentage of shares in issue (%)
	Personal Interest	Corporate interest	Total	
Poon Jing	1,160,813	613,365,030	614,525,843	49.14

Note:

By virtue of his controlling interest (42.69%) in Asia Orient Holdings Limited ("Asia Orient"), Mr. Poon Jing is deemed to be interested in the shares of the Company held by Asia Orient as disclosed under the heading "Substantial shareholders and other persons' interests and short positions in shares and underlying shares" below.

(b) Associated corporations

Director	Associated corporation	Number of shares held			Percentage of shares in issue (%)
		Personal interest	Corporate interest	Total	
Poon Jing	Asia Standard Hotel Group Limited ("Asia Standard Hotel")	40,844	923,591,414 (note 1)	923,632,258	70.62
Fung Siu To, Clement	Mark Honour Limited	9	–	9	0.01

Notes:

- By virtue of his controlling interest in the Company, Mr. Poon Jing is deemed to be interested in the shares of Asia Standard Hotel held by the Company and its subsidiaries.
- By virtue of his interest in the Company, Mr. Poon Jing 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 2009	Adjustment (note 1)	Outstanding as at 30th September 2009
Fung Siu To, Clement	20,621,761	(18,559,585)	2,062,176
Lim Yin Cheng	20,621,761	(18,559,585)	2,062,176
Poon Jing	5,155,440	(4,639,896)	515,544
Lun Pui Kan	20,621,761	(18,559,585)	2,062,176
Kwan Po Lam, Phileas	20,621,761	(18,559,585)	2,062,176
Nicholas James Loup	20,621,761	(18,559,585)	2,062,176

Notes:

- 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\$0.315 (as adjusted) per share. Subsequent to the consolidation of every ten shares of HK\$0.01 each into one consolidated share of HK\$0.10 each on 9th September 2009 (the "ASI Share Consolidation"), the exercise price of the share option was adjusted from HK\$0.315 per share to HK\$3.15 per share.
- During the period, no option was granted to the Directors and the options granted to the Directors have not been exercised, lapsed or cancelled.

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)

(b) *Associated corporation – Asia Standard Hotel*

Director	Date of grant	Exercise price (HK\$) (note 1)	Exercise period	Outstanding as at 1st April 2009	Adjustment (note 1)	Outstanding as at 30th September 2009
Fung Siu To, Clement	29th March 2007	1.296	29th March 2007 to 28th March 2017	80,000,000	(72,000,000)	8,000,000
Lim Yin Cheng	2nd April 2007	1.300	2nd April 2007 to 1st April 2017	80,000,000	(72,000,000)	8,000,000
Lun Pui Kan	2nd April 2007	1.300	2nd April 2007 to 1st April 2017	80,000,000	(72,000,000)	8,000,000
Kwan Po Lam, Phileas	2nd April 2007	1.300	2nd April 2007 to 1st April 2017	80,000,000	(72,000,000)	8,000,000

Notes:

- Subsequent to the consolidation of every ten shares of HK\$0.02 each into one consolidated share of HK\$0.20 each on 9th September 2009 (the "ASH Share Consolidation"), the exercise price of share options granted to Mr. Fung Siu To, Clement was adjusted from HK\$0.1296 per share to HK\$1.296 per share whereas to each of Messrs. Lim Yin Cheng, Lun Pui Kan and Kwan Po Lam, Phileas was adjusted from HK\$0.13 per share to HK\$1.30 per share.
- 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 warrants

Associated corporation – Asia Standard Hotel

Director	Numbers of warrants held		
	Personal interest	Corporate interest	Total
Poon Jing	7,668	174,221,187	174,228,855

Note:

The warrants are exercisable during the period from 7th September 2007 to 6th September 2010 at an initial subscription price of HK\$0.146 per share. Following the fourth reset adjustment on 7th September 2009 and the ASH Share Consolidation, the subscription price of the warrants was adjusted from HK\$0.029 per share to HK\$0.29 per share.

Save as disclosed above, as at 30th September 2009, 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.

Other Information

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 2009, 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.

Long positions in shares of the Company

Name of substantial shareholders	Capacity	Number of shares held	Percentage
Poon Jing (note 1)	Beneficial owner	1,160,813	49.14
	Interests in controlled corporation	613,365,030	
Asia Orient (note 1)	Beneficial owner	46,817,836	49.05
	Interests in controlled corporation	566,547,194	
Asia Orient Holdings (BVI) Limited ("Asia Orient BVI") (note 1)	Interests in controlled corporation	566,547,194	45.31
Asia Orient Company Limited ("AOCL") (note 2)	Beneficial owner	272,904,998	22.00
	Interests in controlled corporation	2,205,003	
Kingfisher Inc. and Lipton Investment Limited ("Kingfisher and Lipton") (note 2)	Interests in controlled corporation	254,985,479	20.39

Notes:

1. Asia Orient BVI is a wholly-owned subsidiary of Asia Orient. In addition, as disclosed under the heading "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" above, Mr. Poon Jing is deemed to be interested in the shares held by Asia Orient and its subsidiaries by virtue of his controlling interest in Asia Orient. Accordingly, Mr. Poon Jing is deemed to have interest and duplicate the interest in the 613,365,030 shares held by Asia Orient and Asia Orient are deemed to have interest and duplicate the interest in the same 566,547,194 shares held by Asia Orient BVI.
2. AOCL, companies controlled by AOCL, Kingfisher and Lipton are wholly-owned subsidiaries of Asia Orient BVI. Asia Orient BVI is deemed to be interested in and duplicate the interest held by AOCL, Kingfisher and Lipton.

Other Information

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

Save as disclosed above, as at 30th September 2009, 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 was adopted by the Company on 27th August 2004. As at 30th September 2009, there were 13,404,141 share options outstanding. Movements of the share options of the Company during the period are as follows:

Grantee	Outstanding as at 1st April 2009	Exercised during the period	Lapsed during the period	Adjustment (note 1)	Outstanding as at 30th September 2009
Directors	108,264,245	–	–	(97,437,821)	10,826,424
Other employees	30,932,640	(27)	(5,155,440)	(23,199,456)	2,577,717
	139,196,885	(27)	(5,155,440)	(120,637,277)	13,404,141

Notes:

- These share options were granted on 30th March 2005 and exercisable from 30th March 2005 to 29th March 2015 at an exercise price of HK\$0.315 (as adjusted) per share. Subsequent to the ASI Share Consolidation, the exercise price of the share option was adjusted from HK\$0.315 per share to HK\$3.15 per share and the number of share options was adjusted accordingly.
- During the period, no option was granted or cancelled.

Other Information

Associated corporation – 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 2009, 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\$) (note 1)	Exercise period	Outstanding as at 1st April 2009	Exercised during the period	Adjustment (note 1)	Outstanding as at 30th September 2009
Director	29th March 2007	1.296	29th March 2007 to 28th March 2017	80,000,000	–	(72,000,000)	8,000,000
	2nd April 2007	1.300	2nd April 2007 to 1st April 2017	240,000,000	–	(216,000,000)	24,000,000
Director of an associated corporation	29th March 2007	1.296	29th March 2007 to 28th March 2017	80,000,000	–	(72,000,000)	8,000,000
	2nd April 2007	1.300	2nd April 2007 to 1st April 2017	80,000,000	–	(72,000,000)	8,000,000
Employees	2nd April 2007	1.300	2nd April 2007 to 1st April 2017	310,000,000	(9)	(278,999,992)	30,999,999
				790,000,000	(9)	(710,999,992)	78,999,999

Notes:

- Subsequent to the ASH Share Consolidation, the exercise price of the share option was adjusted from HK\$0.1296 and HK\$0.1300 per share to HK\$1.296 and HK\$1.300 per share respectively, and the number of share options granted was adjusted accordingly.
- During the period, no option was granted, lapsed or cancelled.

Other Information

Interim dividend

The Board of Directors has resolved to declare the payment of an interim dividend of HK1.0 cent per share (2008: HK1.0 cent per share in scrip, adjusted for consolidation of every 10 shares into 1 consolidated share) to shareholders whose names appear on the Register of Members of the Company on Thursday, 31st December 2009. The interim dividend will be paid on or about Friday, 15th January 2010.

Closure of register of members

The Register of Members will be closed from Tuesday, 29th December 2009 to Thursday, 31st December 2009, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all share certificates with completed transfer forms either overlaid or separately must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 28th December 2009.

Purchase, sale or redemption of listed securities

In September 2009, the Company purchased a total of 3,358,800 shares of HK\$0.01 each on the Stock Exchange at an aggregate consideration of HK\$3,182,928 with the highest and lowest price paid per share being HK\$0.98 and HK\$0.92 respectively. All the purchased shares were cancelled in October 2009.

The Directors considered that the aforesaid shares were purchased at a discount to the net asset value per share and resulted in an increase in the net asset value per share then in issue.

Saved as disclosed herein, 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 2009.

Other Information

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 members are Mr. Koon Bok Ming, Alan, Mr. Leung Wai Keung and Mr. Wong Chi Keung. The principal activities of the Audit Committee include the review and supervision of the Group's financial reporting process and internal controls.

The unaudited interim report of the Group for the six months ended 30th September 2009 has been reviewed by the Audit Committee.

On behalf of the Board

Fung Siu To, Clement

Chairman

Hong Kong, 8th December 2009



ASIA STANDARD INTERNATIONAL GROUP LIMITED

Stock Code: 129