



ASIA STANDARD INTERNATIONAL GROUP LIMITED

Stock Code: 129



Contents

	<i>Page</i>
Corporate Information	2
Financial Highlights	3
Chairman's Statement	4
Management Discussion and Analysis	5
Five-year Financial Summary	9
Principal Properties	10
Corporate Governance Report	14
Directors and Senior Management	19
Report of the Directors	22
Independent Auditor's Report	33
Consolidated Profit and Loss Account	34
Consolidated Statement of Comprehensive Income	35
Consolidated Balance Sheet	36
Balance Sheet	38
Consolidated Statement of Cash Flows	39
Consolidated Statement of Changes in Equity	41
Notes to the Financial Statements	42
Combined Balance Sheet of Affiliated Companies	110
Extracts from the Audited Consolidated Financial Statements of Asia Standard Hotel Group Limited	111

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
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

For the year ended 31st March **2010** 2009 Change
(In HK\$ million, except otherwise indicated)

Consolidated profit and loss account

Revenue	1,865	855	+118%
Operating profit/(loss)	2,510	(315)	N/A
Profit/(loss) attributable to shareholders of the Company	2,383	(381)	N/A
Basic earnings/(loss) per share (HK\$)	1.99	(0.34)	N/A

Consolidated balance sheet

Total assets	10,934	8,132	+34%
Net assets	7,986	5,276	+51%
Equity attributable to shareholders of the Company	7,239	4,670	+55%
Net debt	2,145	2,073	+3%

Supplementary information with hotel properties at valuation (note):

Revalued total assets	13,557	9,900	+37%
Revalued net assets	10,178	6,757	+51%
Equity attributable to shareholders of the Company	8,717	5,687	+53%
Equity attributable to shareholders of the Company per share (HK\$)	7.00	5.00	+40%
Gearing – net debt to revalued net asset value	21%	31%	-10%

Note: Hong Kong Financial Reporting Standards ("HKFRS") currently adopted by the Group 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 the corresponding deferred income tax in addition to those in accordance with HKFRS.

The hotel properties in Hong Kong and Canada were revalued by Vigers Appraisal & Consulting Limited and Grant Thornton Management Consultants (2009: Knight Frank and Grant Thornton Management Consultants) respectively, independent professional valuers, on an open market value basis as at 31st March 2010.

Chairman's Statement

The Group reported a profit attributable to shareholders of HK\$2,383 million, comparing to a loss of HK\$381 million last year. This is mainly attributable to increase in properties sales, revaluation surplus on its investment properties and net investment gain in the Group's financial assets.

The Group has completed the sale of all the units in the residential development in Aberdeen, achieving total proceeds of over HK\$1.1 billion. We are now progressing on the sale of another premium residential development named The Westminster Terrace at Approach Bay. Nonetheless, we remain cautious ahead as a number of challenges and uncertainties remain in the recovery process of the global economy.

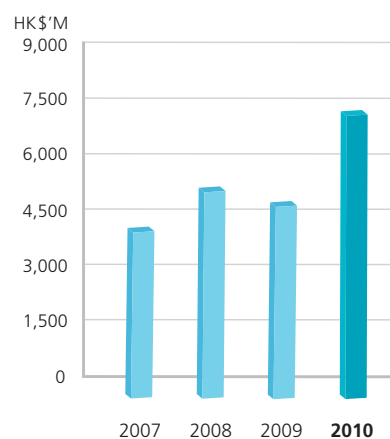
The board is pleased with the result achieved for the year and is grateful to our staff for their efforts contributed.

Fung Siu To, Clement

Chairman

Hong Kong, 29th June 2010

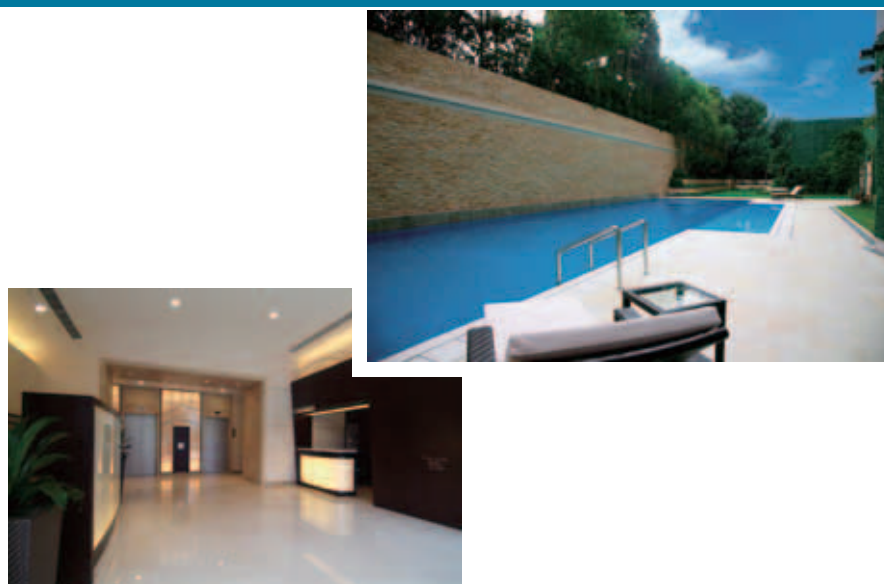
Equity attributable to shareholders



Management Discussion and Analysis



Jadewater



Results

The Group recorded a revenue of HK\$1,865 million for the financial year (2009: HK\$855 million) with profit attributable to shareholders at HK\$2,383 million compared to a loss attributable to shareholders of HK\$381 million last year.

The revenue and profit increment is attributed to increased property sales, revaluation surplus on investment properties and net investment gain, both realised and unrealised, as opposed to a revaluation deficit and net investment loss last year.

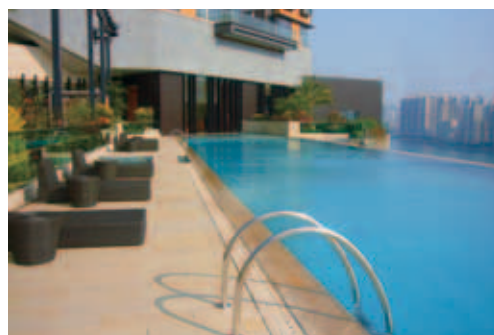
Properties Sales, Development and Leasing

Sales

Revenue from property sales amounted to HK\$1,053 million and contributed HK\$375 million to operating profit compared to HK\$51 million last year on a turnover of HK\$144 million. Jadewater, the 150,000 sq. ft. GFA residential development at Aberdeen, is the main contributor for this segment. During the year, the Group completed the sale of all the residential units and retail shops of this development.

Management Discussion and Analysis

The Westminster Terrace



The Westminster Terrace, the Group's 50% joint venture residential development at Castle Peak Road, was completed during the year. Sales of 40% of this 200,000 sq. ft. GFA development, amounting to HK\$877 million, was materialised during the year and contributed HK\$165 million to the Group's profit for the year. This luxurious all-duplex development will continue to be marketed and hopefully will further contribute to the Group's results in the coming year.

Development

The lease modification parameters of the residential development at Hung Shui Kiu, Yuen Long has been in progress with Government. Foundation work will start once the lease premium is finalised and agreed upon. This 565,000 sq. ft. GFA development next to light rail station will comprise approximately 700 residential units with carparks and recreational facilities.

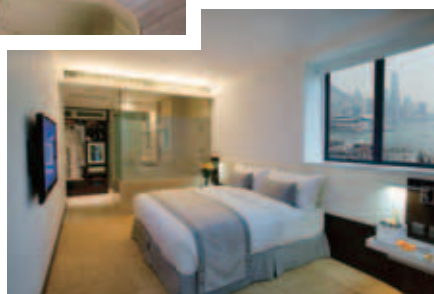
Currently the Group holds approximately 664,000 sq. ft. attributable GFA of residential properties under development in Hong Kong. In Beijing, our 2 million sq. ft. GFA joint venture residential/commercial development is progressing well to obtain planning clearances.

Leasing

Rental income to the Group from the attributable 282,000 sq. ft. office portfolio was approximately HK\$86 million, compared to HK\$89 million last year. Revaluation surplus (net of deferred tax) of HK\$546 million was recorded, compared to a deficit of HK\$141 million last year.

Management Discussion and Analysis

Empire Hotel Causeway Bay



Hotel

Revenue of the hotel and travel segment reduced by 10% from HK\$578 million of last year to HK\$522 million due to the difficult business environment of the global tourism industry, mainly affected by the swine flu in the first quarter of the financial year.

On the other hand, a net investment gain of HK\$400 million (2009: a net investment loss of HK\$286 million) was recorded from the hotel subsidiary's financial asset investment. Overall the listed subsidiary reported a net profit of HK\$435 million on a HK\$594 million revenue, compared to a loss of HK\$230 million on a HK\$604 million revenue last year.

The new 280 rooms hotel in Causeway Bay went fully operational during the year and added revenue and profit to the group, it was one of the designated hotels for athletes accommodation of the 2009 East Asian Games hosted in Hong Kong.

Currently the hotel group owns four hotels with 1,343 rooms compared to 1,063 rooms from three hotels in the previous period.

Investments

At 31st March 2010, the Group held financial investments of approximately HK\$3,257 million (2009: HK\$893 million), with HK\$1,157 million (2009: HK\$490 million) held by the listed hotel subsidiary group. The Group recorded a net unrealised fair value gain of HK\$948 million (2009: HK\$415 million loss), together with a net realised gain of HK\$383 million (2009: HK\$17 million loss). Income during the year from these investments amounted to HK\$200 million (2009: HK\$48 million).

Management Discussion and Analysis

Financial Review

At 31st March 2010, the Group's total assets were approximately HK\$10.9 billion, compared to HK\$8.1 billion at end of last financial year. The net assets increased by 51% to HK\$8.0 billion. Adopting market value of hotel properties, the revalued net assets of the Group would be HK\$10.2 billion, an increase of 50% compared to HK\$6.8 billion at end of last financial year.

Net debt stayed at HK\$2.1 billion (2009: HK\$2.1 billion), including HK\$1.4 billion (2009: HK\$1.3 billion) which belonged to the separately listed hotel group. Net debt to revalued net asset value is approximately 21% (2009: 31%). Total finance costs decreased following reduced interest rate over the year.

About 94% of the Group's borrowings are in Hong Kong dollar. All the debts are at floating rates and interest rate level is partly managed through interest rate swaps. As at 31st March 2010, a total of HK\$300 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 twelve years, with approximately 37% repayable within one year and 40% repayable after five years. As at 31st March 2010, the Group had net current assets of HK\$2,960 million (2009: HK\$1,477 million).

During the year, 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 31st March 2010, assets with an aggregated net book value of HK\$6,022 million (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\$108 million (2009: HK\$278 million).

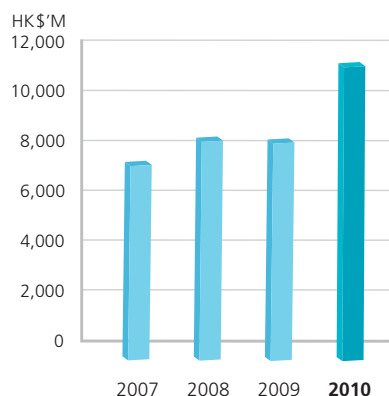
Employees and Remuneration Policies

As at 31st March 2010, the Group employed 478 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.

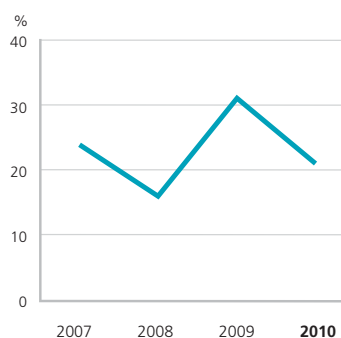
Future Prospect

The global economy gradually improved in 2009 from the previous financial turmoil with the coordinated stimulus measures taken by central governments around the world. This is reflected in partial locally by the recovery of property values and financial asset values. Looking forward, 2010 will remain a challenging year given the many uncertainties in the process of recovery in the global economy. The Group will continue to be cautious yet progressive in seeking investment opportunities.

Total assets



**Gearing ratio
(net debts to revalued net asset value)**



Five-year Financial Summary

Year ended 31st March (in HK\$'million)	2010	2009	2008	2007	2006
Results					
Revenue	1,865	855	1,084	1,374	744
Profit/(loss) attributable to shareholders of the Company	2,383	(381)	471	288	168
Assets and liabilities					
Total assets	10,934	8,132	8,190	6,964	6,984
Total liabilities	(2,948)	(2,857)	(2,389)	(2,228)	(2,889)
Minority interests	(747)	(605)	(690)	(732)	(659)
Equity attributable to shareholders of the Company	7,239	4,670	5,111	4,004	3,436

Principal Properties

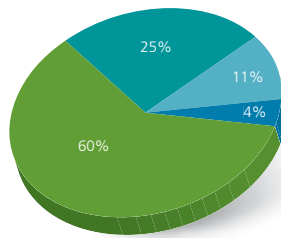
As at 31st March 2010

Properties under development for sale
60%

Hotel properties
25%

Investment properties
11%

Completed properties held for sale
4%



Attributed GFA (sq. ft.)

Properties under development for sale	1,544,000
Hotel properties	628,000
Investment properties	282,000
Completed properties held for sale	103,000
Total	2,557,000



Asia Standard Tower



Asia Orient Tower



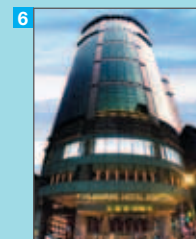
Goldmark



Empire Hotel Hong Kong



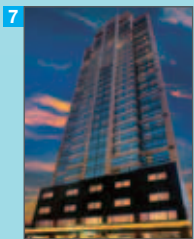
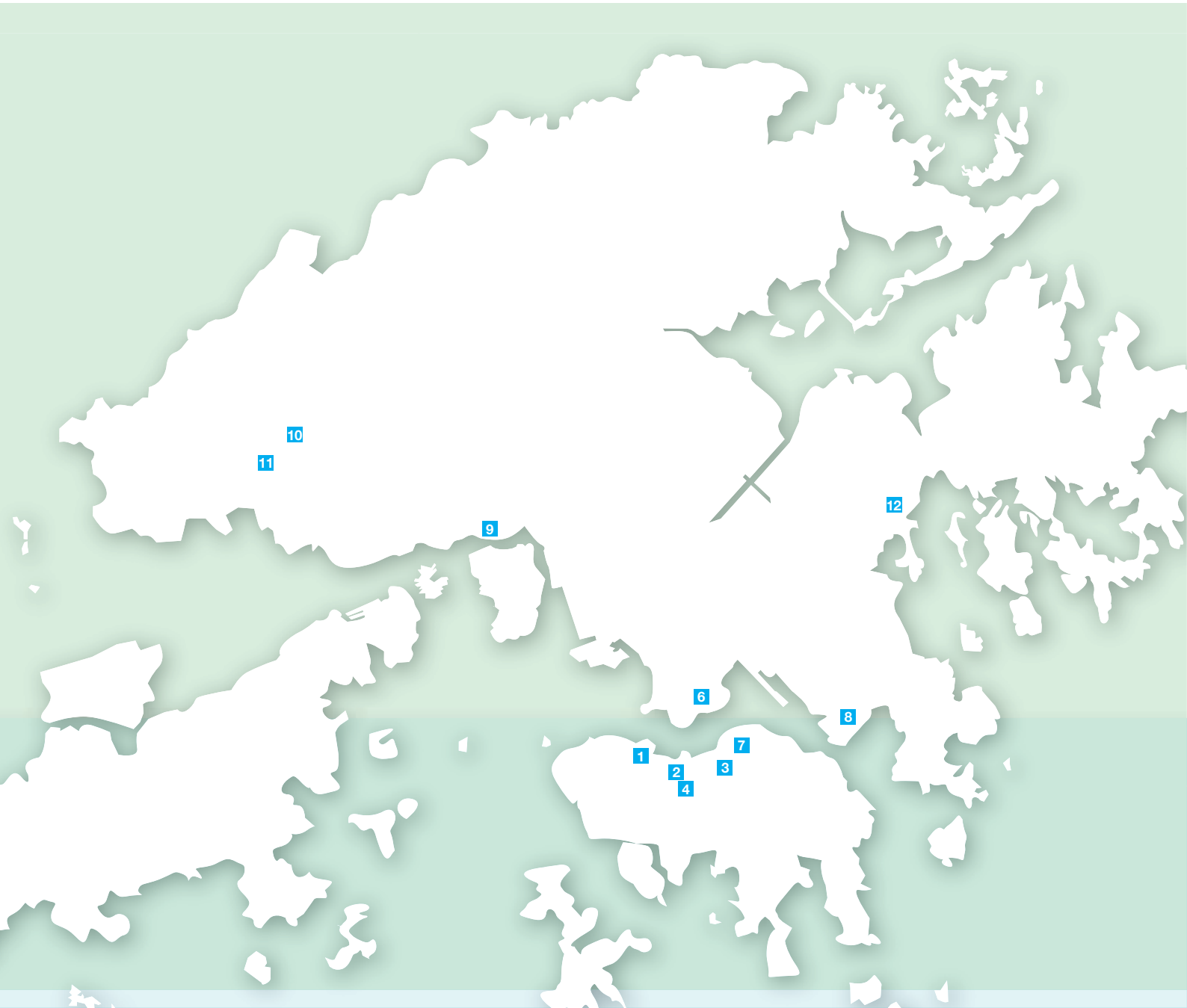
Empire Landmark Hotel



Empire Hotel Kowloon

Principal Properties

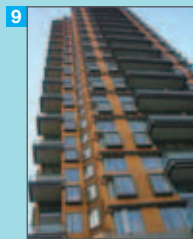
As at 31st March 2010



Empire Hotel Causeway Bay



Canaryside



The Westminster Terrace

Principal Properties

As at 31st March 2010

Properties	Group's interest	Approx. site area (sq. ft.)	Approx. gross floor area (sq. ft.)	Type
I Investment properties				
1 Asia Standard Tower 59-65 Queen's Road Central, Hong Kong.	100%	7,800	133,000	Commercial
2 Asia Orient Tower Town Place, 33 Lockhart Road, Wanchai, Hong Kong.	100%	7,300	114,000	Commercial
3 Goldmark 502 Hennessy Road, Causeway Bay, Hong Kong.	33%	6,300	106,000	Commercial
II Hotel properties				
4 Empire Hotel Hong Kong 33 Hennessy Road, Wanchai, Hong Kong.	67.4%	10,600	184,000 (362 rooms)	Hotel
5 Empire Landmark Hotel 1400 Robson Street, Vancouver B.C., Canada.	67.4%	41,000	420,000 (358 rooms)	Hotel
6 Empire Hotel Kowloon 62 Kimberley Road, Tsimshatsui, Kowloon.	67.4%	11,400	220,000 (343 rooms)	Hotel
7 Empire Hotel Causeway Bay 8 Wing Hing Street, Causeway Bay, Hong Kong.	67.4%	6,200	108,000 (280 rooms)	Hotel

Principal Properties

As at 31st March 2010

Properties	Group's interest	Approx. gross floor area (sq. ft.)	Type
III Completed properties held for sale			
Hong Kong			
8 Shops, Canaryside, 8 Shung Shun Street, Lei Yue Mun, Kowloon.	100%	40,000	Commercial
9 The Westminster Terrace No. 2A, Yau Lai Road, Tsuen Wan, New Territories.	50%	126,000	Residential

Properties	Group's interest	Approx. site area (sq. ft.)	Approx. gross floor area (sq. ft.)	Type	Stage of completion
IV Properties under development for sale					
10 Hung Shui Kiu Yuen Long, New Territories.	100%	101,000	565,000	Residential/ Commercial	Planning
11 Lam Tei Tuen Mun, New Territories.	100%	19,000	75,000	Residential/ Commercial	Planning
12 Sha Ha Sai Kung, New Territories.	7.5%	620,000	322,000	Residential	Planning
13 72 Yong Shun Street West, Tongzhou District, Beijing, PRC.	44%	580,000	2,000,000	Residential/ Commercial	Planning

Corporate Governance Report

Corporate Governance Practices

The Company is committed to sustaining its corporate governance standards by emphasising transparency, independence, accountability, responsibility and fairness. The Company exercises corporate governance through the board of directors (the “Board”) and various committees.

Board of Directors

The Board consists of six Executive Directors, one Non-executive Director and three Independent Non-executive Directors. The posts of Chairman and Chief Executive are separate and are not held by the same individual. The Chairman, Mr. Fung Siu To, Clement, is responsible for overseeing the functioning of the Board and the strategies and policies of the Group. The Chief Executive and the Managing Director, Mr. Poon Jing, is responsible for managing the Group’s business. The biographical details and relationship of the Directors are disclosed in the biography of Directors set out in the Directors and Senior Management section.

According to the Bye-Laws of the Company, at every annual general meeting of the Company, one-third of the Directors (other than the Chairman and the Managing Director) for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not exceeding one-third, shall retire from office by rotation. Pursuant to the Code on Corporate Governance Practices, the Chairman and the Managing Director shall also retire at the annual general meeting every three years. A retiring Director shall be eligible for re-election at the meeting. The Non-executive Director and Independent Non-executive Directors are not appointed for a specific term but are subject to retirement by rotation and re-election in accordance with the Bye-Laws of the Company and the Code on Corporate Governance Practices.

The Board meets quarterly and is responsible for the formulation and reviewing of long-term business directions and strategies, to monitor the operating and financial performance of the Group. It also considers and approves future strategic plans and budgets for the Group. The management is delegated with the authority to make decisions and responsible for daily operations of the Group under the leadership of the Chief Executive. The management provides explanation and information to the Board to enable the Board to make an informed assessment of the financial and other information put forward to the Board for approval. The Chief Executive, working with the other Executive Directors and the head of each division, is responsible for managing the business of the Group, including implementation of strategies adopted by the Board and assuming full accountability to the Board for operations of the Group. All Executive Directors have made full and active contributions to the affairs of the Board.

The Directors are responsible for selecting and consistently applying appropriate accounting policies and preparing financial statements which give a true and fair view. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern. Accordingly, the Directors have prepared the financial statements on a going concern basis.

Corporate Governance Report

The Board acknowledges that it is its responsibility to prepare the financial statements and to present a balanced, clear and comprehensive assessment to annual and interim reports, other financial disclosures required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), and reports to regulators as well as to information required to be disclosed pursuant to statutory requirements.

During the year, the Board held four meetings. The Directors of the Board and the attendance of each Director are as follows:

Name of Director	Title	Attendance at Board meetings/ Number of Board Meetings held
Fung Siu To, Clement	Chairman	4/4
Lim Yin Cheng	Deputy Chairman	4/4
Poon Jing	Managing Director and Chief Executive	4/4
Lun Pui Kan	Executive Director	4/4
Kwan Po Lam, Phileas	Executive Director	4/4
Loup, Nicholas James	Executive Director	1/4
Au Yat Chuen	Non-executive Director	4/4
Koon Bok Ming, Alan	Independent Non-executive Director	4/4
Leung Wai Keung	Independent Non-executive Director	4/4
Wong Chi Keung	Independent Non-executive Director	4/4

During the year, no new director was appointed. If new directors are required to be appointed to the Board, the Board will elect the appropriate candidates by considering qualification, ability, working experience and professional ethics of the candidates.

Remuneration Committee

The Remuneration Committee currently comprises the Chairman, Mr. Fung Siu To, Clement, an Executive Director, Mr. Loup, Nicholas James, and all the three Independent Non-executive Directors. Mr. Fung is the Chairman of the Remuneration Committee. The duties of the Committee include making recommendations to the Board on the remuneration policy and structure of the Directors and senior management, approving the remuneration, determining the remuneration packages of all Executive Directors and senior management and approving the compensation to Directors and senior management on termination or dismissal. The remuneration packages including basic salary, annual bonus, retirement and other benefit such as share options are commensurate with their job nature and experience level. No director may be involved in any decisions as to his own remuneration or other benefit. The Group's remuneration policy seeks to provide a fair market remuneration so as to attract, retain and motivate high quality staff. The remuneration is determined with reference to his duties and responsibility, remuneration benchmark in the industry and prevailing market conditions. During the year, the Committee held one meeting, which all members except Mr. Loup, Nicholas James had attended, to review, discuss and approve the remuneration packages of the Directors and senior management.

Corporate Governance Report

Audit Committee

The Audit Committee currently comprises all the Independent Non-executive Directors, Mr. Koon Bok Ming, Alan (as the Chairman), Mr. Wong Chi Keung and Mr. Leung Wai Keung. The terms of reference were revised and adopted by the Audit Committee in compliance with the Code on Corporate Governance Practices. The principal activities of the Audit Committee include the review and supervision of the Group's financial reporting process and internal controls and review of the published financial statements. The Audit Committee meets at least twice a year. During the year, the Audit Committee met twice to review the Company's annual and interim financial statements and the recommendation by the auditor on enhancement of internal control. All the members had attended the meetings except Mr. Leung Wai Keung had attended one meeting. The Audit Committee has reviewed the annual financial statements for the year ended 31st March 2010.

Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. The Company has made specific enquiry of all directors regarding any non-compliance with the Model Code during the year, and they all confirmed that they have fully complied with the required standard set out in the Model Code throughout the year ended 31st March 2010.

Code on Corporate Governance Practices

During the year, 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.

Internal Control

It is the responsibility of the Board to ensure that the Group maintains sound and effective internal controls to safeguard the shareholders' investments and the Group's assets. During the year, the Board reviewed the effectiveness of the internal control system of the Group. The review covered all material controls, including financial, operational and compliance controls and risk management functions of the Group.

Auditor's Remuneration

PricewaterhouseCoopers has been appointed as the auditor of the Company by the shareholders at the annual general meeting. The services provided by PricewaterhouseCoopers include audit, taxation related and other services. A statement by PricewaterhouseCoopers about their reporting responsibilities as the auditor of the Company is included in the Independent Auditor's Report on page 33 of this annual report.

Corporate Governance Report

An amount of HK\$4,677,000 (2009: HK\$4,442,000) was charged to the financial statements of the Group for their audit services. Taxation services, review on interim results and other services provided by PricewaterhouseCoopers to the Group amounted to HK\$903,000 (2009: HK\$932,000).

Investor Relationship

The Group aims to provide its shareholders and investors with high level of transparency. During the year, the Executive Directors had various meetings with local and institutional investors and analysts. The Board is committed to providing clear and full performance information of the Group to shareholders and the public through the publication of interim and annual reports, announcements, circulars and press releases.

The Company has also maintained a website at <http://www.asiastandard.com> which enables shareholders, investors and public to access to the information of the Company on a timely basis.

Corporate Social Responsibility

We are committed to contributing to the sustainability of the environment and community in which we conduct business and where our stakeholders live.

Environmental Protection

(a) *Property development*

As a responsible developer, the Group is conscious of environmental protection issues on the design and construction of our properties. Over the years, the design and construction of our properties has been in line with the green features as laid down in the Joint Practice Note Nos. 1-2 in relation to "Green and Innovative Buildings" issued jointly by the Buildings Department, Lands Department and Planning Department. The objectives of such green features mainly encompass: (a) to maximize the use of natural renewable resources and recycled/green building material; (b) to minimise the consumption of energy, in particular those non-renewable types; and (c) to reduce construction and demolition waste.

In addition to the green features, the Group has implemented a number of environmental protection facilities to its projects so as to promote a greener lifestyle. In the Westminster Terrace development, large greenery podium gardens are constructed at 3/F and 7/F levels. There is a large open lawn area provided for leisure. Greenery and buffer plantings are at peripheral of the building and along elevation of podium car park. Other measures include installation of rain water recycling and self cleaning glass to reduce water consumption and sun shade features on top of windows to reduce heat.

Corporate Governance Report

(b) Hotel business

The Empire Hotel in Causeway Bay was divided in four zones for optimal gas supply and energy saving. Air-conditioning in Empire Hotel Causeway Bay and Empire Hotel Kowloon has a zone valve whereby electricity supply will be switched off on idle floors for energy preservation purposes. In our Empire Hotel Kowloon, the two new renovation floors have an individual electric heater supply system and can be switched off individually for energy reduction purposes.

Daily monitoring of energy and fuel consumption to identify areas for energy conservation is in place. Phased replacements of chillers, fan coil units, air handling units, laundry and kitchen equipment, electrical appliances and lighting have been enhanced to more energy-efficient models.

The Community

Care for the community is a long-standing corporate value. The Group has during the year made donations exceeding HK\$4,700,000 to a number of charitable and educational organizations, such as Hong Kong Spinal Cord Injury Fund Limited, University of Colorado Foundation, Children's Cancer Foundation, The Hong Kong Cancer Fund and Hong Kong Philharmonic Orchestra Annual Fundraising Event.

Moreover since March 2009, Asia Standard Hotel Group Limited ("Asia Standard Hotel") has initiated a charity campaign entitled, The Art of Caring, through which we worked to support SAHK (formerly known as "The Spastics Association of Hong Kong"), a local rehabilitation service organization supporting and helping local children and youth with disabilities in their education and health.

We have invited SAHK child and youth members to submit their paintings and around 280 paintings have been beautifully mounted and framed and are now hung in all of our guest rooms in our Empire Hotel Causeway Bay. Guests visiting the hotel are welcome to purchase any paintings at their preferred amount and subsequent proceeds generated will be donated to SAHK for future child and youth care services.

In addition, Asia Standard Hotel has been awarded the Caring Company title 2009/10 by The Hong Kong Council of Social Service in recognition of its contribution to the community. This recognition signifies a solid testimonial and a renewed impetus for the Group on its commitment to make positive contribution to society and communities.

The People

Over the year, staff were encouraged and sponsored to attend seminars and courses of their respective professions. Continuous personal study is encouraged to enhance personal development and corporate advancement.

Directors and Senior Management

Executive Directors

FUNG Siu To, Clement

Aged 61, is the Chairman of the Company and Chairman of the Remuneration Committee of the Company. He is also the Chairman and an executive director of Asia Orient Holdings Limited (“Asia Orient”), an executive director of its listed subsidiary, Asia Standard Hotel Group Limited (“Asia Standard Hotel”) and an independent non-executive director and an audit committee member of New Times Energy Corporation Limited, a company listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Mr. Fung is a holder of a Bachelor of Applied Science (Civil Engineering) degree and is also a fellow member of the Hong Kong Institution of Engineers. He joined the Company and its subsidiaries (together the “Group”) in 1988 and has over 25 years of experience in project management and construction. He is the brother-in-law of Mr. Poon Jing and Dr. Lim Yin Cheng, the Managing Director and Deputy Chairman of the Company respectively.

LIM Yin Cheng

Aged 65, is the Deputy Chairman of the Company. He is also the Deputy Chairman, Chief Executive, an executive director and the Chairman of the Remuneration Committee of Asia Standard Hotel, Deputy Chairman and an executive director of Asia Orient. Dr. Lim is a holder of a Bachelor of Science (Chemical Engineering) and Doctor of Philosophy degrees. He has over 25 years of experience in engineering, project management and administration. He joined the Group in 1992. He is the brother-in-law of Mr. Poon Jing and Mr. Fung Siu To, Clement, the Managing Director and Chairman of the Company respectively.

POON Jing

Aged 55, is the Chief Executive and Managing Director of the Company. He is also the Chief Executive, Managing Director and an executive director of Asia Orient, the Chairman and an executive director of Asia Standard Hotel. He is the founder of the Group. He is the brother-in-law of Mr. Fung Siu To, Clement and Dr. Lim Yin Cheng, the Chairman and Deputy Chairman of the Company respectively.

LUN Pui Kan

Aged 46, is the Finance Director of the Company. He is also the Finance Director of Asia Orient. Mr. Lun has over 20 years of experience in accounting and finance. He is a holder of a Bachelor of Science (Engineering) degree and is an associate member of The Hong Kong Institute of Certified Public Accountants (“HKICPA”) and a fellow member of The Association of Chartered Certified Accountants (“ACCA”). He joined the Group in 1994.

KWAN Po Lam, Phileas

Aged 51, is an executive director of the Company and Asia Orient. Mr. Kwan is a holder of a Bachelor of Business Administration degree. He joined the Group in 1986 and is responsible for property sales and leasing. He has over 20 years of experience in property sales, leasing and real estate management.

Directors and Senior Management

LOUP, Nicholas James

Aged 50, is an executive director and a member of the Remuneration Committee of the Company. Mr. Loup is the Chief Executive of Grosvenor Ltd Asia, and a director of Grosvenor Group Ltd, UK, responsible for managing the Grosvenor operation in Asia where they are active in Hong Kong, China and Tokyo.

He is a General Committee member of the British Chamber of Commerce and a director of the Spinal Cord Injury Fund. He is also Chairman of the Asian Association for Investors in Non-listed Real Estate Vehicles Limited (ANREV) of which he is a founder member and a member of Asia Pacific acquisition committee of the Tate.

Prior to rejoining Grosvenor in 1994, Mr. Loup had been a director of Colliers Jardine Hong Kong and Trafalgar House Property (UK) respectively. He joined the Group in 1999.

Non-executive Director

AU Yat Chuen

Aged 63, is a non-executive director of the Company. Mr. Au is an associate member of the Institute of Chartered Accountants in Australia and an associate member of the Institute of Chartered Secretaries and Administrators ("ICSA"). Between 1979 and 1984, he has held senior financial positions in several major listed property companies. Since 1984, he has been in full time private practice as a certified public accountant. He joined the Group in 1991.

Independent Non-executive Directors

KOON Bok Ming, Alan

Aged 69, is an independent non-executive director, a member of the Remuneration Committee and the Chairman of the Audit Committee of the Company. Mr. Koon is the Chief Executive Officer of a financial advisory firm and has over 30 years of experience in international banking and project and structured finance. He holds a Bachelor degree in Economics and a Master degree in Business Administration. He joined the Group in 1999.

LEUNG Wai Keung

Aged 47, is an independent non-executive director, a member of the Remuneration Committee and the Audit Committee of the Company. Mr. Leung is currently a Barrister-at-Law. He has about 9 years of experience in accounting and financial management in several firms and thereafter practicing as a barrister since 1996. He is also an independent non-executive director and a member of the Audit Committee of Asia Standard Hotel. Mr. Leung is a member of HKICPA, The Hong Kong Institute of Chartered Secretaries ("HKICS"), ACCA, ICSA and The Chartered Institute of Arbitrators. He was admitted to the High Court of Hong Kong as a barrister in 1994. He holds a Master degree in Accounting and Finance from the University of Lancaster and obtained a Bachelor of Laws from Manchester Metropolitan University. He was the President of HKICS in 2006. In 2007, Mr. Leung has been appointed by the Government to be a member of the Guardianship Board, Registration of Persons Tribunal and the Board of Review. Mr. Leung joined the Group in 2004.

Directors and Senior Management

WONG Chi Keung

Aged 55, is an independent non-executive director, a member of the Audit Committee and the Remuneration Committee of the Company. Mr. Wong holds a Master degree in Business Administration from The University of Adelaide in Australia. He is a fellow member of HKICPA, ACCA and CPA Australia; an associate member of ICOSA and The Chartered Institute of Management Accountants. Mr. Wong is also a responsible officer for asset management, advising on securities and corporate finance activities for Sinox Fund Management Limited under the Securities and Futures Ordinance.

Mr. Wong was an executive director, the Deputy General Manager, Group Financial Controller and Company Secretary of Yuexiu Property Company Limited (formerly known as Guangzhou Investment Company Limited) which is a listed company on the Stock Exchange, for over ten years. He is also an independent non-executive director and a member of the audit committee of Asia Orient, Century City International Holdings Limited, China Nickel Resources Holdings Company Limited, China Ting Group Holdings Limited, ENM Holdings Limited, First Natural Foods Holdings Limited (Provisional Liquidators Appointed), FU JI Food and Catering Services Holdings Limited (Provisional Liquidators Appointed), Golden Eagle Retail Group Limited, Ngai Lik Industrial Holdings Limited, PacMOS Technologies Holdings Limited, Paliburg Holdings Limited, Regal Hotels International Holdings Limited and TPV Technology Limited, all of which are listed on the Stock Exchange. Mr. Wong has over 33 years of experience in finance, accounting and management. He joined the Group in 2004.

Senior Management

LEUNG King Yin, Kevin

Aged 48, is the Head of Project Management Division of the Company. Mr. Leung is an Authorised Person under the Buildings Ordinance, a registered architect in Hong Kong and Australia, and member of both The Hong Kong Institute of Architects and Royal Australian Institute of Architects. Mr. Leung was a director of the Company for 5 years prior to his migration to Australia. He re-joined the Group in October 2007. He is responsible for property development and project management.

NG Siew Seng, Richard

Aged 58, is the Group general manager of Asia Standard Hotel and a director of a subsidiary of Asia Standard Hotel. Mr. Ng is responsible for the development and management of the hotel group's hospitality operations. With over 3 decades' extensive experience in hotel and travel industry for both local and overseas markets, Mr. Ng has held senior marketing and operational positions in a number of major international chain hotels and travel agents in Hong Kong and Macau. He joined Asia Standard Hotel Group in September 2007.

Report of the Directors

The Directors have pleasure in presenting their report together with the audited financial statements for the year ended 31st March 2010.

Principal activities

The principal activity of the Company is investment holding. The principal activities of the principal subsidiaries are set out in note 42 to the financial statements.

The activities of the Group are mainly based in Hong Kong. Analyses of the Group's turnover and contribution to operating results by principal activities are set out in note 5 to the financial statements.

Results and appropriations

The results of the Group for the year are set out in the consolidated profit and loss account on page 34.

The Company paid an interim dividend of HK1.0 cent (2009: HK1.0 cent) per share, totaling HK\$12,471,000 (2009: HK\$11,211,000) for the year ended 31st March 2010.

The Board recommends a final dividend of HK1.5 cents (2009: Nil) per share with a scrip option, totaling HK\$18,707,000 (2009: Nil) for the year ended 31st March 2010.

Financial summary

A five-year financial summary of the results and of the assets and liabilities of the Group is set out on page 9.

Property, plant and equipment

Details of the movements in property, plant and equipment of the Group are set out in note 16 to the financial statements.

Share capital

Details of the movements in share capital of the Company during the year are set out in note 31 to the financial statements.

Reserves

Movement in the reserves of the Group and the Company during the year are set out in note 32 to the financial statements.

Report of the Directors

Principal properties

Details of the principal properties of the Group are set out on pages 10 to 13.

Donations

During the year, the Group made charitable and other donations of HK\$4,766,000 (2009: HK\$1,446,000).

Directors

The Directors of the Company during the year and at the date of this report were:

Mr. Fung Siu To, Clement
Dr. Lim Yin Cheng
Mr. Poon Jing
Mr. Lun Pui Kan
Mr. Kwan Po Lam, Phileas
Mr. Loup, Nicholas James
Mr. Au Yat Chuen
Mr. Koon Bok Ming, Alan
Mr. Leung Wai Keung
Mr. Wong Chi Keung

Messrs. Lun Pui Kan, Au Yat Chuen and Leung Wai Keung will retire from office by rotation in accordance with the Bye-Laws of the Company and Mr. Poon Jing will retire to comply with the Code on Corporate Governance Practices at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

None of the Directors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

Biographical details of Directors and senior management

Biographical details of Directors and senior management are set out on pages 19 to 21.

Directors' interests in contracts

No contracts of significance in relation to the Company's business to which the Company or its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Report of the Directors

Arrangements to purchase shares or debentures

Apart from the share option scheme of the Company as disclosed on pages 28 to 31, and that of a subsidiary, Asia Standard Hotel Group Limited (“Asia Standard Hotel”), at no time during the year was the Company, its subsidiaries or its fellow subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors’ and chief executives’ interests and short positions in shares, underlying shares and debentures

As at 31st March 2010, 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			Percentage of shares in issue (%)
	Personal interest	Corporate interest	Total	
Poon Jing	1,160,813	613,365,030	614,525,843	49.28

Note: By virtue of his controlling interest (44.69%) 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.

Report of the Directors

(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	40,844	923,591,414 (Note 1)	923,632,258	70.38
Fung Siu To, Clement	Mark Honour Limited	9	–	9	0.01

Notes:

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

(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 31st March 2010
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
Loup, Nicholas James	20,621,761	(18,559,585)	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\$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.
2. During the year, no option was granted to the Directors and the options granted to the Directors have not been exercised, cancelled or lapsed.

Report of the Directors

(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 31st March 2010 (Note 1)
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\$0.2 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 Dr. Lim Yin Cheng, Messrs. Lun Pui Kan and Kwan Po Lam, Phileas was adjusted from HK\$0.1300 per share to HK\$1.300 per share.
- During the year, no option was granted to the Directors and the options granted to the Directors have not been exercised, cancelled or lapsed.

Interests in warrants

Associated corporation – Asia Standard Hotel

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

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

Report of the Directors

Save as disclosed above, as at 31st March 2010, 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 31st March 2010, the Company had been notified of the following substantial shareholders' interests, 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

Shareholder	Capacity	Number of shares held	Total	Percentage (%)
Asia Orient (Note 1)	Beneficial owner	46,817,836		
	Interests in controlled corporation	566,547,194	613,365,030	49.18
Asia Orient Holdings (BVI) Limited ("Asia Orient BVI") (Note 1)	Interests in controlled corporation	566,547,194	566,547,194	45.43
Asia Orient Company Limited ("AOCL") (Note 2)	Beneficial owner	272,904,998		
	Interests in controlled corporation	2,205,003	275,110,001	22.06
Kingfisher Inc. and Lipton Investment Limited ("Kingfisher and Lipton") (Note 2)	Interests in controlled corporation	254,985,479	254,985,479	20.45
Dalton Investments LLC	Investment manager	62,468,726	62,468,726	5.01

Report of the Directors

Notes:

1. Asia Orient BVI is a wholly-owned subsidiary of Asia Orient. Accordingly, Asia Orient is 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.

Save as disclosed above, as at 31st March 2010, 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 was adopted on 27th August 2004 (the "Company's Share Option Scheme"). The board of Directors of the Company may grant options to any Director, employee, consultant, customer, supplier, agent, partner or advisers of or contractor to the Company, its subsidiary or any invested entity, their discretionary trust or the companies owned by them. The purpose was to provide incentives, acknowledge the contributions of, motivate and maintain relationship with the eligible participants.

The total number of shares available for issue upon exercise of all options to be granted under the Company's Share Option Scheme must not exceed 71,851,459 shares, representing about 5.76% of the shares in issue at the date of this report. The total maximum number of shares which might be issued upon exercise of all outstanding options granted and yet to be exercised under the Company's Share Option Scheme and any other share option scheme must not exceed 30% of the shares in issue from time to time. The maximum number of shares in respect of which options might be granted to a participant, when aggregated with shares issued and issuable (including exercised, outstanding and cancelled options) under any option granted to the same participant under the Company's Share Option Scheme or any other share option scheme within any 12 months period, must not exceed 1% of the shares in issue from time to time.

There was no requirement for a grantee to hold the option for a certain period before exercising the option unless otherwise determined by the Directors. The exercise period should be any period determined by the board of Directors but in any event the exercise period should not be later than 10 years from the date of grant. The grantee has to accept an option within 21 days from the date of offer by making a non-refundable payment of HK\$1 to the Company.

The subscription price shall be at the discretion of the board of Directors provided that it shall be not less than the highest of (i) the closing price of a share on the relevant date of grant; (ii) the average of the closing prices of the shares for the five trading days immediately preceding the date of grant; and (iii) the nominal value of a share. The Company's Share Option Scheme is effective for 10 years from 27th August 2004.

Report of the Directors

The following table discloses details of the Company's options granted under the Company's Share Option Scheme held by employees (including Directors):

Grantee	Outstanding as at 1st April 2009	Exercised during the year	Lapsed during the year	Adjustment (Note 1)	Outstanding as at 31st March 2010
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:

- The 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 option was adjusted accordingly.
- No option was granted or cancelled during the year.

Subsidiary – Asia Standard Hotel

The share option scheme of Asia Standard Hotel was adopted on 28th August 2006 (the "Asia Standard Hotel Share Option Scheme"). The board of directors of Asia Standard Hotel may grant options to any director, employee, consultant, customer, supplier, agent, partner or advisers of or contractor to Asia Standard Hotel, its subsidiary or any invested entity, their discretionary trust or the companies owned by them. The purpose was to provide incentives, recognise and acknowledge the contributions of, motivate and maintain an ongoing relationship with the eligible participants whose contributions are or will be beneficial to the long term growth of the Asia Standard Hotel Group.

The total number of shares available for issue upon exercise of all options to be granted under the Asia Standard Hotel Share Option Scheme must not exceed 125,088,061 shares, representing about 9.53% of the shares in issue at the date of this report. The total maximum number of shares which might be issued upon exercise of all outstanding options granted and yet to be exercised under the Asia Standard Hotel Share Option Scheme and any other share option scheme must not exceed 30% of the shares in issue from time to time. The maximum number of shares in respect of which options might be granted to a participant, when aggregated with shares issued and issuable (including exercised, outstanding and cancelled options) under any option granted to the same participant under the Asia Standard Hotel Share Option Scheme or any other share option scheme within any 12 months period, must not exceed 1% of the shares in issue from time to time.

Report of the Directors

There was no requirement for a grantee to hold the option for a certain period before exercising the option unless otherwise determined by the directors. The exercise period should be any period determined by the board of directors but in any event the exercise period should not be later than 10 years from the date of grant. The grantee has to accept an option within 21 days from the date of offer by making a non-refundable payment of HK\$1 to Asia Standard Hotel.

The subscription price shall be at the discretion of the board of directors provided that it shall be not less than the highest of (i) the closing price of a share on the relevant date of grant; (ii) the average of the closing prices of the shares for the five trading days immediately preceding the date of grant; and (iii) the nominal value of a share. The Asia Standard Hotel Share Option Scheme is effective for 10 years from 28th August 2006.

The following table discloses details of Asia Standard Hotel options granted under the Asia Standard Hotel Share Option Scheme held by employees (including Directors):

Grantee	Date of grant	Exercise price (HK\$) (Note 1)	Exercise period	Outstanding as at 1st April 2009	Exercised during the year	Adjustment (Note 1)	Outstanding as at 31st March 2010
Directors	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

Report of the Directors

Notes:

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

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 year.

Pre-emptive rights

No pre-emptive rights exist in Bermuda in respect of the Company's share capital.

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Major customers and suppliers

The percentages of the Group's purchases and sales for the year attributable to major suppliers and customers were as follows:

Percentage of purchases attributable to the Group's largest supplier	30.22%
Percentage of purchases attributable to the Group's five largest suppliers	65.47%
Percentage of sales attributable to the Group's largest customer	3.40%
Percentage of sales attributable to the Group's five largest customers	13.31%

Report of the Directors

None of the Directors, their associates or shareholders, which to the knowledge of the Directors, held any interests in the share capital of the suppliers or customers noted above.

Independent Non-executive Directors

Confirmation of independence pursuant to the independence guidelines under the Listing Rules has been received from each of the Independent Non-executive Directors of the Company and the Company considers all existing Independent Non-executive Directors are independent.

Combined balance sheet of affiliated companies

A 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 shown on page 110 pursuant to Chapter 13 of the Listing Rules.

Sufficiency of public float

Based on the information that is publicly available to and within the knowledge of the Directors, it is confirmed that there is sufficient public float of more than 25% of the Company's issued shares at the latest practicable date prior to the issue of the annual report.

Auditor

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Fung Siu To, Clement

Chairman

Hong Kong, 29th June 2010

Independent Auditor's Report

To the shareholders of Asia Standard International Group Limited

(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Asia Standard International Group Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 34 to 109, which comprise the balance sheet of the Company and the consolidated balance sheet of the Group as at 31st March 2010, and the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st March 2010 and of the profit and cash flows of the Group for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 29th June 2010

Consolidated Profit and Loss Account

For the year ended 31st March 2010

	Note	2010 HK\$'000	2009 HK\$'000
Revenue	5	1,864,888	855,413
Cost of sales		(977,456)	(439,672)
Gross profit		887,432	415,741
Net investment gain/(loss)	6	1,330,928	(431,672)
Selling and administrative expenses		(168,145)	(154,900)
Depreciation and amortisation		(97,563)	(75,577)
Fair value change of investment properties		568,674	(109,054)
Other income and charges	7	(11,478)	40,789
Operating profit/(loss)		2,509,848	(314,673)
Finance costs	11	(51,369)	(55,526)
Share of profits less losses of			
Jointly controlled entities		138,892	(9,197)
Associated companies		91,718	(83,243)
Profit/(loss) before income tax		2,689,089	(462,639)
Income tax (expense)/credit	12	(165,014)	6,242
Profit/(loss) for the year		2,524,075	(456,397)
Attributable to:			
Shareholders of the Company		2,383,270	(381,303)
Minority interests		140,805	(75,094)
		2,524,075	(456,397)
Dividends	14	31,178	11,211
Earnings/(loss) per share (HK\$)			
Basic and diluted	15	1.99	(0.34)

Consolidated Statement of Comprehensive Income

For the year ended 31st March 2010

	2010	2009
	HK\$'000	HK\$'000
Profit/(loss) for the year	2,524,075	(456,397)
<hr/>		
Other comprehensive income/(charge)		
Net fair value gain/(loss) on available-for-sale investments	93,430	(214,306)
Impairment of available-for-sale investments charged to profit and loss account	1,531	185,813
Release of reserve upon disposal of available-for-sale investments	21,735	–
Currency translation differences	36,568	(35,909)
	153,264	(64,402)
<hr/>		
Total comprehensive income/(charge) for the year	2,677,339	(520,799)
<hr/>		
Total comprehensive income/(charge) attributable to:		
Shareholders of the Company	2,486,616	(424,996)
Minority interests	190,723	(95,803)
	2,677,339	(520,799)
<hr/>		

Consolidated Balance Sheet

As at 31st March 2010

	Note	2010 HK\$'000	2009 HK\$'000
Non-current assets			
Property, plant and equipment	16	986,737	940,979
Investment properties	17	2,419,600	1,849,000
Leasehold land	18	1,685,605	1,712,251
Jointly controlled entities	20	674,409	524,965
Associated companies	21	654,581	565,343
Available-for-sale investments	22	228,258	186,830
Goodwill		5,103	5,103
Mortgage loans receivable	23	143,035	24,747
Deferred income tax assets	34	9,764	35,239
		6,807,092	5,844,457
Current assets			
Properties under development for sale	24	431,322	400,768
Completed properties held for sale	24	159,127	698,709
Mortgage loans receivable	23	35,315	1,874
Hotel and restaurant inventories		2,206	2,160
Trade and other receivables	25	241,590	232,958
Financial assets at fair value through profit or loss	26	3,028,862	693,075
Derivative financial instruments	27	–	13,429
Income tax recoverable		880	79
Bank balances and cash	28	227,657	244,783
		4,126,959	2,287,835
Current liabilities			
Trade and other payables	29	145,919	137,497
Amount due to an associated company	21	51,150	51,150
Derivative financial instruments	27	17,961	22,344
Warrant liabilities	30	17,000	8,481
Short term borrowings	33	756,014	415,011
Current portion of long term borrowings	33	114,706	42,230
Amount due to minority shareholder	35	–	105,303
Income tax payable		64,382	28,743
		1,167,132	810,759
Net current assets		2,959,827	1,477,076
Total assets less current liabilities		9,766,919	7,321,533

Consolidated Balance Sheet

As at 31st March 2010

	Note	2010 HK\$'000	2009 HK\$'000
Non-current liabilities			
Warrant liabilities	30	–	7,893
Long term borrowings	33	1,501,907	1,860,196
Deferred income tax liabilities	34	279,355	177,779
		1,781,262	2,045,868
Net assets			
		7,985,657	5,275,665
Equity			
Share capital	31	12,471	113,664
Reserves	32	7,226,466	4,556,311
Equity attributable to shareholders of the Company			
		7,238,937	4,669,975
Minority interests		746,720	605,690
		7,985,657	5,275,665

Fung Siu To, Clement
Director

Lun Pui Kan
Director

Balance Sheet

As at 31st March 2010

	Note	2010 HK\$'000	2009 HK\$'000
Non-current assets			
Subsidiaries	19	5,310,104	4,867,425
Deferred income tax assets	34	–	2,241
		5,310,104	4,869,666
Current assets			
Trade and other receivables		47	544
Financial assets at fair value through profit or loss	26	39	5,823
Bank balances and cash	28	50,593	42,367
		50,679	48,734
Current liabilities			
Trade and other payables		951	980
Warrant liabilities	30(a)	–	8,481
Income tax payable		22	–
Short term borrowings	33	30,000	–
		30,973	9,461
Net current assets		19,706	39,273
Net assets		5,329,810	4,908,939
Equity			
Share capital	31	12,471	113,664
Reserves	32	5,317,339	4,795,275
		5,329,810	4,908,939

Fung Siu To, Clement
Director

Lun Pui Kan
Director

Consolidated Statement of Cash Flows

For the year ended 31st March 2010

	Note	2010 HK\$'000	2009 HK\$'000
Cash flows generated from/(used in) operating activities			
Net cash used in operations	39	(108,967)	(701,338)
Net income tax paid		(3,243)	(256)
Interest paid		(50,513)	(59,601)
Dividend received		97,580	23,908
Interest received		102,998	14,469
Net cash generated from/(used in) operating activities		37,855	(722,818)
Cash flows from investing activities			
Purchase of available-for-sale investments		(23,204)	–
Proceeds on disposal of available-for-sale investments		139,403	–
Addition to investment properties		(1,926)	(4,674)
Addition to property, plant and equipment		(53,988)	(153,761)
Proceeds on disposal of property, plant and equipment		4,300	–
Acquisition of additional interest in a subsidiary		(107,714)	–
Disposal of a jointly controlled entity		35,000	–
Investment in a jointly controlled entity		–	(1,672)
Advances to associated companies and jointly controlled entities		(43,174)	(18,375)
Repayment by associated companies and jointly controlled entities		–	5,000
Dividend received from jointly controlled entities		102	4,409
Net cash used in investing activities		(51,201)	(169,073)
Net cash used before financing activities		(13,346)	(891,891)
Cash flows from financing activities			
Drawdown of long term borrowings		6,150	1,109,400
Repayment of long term borrowings		(301,984)	(624,197)
Net increase in short term borrowings		323,739	33,355
Conversion of warrants		96,827	9,825
Dividend paid		(12,471)	–
Repurchase of shares		(3,183)	–
Conversion of warrants of a listed subsidiary by minority shareholder		1,519	–
Decrease in amount due to minority shareholder		(105,303)	–
Net cash generated from financing activities		5,294	528,383

Consolidated Statement of Cash Flows

For the year ended 31st March 2010

	Note	2010 HK\$'000	2009 HK\$'000
Net decrease in cash and cash equivalents		(8,052)	(363,508)
Cash and cash equivalents at the beginning of the year		226,768	592,949
Changes in exchange rates		2,898	(2,673)
<hr/>			
Cash and cash equivalents at the end of the year		221,614	226,768
<hr/>			
Analysis of the balances of cash and cash equivalents			
Bank balances and cash (excluding restricted bank balances)	28	221,614	226,768

Consolidated Statement of Changes in Equity

For the year ended 31st March 2010

	Shareholders of the Company	Minority interests	Total
	HK\$'000	HK\$'000	HK\$'000
At 1st April 2008	5,111,246	689,573	5,800,819
Fair value loss on available-for-sale investments	(147,868)	(66,438)	(214,306)
Impairment of available-for-sale investments charged to profit and loss account	128,486	57,327	185,813
Currency translation differences	(24,311)	(11,598)	(35,909)
Loss for the year	(381,303)	(75,094)	(456,397)
Total comprehensive charge for the year	(424,996)	(95,803)	(520,799)
Issue of warrants	(26,102)	–	(26,102)
Conversion of warrants	9,827	–	9,827
Scrip dividend	32,963	2,919	35,882
2008 final dividend	(21,752)	(2,919)	(24,671)
2009 interim dividend	(11,211)	–	(11,211)
Increase in shareholding of a subsidiary	–	11,920	11,920
Total transactions with owners	(16,275)	11,920	(4,355)
At 31st March 2009	4,669,975	605,690	5,275,665
Currency translation differences	24,658	11,910	36,568
Fair value gain on available-for-sale investments	63,000	30,430	93,430
Impairment of available-for-sale investments charged to profit and loss account	1,032	499	1,531
Release of reserve upon disposal of available-for-sale investments	14,656	7,079	21,735
Profit for the year	2,383,270	140,805	2,524,075
Total comprehensive income for the year	2,486,616	190,723	2,677,339
Conversion of warrants	98,000	2,250	100,250
Share repurchase	(3,183)	–	(3,183)
2010 interim dividend	(12,471)	–	(12,471)
Changes in shareholding of subsidiaries	–	(51,943)	(51,943)
Total transactions with owners	82,346	(49,693)	32,653
At 31st March 2010	7,238,937	746,720	7,985,657

Notes to the Financial Statements

1 Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties, available-for-sale investments, financial assets at fair value through profit or loss, warrant liabilities and derivative financial instruments, which are carried at fair value, and in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2 Principal accounting policies

(a) The adoption of new/revised HKFRS

During the year, the Group adopted the following new and revised standards and amendments to existing standards (“new HKFRS”) that are relevant to the Group’s operations. These amendments 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 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
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 year did not have any significant effect on the consolidated financial statements 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 consolidated financial statements have been prepared under the revised disclosure requirements.

Notes to the Financial Statements

2 Principal accounting policies (continued)

(a) The adoption of new/revised HKFRS (continued)

- HKFRS 7 (Amendment), “Improving Disclosures about Financial Instruments”. It requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. This has only resulted in additional disclosures.
- 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 following new and revised standards and amendments to existing standards are relevant to the Group’s operation but not yet effective

Effective for accounting periods beginning on or after:

1st July 2009

HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKFRS 3 (Revised)	Business Combinations

1st January 2010

HKAS 1 (Amendment)	Presentation of Financial Statements
HKAS 17 (Amendment)	Leases

1st January 2013

HKFRS 9	Financial Instruments
---------	-----------------------

- (i) HKAS 27 (Revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value and a gain or loss is recognised in the profit and loss account.
- (ii) HKFRS 3 (Revised) continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the consolidated profit and loss account. There is a choice on an acquisition by acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s net assets. All acquisition-related costs should be expensed.

Notes to the Financial Statements

2 Principal accounting policies (continued)

(a) The adoption of new/revised HKFRS (continued)

- (iii) HKAS 1 (Amendment) provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time.
- (iv) HKAS 17 (Amendment) deletes specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating using the general principles of HKAS 17.
- (v) HKFRS 9 established the principles for financial reporting of financial assets. Financial assets are required to be classified into two measurement categories: those to be measured subsequently at fair value, and those to be measured subsequently at amortised cost. The decision is to be made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

An instrument is subsequently measured at amortised cost only if it is a debt instrument and both the objective of the entity's business model is to hold the asset to collect the contractual cash flows, and the asset's contractual cash flows represent only payments of principal and interest (that is, it has only 'basic loan features'). All other debt instruments are to be measured at fair value through profit or loss.

All equity instruments are to be measured subsequently at fair value. Equity instruments that are held for trading will be measured at fair value through profit or loss. For all other equity investments, an irrevocable election can be made at initial recognition, to recognise unrealised and realised fair value gains and losses through other comprehensive income rather than profit or loss. There is to be no recycling of fair value gains and losses to profit or loss. This election may be made on an instrument-by-instrument basis. Dividends are to be presented in profit or loss, as long as they represent a return on investment.

The Group has not early adopted the above new and revised standards and amendments to existing standards. 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 Financial Statements

2 Principal accounting policies (continued)

(b) Basis of consolidation

The consolidated financial statements of the Group include the financial statements of the Company and all its subsidiaries made up to 31st March.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interests. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference, being negative goodwill, is recognised directly in the consolidated profit and loss account.

The profit or loss on disposal of subsidiaries, jointly controlled entities or associated companies is calculated by reference to the net assets at the date of disposal including the attributable amount of goodwill, and any related exchange reserve.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary in the consolidated financial statements to ensure consistency with the accounting policies adopted by the Group.

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the profit and loss account. Purchases from minority interests might result in goodwill, being the difference between any consideration paid and the relevant share of the carrying value of net assets of the subsidiary acquired. If the cost of acquisition is less than the relevant interest of the carrying value of the net assets of the subsidiary acquired, the difference, being negative goodwill is recognised directly in the consolidated profit and loss account.

(c) Subsidiaries

Subsidiaries are all entities (including special purpose entities) in which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

In the Company's balance sheet, the investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Notes to the Financial Statements

2 Principal accounting policies (continued)

(d) Jointly controlled entities

A jointly controlled entity is a joint venture in respect of which a contractual arrangement is established between the participating venturers and whereby the Group together with other venturers undertake an economic activity which is subject to joint control and none of the venturers has unilateral control over the economic activity. Investments in jointly controlled entities are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in jointly controlled entities includes advances that are equity in nature, in substance forming part of the investments, and goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its jointly controlled entities' post-acquisition profits or losses is recognised in the profit and loss account, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a jointly controlled entity equals or exceeds its interest in the jointly controlled entity, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the jointly controlled entity.

Unrealised gains on transactions between the Group and its jointly controlled entities are eliminated to the extent of the Group's interest in the jointly controlled entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of jointly controlled entities have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(e) Associated companies

Associated companies are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associated companies are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associated companies includes advances that are equity in nature, in substance forming part of the investments, and goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associated companies' post-acquisition profits or losses is recognised in the profit and loss account, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Notes to the Financial Statements

2 Principal accounting policies (continued)

(f) Balances with subsidiaries, jointly controlled entities and associated companies

Balances with subsidiaries, jointly controlled entities and associated companies are split into its financial assets/liabilities and equity components at initial recognition. The financial assets/liabilities component is initially stated at fair value and subsequently carried at amortised cost. The equity component is recognised at cost.

(g) Goodwill

Goodwill represents the excess of the cost of acquisition over the fair values of the Group's share of the net identifiable assets of the acquired subsidiaries, jointly controlled entities and associated companies at the date of acquisition. If the Group's share of the net identifiable assets of the acquired subsidiaries, jointly controlled entities and associated companies at the date of acquisition is more than the cost of acquisition, the excess will be recognised as a gain in the consolidated profit and loss account. Goodwill on acquisition of a foreign operation is treated as an asset of the foreign operation and translated at closing rate.

Goodwill on acquisition of a subsidiary is included in intangible assets. Goodwill on acquisitions of jointly controlled entities and associated companies is included in investments in jointly controlled entities and associated companies respectively. Goodwill as intangible asset is tested for impairment at least annually and whenever there is any impairment indication and carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Impairment losses recognised on goodwill are not reversed.

(h) Financial assets/liabilities

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, available-for-sale investments and derivative financial instruments. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

(i) *Financial assets at fair value through profit or loss and derivative financial instruments*

This category represents financial assets that are either designated in this category at inception (except for subsequent reclassification permitted under the standard) or held for trading. A financial asset is classified in this category if so designated by management or for the purpose of selling them in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

Notes to the Financial Statements

2 Principal accounting policies (continued)

(h) Financial assets/liabilities (continued)

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

(iii) *Available-for-sale investments*

Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories.

Purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit and loss account. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss and available-for-sale investments are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Gains and losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category are included in the profit and loss account in the period in which they arise. Dividend income from financial assets at fair value through profit or loss and available-for-sale investments is recognised in the profit and loss account when the right to receive payment is established. Changes in the fair value of available-for-sale investments are recognised in equity. When securities classified as available-for-sale investments are sold, the accumulated fair value adjustments recognised in equity are included in the profit and loss account as net investment gain or loss.

The fair values of financial instruments traded in active markets are based on quoted market price at the balance sheet date. 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.

Notes to the Financial Statements

2 Principal accounting policies (continued)

(h) Financial assets/liabilities (continued)

The fair values of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. 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 fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contract is determined using forward exchange market rates at the balance sheet date.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale investments, a significant or prolonged decline in the fair value of the securities below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale investments, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the profit and loss – is removed from equity and recognised in the profit and loss account. Impairment losses recognised in the profit and loss account on equity instruments are not reversed through the profit and loss account. Impairment test of receivables is described in note 2(o).

Derivatives financial instruments, mainly representing interest rate swaps, warrants and rights issue entitlement of Hong Kong listed equity securities are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value.

Changes in the fair value of derivative financial instruments are recognised immediately in the profit and loss account.

The Group may choose to reclassify a non-derivative trading financial asset out of the held for trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the Group may choose to reclassify financial assets that would meet the definition of loans and receivables or held-to-maturity investments out of the held-for-trading or available-for-sale categories if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

Notes to the Financial Statements

2 Principal accounting policies (continued)

(i) Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the profit and loss account during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives, as follows:

Hotel and other buildings in Hong Kong	Shorter of 50 years or the remaining lease period of the land on which the buildings are located
Hotel buildings in overseas	25 years
Other equipment	3 to 10 years

No depreciation is provided for buildings under development.

Freehold land is not amortised.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

The gain or loss on disposal of an asset is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the profit and loss account.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2(j)).

Notes to the Financial Statements

2 Principal accounting policies (continued)

(j) Impairment of assets

Assets that have an indefinite useful life or have not yet available for use and are not subject to depreciation or amortisation are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(k) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated group, is classified as investment property. Investment property comprises land held under operating leases and buildings held under finance leases. Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

Investment properties are measured initially at its cost, including related transaction costs. After initial recognition, investment properties are carried at fair value and are valued at least annually by independent valuers. The valuations are on an open market basis, related to individual properties, and separate values are not attributed to land and buildings. The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. Investment property that is being redeveloped for continuing use as investment property continues to be measured at fair value. Changes in fair values are recognised in the profit and loss account.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the profit and loss account during the financial period in which they are incurred.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Property that is being constructed or developed for future use as investment property is classified as property, plant and equipment and stated at cost until construction or development is complete, at which time it is reclassified and subsequently accounted for as investment property.

Notes to the Financial Statements

2 Principal accounting policies (continued)

(l) Properties under development for sale

Properties under development for sale are included in current assets and comprise leasehold land at amortised cost (note 2(ab)), construction costs, interest and other direct costs attributable to such properties and are stated at the lower of cost and net realisable value.

(m) Completed properties held for sale

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost comprises leasehold land at amortised cost (note 2(ab)), construction costs, interest and other direct expenses capitalised during the course of development. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

(n) Hotel and restaurant inventories

Hotel and restaurant inventories comprise consumables and are stated at the lower of cost and net realisable value. Cost is calculated on the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

(o) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the profit and loss account within "selling and administrative expenses". When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited against "selling and administrative expenses" in the profit and loss account. Trade and other receivables in the balance sheet are stated net of such provision.

(p) Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Notes to the Financial Statements

2 Principal accounting policies (continued)

(q) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

(r) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the initiation of the borrowings, including fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowings are subsequently stated at amortised cost with any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss account or capitalised when applicable (note 2(z)) over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(s) Employee benefits

(i) *Employee leave entitlements*

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) *Retirement benefit obligations*

The Group contributes to several defined contribution retirement schemes which are available to employees. The assets of the schemes are held separately from those of the Group in independently administered funds. The Group's contributions to these schemes are expensed as incurred.

Notes to the Financial Statements

2 Principal accounting policies (continued)

(s) Employee benefits (continued)

(iii) Share-based compensation

The Group operates a number of equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the profit and loss account, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The Group has adopted the transitional provisions under HKFRS 2 for options granted after 7th November 2002 and vested at the effective date of HKFRS 2.

(t) Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries, associated companies and jointly controlled entities operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or a liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, jointly controlled entities and associated companies, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Notes to the Financial Statements

2 Principal accounting policies (continued)

(u) Warrant liabilities

Warrant liabilities are initially recognised at fair value on the date of grant and are subsequently remeasured at fair value. Changes in the fair value of warrant liabilities are recognised immediately in the profit and loss account.

(v) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(w) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources, assessing performance of the operating segments and making strategies decisions, is identified as the Board of Directors of the Company.

(x) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is recognised as follows:

(i) Properties

Revenue from sales of properties is recognised upon the later of completion of the properties and the sale and purchase contracts, where the risks and rewards of the properties are transferred to the purchasers. Deposits and installments received on properties sold prior to the date of revenue recognition are included under current liabilities.

(ii) Investment properties

Rental income from investment properties is recognised on a straight line basis over the terms of the respective leases.

Notes to the Financial Statements

2 Principal accounting policies (continued)

(x) Revenue recognition (continued)

(iii) *Hotel, travel agency and management services businesses*

Revenue from hotel and catering operations is recognised upon provision of services.

Revenue from sale of air tickets is recognised when the tickets are delivered.

Revenue from hotel reservation service is recognised when services are rendered.

Management fee income is recognised when services are rendered.

(iv) *Investment and others*

Interest income is recognised on a time proportion basis using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

(y) Foreign currency translation

(i) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which are the Company's functional and presentation currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the securities and other changes in the carrying amount of the securities. Translation differences related to changes in the amortised cost are recognised in the profit and loss account, and other changes in the carrying amount are recognised in equity.

Notes to the Financial Statements

2 Principal accounting policies (continued)

(y) Foreign currency translation (continued)

(ii) Transactions and balances (continued)

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in the profit and loss account as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the fair value reserve in equity.

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (b) income and expenses for each profit and loss account are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (c) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations and of borrowings, are taken to shareholders' equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the profit and loss account as part of the gain or loss on sale.

Fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(z) Borrowing costs

Borrowing costs incurred on properties under development that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of the properties under development.

All other borrowing costs are recognised in the profit and loss account in the year in which they are incurred.

Notes to the Financial Statements

2 Principal accounting policies (continued)

(aa) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors), are charged in the profit and loss account on a straight-line basis over the period of the lease.

(ab) Leasehold land

The up-front prepayments made for leasehold land are amortised on a straight-line basis over the period of the lease and are charged to profit and loss account. In the course of hotel properties conversion, the amortisation charge of leasehold land is included as part of the costs of hotel properties under conversion. The amortisation during the period before the commencement and after the completion of the construction of the properties is expensed in the profit and loss account. The unamortised upfront payments are recognised as cost of sales when the relevant properties are sold or transferred to the cost of the properties upon completion. Where there is impairment, impairment is expensed in the profit and loss account.

(ac) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts.

(ad) Related parties

Related parties are individuals and companies, including subsidiaries, fellow subsidiaries, jointly controlled entities and associated companies and key management (including close members of their families), where the individual, company or group has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

(ae) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors where appropriate.

(af) Scrip dividend

Where the Company pays its dividends in the form of shares or gives the shareholders the options to receive a dividend in either cash or ordinary shares (referred to as scrip dividend), the shares issued are recognised at fair value.

Notes to the Financial Statements

2 Principal accounting policies (continued)

(ag) Financial guarantee

The Company assesses at each balance sheet date the liabilities under its financial guarantee contracts using current estimates of future cash flows. Changes in carrying amount of these liabilities are recognised in the profit and loss account.

The Company accounts for its financial guarantee contracts in respect of guarantees provided to its subsidiaries and jointly controlled entities in accordance with HKFRS 4, "Insurance Contracts".

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 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.

(a) Market risk

(i) Foreign exchange risk

The Group operates mainly in Hong Kong and has limited exposures to foreign exchange risk arising from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group is also exposed to foreign currency risk with respect to financial assets at fair value through profit or loss, derivative financial instruments, bank balances and borrowings which are denominated in United States dollars, Sterling pounds, Euros and Japanese Yen.

Notes to the Financial Statements

3 Financial risk management (continued)

(i) Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

At 31st March 2010, the Group's entities with functional currency of Hong Kong dollar had United States dollars net monetary assets of HK\$1,723,068,000 (2009: HK\$601,580,000). Under the Linked Exchange Rate System in Hong Kong, Hong Kong dollar is pegged to United States dollars, management considers that there are no significant foreign exchange risk with respect to United States dollars.

If the foreign currency had strengthened/weakened by 5%, the Group's post tax profit (2009: post tax loss) would have the following changes:

	2010			2009		
	Net monetary assets/(liabilities) amount HK\$'000	Increase/(decrease) on result attributable to the shareholders of the Company if exchange rate changes by		Net monetary assets/(liabilities) amount HK\$'000	Increase/(decrease) on result attributable to the shareholders of the Company if exchange rate changes by	
		+5%	-5%		+5%	-5%
		HK\$'000	HK\$'000		HK\$'000	HK\$'000
Sterling	1,129,650	52,256	(52,256)	5,754	195	(195)
Euro	176,200	6,342	(6,342)	38,230	1,294	(1,294)
Japanese Yen	(64,209)	(4,465)	4,465	(104,723)	(6,938)	6,938

(ii) Price risk

The Group is exposed to equity and debt securities price risk from the Group's available-for-sale investments, financial assets at fair value through profit or loss and derivative financial instruments. The performance of the Group's investments are closely monitored, together with an assessment of their relevance to the Group's long term strategic plans.

The Group's investments in equity and debt securities of other entities (classified as "available-for-sale investments" and "financial assets at fair value through profit or loss") are traded in the Hong Kong Stock Exchange, London Stock Exchange, New York Stock Exchange and Luxembourg Stock Exchange. Gains and losses arising from changes in fair value of available-for-sale investments and financial assets at fair value through profit or loss are dealt with in equity and the profit and loss account respectively.

Notes to the Financial Statements

3 Financial risk management (continued)

(i) Financial risk factors (continued)

(a) Market risk (continued)

(ii) Price risk (continued)

The Group's warrants and rights entitlement of Hong Kong listed equity securities are publicly traded in the Hong Kong Stock Exchange.

Warrants issued by the Company and its listed subsidiary are not publicly traded in the Hong Kong Stock Exchange.

For every 10% increase/decrease in the prices of financial instruments or underlying assets, the Group's post tax profit (2009: post tax loss) would have the following changes:

	2010				2009			
	Increase/(decrease) in result attributable to shareholders of the Company if price changes by		Increase/(decrease) in available-for-sale investment reserve of the Company if price changes by		Increase/(decrease) in result attributable to shareholders of the Company if price changes by		Increase/(decrease) in available-for-sale investment reserve of the Company if price changes by	
	+10%	-10%	+10%	-10%	+10%	-10%	+10%	-10%
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Financial assets at fair value through profit or loss	272,633	(272,633)	-	-	58,616	(58,616)	-	-
Available-for-sale investments	-	(245)	15,391	(15,146)	6,380	(6,380)	6,411	(6,411)
Derivative financial instruments	-	-	-	-	929	(929)	-	-

Notes to the Financial Statements

3 Financial risk management (continued)

(i) Financial risk factors (continued)

(b) Credit risk

The credit risk of the Group mainly arises from cash and cash equivalents (note 28), financial assets at fair value through profit or loss (note 26), derivative financial assets (note 27), as well as credit exposures to mortgage loans receivable and trade and other receivables.

The Group is not exposed to significant concentrations of credit risk. Sales of properties are made to customers with appropriate mortgage arrangements. Other sales are either made in cash, via major credit cards or to customers with appropriate credit history.

The Group has limited its credit exposure by restricting their selection of financial institutions. Trade and other receivable and mortgage loans receivable are assessed based on the credit quality of the debtors, taking into account their financial position, past experience and other factors. Individual risk limits are set by management and the utilisation of credit limits is regularly monitored.

(c) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its current obligations when they fall due. The Group closely monitors its liquidity through maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and compliance of financial covenants of borrowings. The Group maintains flexibility in funding by keeping committed credit lines available and maintaining a reasonable level of marketable securities to meet any unexpected and material cash requirements in the course of ordinary business and to provide contingency liquidity support.

The relevant maturity groupings on the contractual undiscounted cash flows based on the remaining period at the balance sheet date to the contractual maturity date of the Group's and the Company's financial liabilities are analysed in the financial statements.

The tables below analyse the Group's financial liabilities that will be settled into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual face value without applying discounted cash flow model based on the earliest date on which the Group is required to pay, as follows:

Notes to the Financial Statements

3 Financial risk management (continued)

(i) Financial risk factors (continued)

(c) Liquidity risk (continued)

	Group				Company	
	Within 1 year HK\$'000	Within 2 to 5 years HK\$'000	After 5 years HK\$'000	Total undiscounted cash flow HK\$'000	Within 1 year HK\$'000	Total undiscounted cash flows HK\$'000
At 31st March 2010						
Non-derivative financial liabilities						
Trade and other payables	145,919	-	-	145,919	951	951
Amount due to an associated company	51,150	-	-	51,150	-	-
Borrowings	899,770	613,823	992,812	2,506,405	30,420	30,420
	1,096,839	613,823	992,812	2,703,474	31,371	31,371
Derivative financial liabilities						
Interest rate swaps						
- Inflow	(226)	(77,717)	-	(77,943)	-	-
- Outflow	7,691	90,723	-	98,414	-	-
	7,465	13,006	-	20,471	-	-
	1,104,304	626,829	992,812	2,723,945	31,371	31,371
At 31st March 2009						
Non-derivative financial liabilities						
Trade and other payables	137,497	-	-	137,497	980	980
Amount due to an associated company	51,150	-	-	51,150	-	-
Borrowings	493,984	849,275	1,165,114	2,508,373	-	-
Amount due to minority shareholder	105,303	-	-	105,303	-	-
	787,934	849,275	1,165,114	2,802,323	980	980
Derivative financial liabilities						
Interest rate swaps						
- Inflow	(1,403)	(118,259)	-	(119,662)	-	-
- Outflow	7,969	133,168	-	141,137	-	-
	6,566	14,909	-	21,475	-	-
	794,500	864,184	1,165,114	2,823,798	980	980

Notes to the Financial Statements

3 Financial risk management (continued)

(i) Financial risk factors (continued)

(d) Cash flow interest rate risk

Other than bank balances and deposits, mortgage loans receivable, loans receivable and advance to a jointly controlled entity (collectively "Interest Bearing Assets"), the Group has no other significant interest bearing assets. The Group's interest rate risk also arises from borrowings and amount due to minority shareholder ("Interest Bearing Liabilities").

Interest Bearing Assets and Interest Bearing Liabilities are primarily issued at variable rates which therefore expose the Group to cash flow interest rate risk. The Group manages this risk by limited use of floating-to-fixed interest rate swaps.

At 31st March 2010, with all other variables held constant, if the interest rate had increased/decreased by 10 basis point, the Group's post tax profit attributable to shareholders of the Company (2009: post tax loss attributable to shareholders of the Company) would have been HK\$1,193,000 lower/higher (2009: HK\$946,000 higher/lower).

(ii) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio against net assets and revalued net assets. Net assets ("Net assets") are the net assets as shown in the consolidated balance sheet prepared in accordance with HKFRS where revalued net assets ("Revalued net assets") are prepared having taken into account the fair value of hotel properties, net of relevant deferred income taxes, in addition to the Net assets. According to the Group's accounting policies, no properties other than investment properties are to be carried at valuation. Details of the valuation of the hotel properties, prepared for readers' information only, are set out in note 16(a) to the financial statements.

The gearing ratio against Net assets is calculated as net debt divided by Net assets and the gearing ratio against Revalued net assets is calculated as net debt divided by Revalued net assets. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less bank balances and cash.

Notes to the Financial Statements

3 Financial risk management (continued)

(ii) Capital risk management (continued)

The gearing ratios at 31st March 2010 and 2009 were as follows:

	2010	2009
	HK\$'000	HK\$'000
Borrowings (note 33)	2,372,627	2,317,437
Less: bank balances and cash (note 28)	(227,657)	(244,783)
Net debt	2,144,970	2,072,654
Net assets value	7,985,657	5,275,665
Gearing ratio against net asset value	27%	39%
Revalued net assets value	10,178,000	6,757,000
Gearing ratio against revalued net assets value	21%	31%

(iii) Fair value estimation

Effective 1st April 2009, the Group adopted the amendment to HKFRS 7 for financial instruments that are measured in the balance sheet at fair value, this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- 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 Financial Statements

3 Financial risk management (continued)

(iii) Fair value estimation (continued)

The following table presents the group's assets and liabilities that are measured at fair value at 31st March 2010.

	Level 1	Level 2	Total
	HK\$'000	HK\$'000	HK\$'000
Assets			
Financial assets at fair value through profit or loss	3,015,862	13,000	3,028,862
Available-for-sale investments	228,258	–	228,258
	<hr/>		
	3,244,120	13,000	3,257,120
	<hr/>		
Liabilities			
Derivative financial instruments	–	17,961	17,961
Warrant liabilities	–	17,000	17,000
	<hr/>		
	–	34,961	34,961
	<hr/>		

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.

The fair value of financial instruments that are not traded in an active market 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. Techniques, such as Lattice model, are used to determine fair values for these remaining financial instruments.

The carrying value less impairment provision of trade receivables and payables are a reasonable approximation of their fair values. The fair values of financial liabilities for disclosure purposes are estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Notes to the Financial Statements

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 set out below.

(a) Estimate of fair value of investment properties

At 31st March 2010, the Group had investment properties with fair value of HK\$2,419,600,000 (2009: HK\$1,849,000,000). 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.

(b) Impairment of trade and other receivables

The policy for provision for impairment of receivables of the Group is based on the evaluation of collectability and ageing analysis and by management judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables.

Notes to the Financial Statements

4 Critical accounting estimates and judgements (continued)

(c) Income taxes

The Group is subject to income taxes in Hong Kong and other jurisdictions. Judgement is required in certain provision for income taxes for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for potential tax exposures based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax provisions in the period in which such determination is made.

Recognition of deferred income tax assets (note 34), which principally relate to tax losses, depends on the management's expectations of future taxable profit that will be available against which tax losses can be utilised. The outcome of their actual utilisation may be different.

(d) Fair value of derivative financial instruments and warrant liabilities

The fair values of derivative financial instruments (note 27) and warrant liabilities (note 30) that are not traded in active markets are determined by using valuation techniques. Where valuation techniques are used to determine fair values, they are periodically reviewed. To the extent practical, models use only observable data, however areas such as credit risk, volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the fair values of derivative financial instruments and warrants.

(e) Impairment of available-for-sale investments

The Group follows the guidance of HKAS 39 to determine when an available-for-sale investment is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors the duration and extent to which the fair value of an investment is less than its cost.

5 Turnover and segment 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.

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, management services and interest income and dividend income, together with gross proceeds from disposal of financial assets at fair value through profit or loss and derivative financial instruments. Revenue include revenue from property sales and leasing, hotel and travel agency, management services, interest income and dividend income.

Notes to the Financial Statements

5 Turnover and 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 investments. Segment assets consist primarily of property, plant and equipment, leasehold land, 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	Investments HK\$'000	Others HK\$'000	Total HK\$'000
2010						
Turnover	1,053,098	71,776	522,225	1,456,594	17,763	3,121,456
Segment revenue	1,053,098	71,776	522,225	200,026	17,763	1,864,888
Contribution to segment results	375,361	67,114	127,875	200,026	17,763	788,139
Net investment gain	-	-	-	1,330,928	-	1,330,928
Depreciation and amortisation	(9,321)	-	(87,416)	-	(826)	(97,563)
Fair value change of investment properties	-	568,674	-	-	-	568,674
Other income and charges	(4,126)	-	-	-	(7,352)	(11,478)
Segment results	361,914	635,788	40,459	1,530,954	9,585	2,578,700
Unallocated corporate expenses						(68,852)
Operating profit						2,509,848
Finance costs						(51,369)
Share of profits less losses of						
Jointly controlled entities	138,899	-	-	-	(7)	138,892
Associated companies	10,451	81,278	-	-	(11)	91,718
Profit before income tax						2,689,089
Income tax expense						(165,014)
Profit for the year						2,524,075

Notes to the Financial Statements

5 Turnover and segment information (continued)

	Property sales HK\$'000	Property leasing HK\$'000	Hotel and travel HK\$'000	Investments HK\$'000	Others HK\$'000	Total HK\$'000
2009						
Turnover	144,188	73,331	577,666	70,282	12,017	877,484
Segment revenue	144,188	73,331	577,666	48,211	12,017	855,413
Contribution to segment results	51,376	71,137	131,785	48,211	12,017	314,526
Net investment loss	-	-	-	(431,672)	-	(431,672)
Depreciation and amortisation	(9,321)	-	(65,320)	-	(936)	(75,577)
Fair value change of investment properties	-	(109,054)	-	-	-	(109,054)
Other income and charges	(5,500)	-	-	-	46,289	40,789
Segment results	36,555	(37,917)	66,465	(383,461)	57,370	(260,988)
Unallocated corporate expenses						(53,685)
Operating loss						(314,673)
Finance costs						(55,526)
Share of profits less losses of						
Jointly controlled entities	(9,194)	-	-	-	(3)	(9,197)
Associated companies	(45,169)	(37,856)	-	-	(218)	(83,243)
Loss before income tax						(462,639)
Income tax credit						6,242
Loss for the year						(456,397)

Notes to the Financial Statements

5 Turnover and segment information (continued)

	Property sales HK\$'000	Property leasing HK\$'000	Hotel and travel HK\$'000	Investments HK\$'000	Others HK\$'000	Total HK\$'000
2010						
Segment assets	1,425,165	3,018,642	2,719,831	3,319,728	294,879	10,778,245
Other unallocated assets						155,806
						<u>10,934,051</u>
Segment assets include:						
Jointly controlled entities and associated companies	777,435	550,607	-	-	948	1,328,990
Addition to non-current assets*	-	1,926	53,579	-	409	55,914
Segment liabilities						
Borrowings	-	499,239	967,374	906,014	-	2,372,627
Other unallocated liabilities						575,767
						<u>2,948,394</u>
2009						
Segment assets	1,802,167	2,366,573	2,690,771	934,066	147,761	7,941,338
Other unallocated assets						190,954
						<u>8,132,292</u>
Segment assets include:						
Jointly controlled entities and associated companies	620,013	469,329	-	-	966	1,090,308
Addition to non-current assets*	-	4,674	164,007	-	33	168,714
Segment liabilities						
Borrowings	260,853	499,177	992,396	565,011	-	2,317,437
Other unallocated liabilities						539,190
						<u>2,856,627</u>

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

Notes to the Financial Statements

5 Turnover and segment information (continued)

	Revenue HK\$'000	Non-current assets* HK\$'000
2010		
Hong Kong	1,589,827	5,882,105
Overseas	275,061	543,930
	1,864,888	6,426,035
2009		
Hong Kong	728,291	5,059,783
Overseas	127,122	537,858
	855,413	5,597,641

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

6 Net investment gain/(loss)

	2010 HK\$'000	2009 HK\$'000
Unrealised gain/(loss) on:		
– financial assets at fair value through profit or loss	978,878	(218,058)
– derivative financial instruments	8,552	(10,975)
Net realised gain/(loss) on:		
– financial assets at fair value through profit or loss	357,826	(16,826)
– derivative financial instruments	(3,644)	–
– available-for-sale investments	28,702	–
Impairment of available-for-sale investments	(1,531)	(185,813)
Provision for interest receivable from financial assets at fair value through profit or loss	(37,855)	–
	1,330,928	(431,672)

Notes to the Financial Statements

7 Other income and charges

	2010 HK\$'000	2009 HK\$'000
Net provision for diminution in value of properties under development for sale/completed properties held for sale	(4,126)	(5,500)
Loss on deemed disposal of interest in a listed subsidiary	(4,822)	–
Net fair value (loss)/gain on warrant liabilities	(2,530)	46,289
	(11,478)	40,789

8 Income and expenses by nature

	2010 HK\$'000	2009 HK\$'000
Income		
Net rental income (<i>note</i>)	67,114	71,137
Interest income		
– Listed investments	93,362	16,787
– Unlisted investments	373	2,145
– Other receivables	11,503	6,247
– Bank deposits	240	4,007
Dividend income		
– Listed investments	101,772	29,180
– Unlisted investments	4,519	99
Gain on disposal of property, plant and equipment	2,664	–
Expenses		
Operating lease rental expense for land and buildings	6,158	5,796
Loss on disposal of property, plant and equipment	–	3,339
Employee benefit expense including Director's emoluments (<i>note 9</i>)	139,241	125,250
Auditor's remuneration	4,677	4,442
Cost of properties and goods sold	740,087	310,076

Note:

	2010 HK\$'000	2009 HK\$'000
Net rental income		
Gross rental income		
– Investment properties	66,886	67,057
– Properties held for sale	4,890	6,274
	71,776	73,331
Outgoings	(4,662)	(2,194)
	67,114	71,137

Notes to the Financial Statements

9 Employee benefit expense

	2010	2009
	HK\$'000	HK\$'000
Wages and salaries	135,468	121,951
Retirement benefits cost (<i>note (a)</i>)	3,773	4,000
	139,241	125,951
Capitalised under properties under development	-	(701)
	139,241	125,250

Staff costs are stated inclusive of Directors' emoluments and are included in cost of sales and administrative expenses.

Notes:

(a) Retirement benefits costs

	2010	2009
	HK\$'000	HK\$'000
Gross contributions	4,122	4,072
Forfeitures utilised	(349)	(72)
Net contributions	3,773	4,000

The Group participates in various types of defined contribution schemes for employees, namely the Mandatory Provident Fund ("MPF") Scheme and Occupational Retirement Scheme Ordinance ("ORSO") Scheme in Hong Kong, Canada Pension Plan ("CPP") in Canada and retirement plans in Mainland China.

In Hong Kong, the Group participates in several defined contribution schemes under the ORSO which are available to employees joining before 1st December 2000. Under these schemes, contribution of 5% of the employee's monthly salaries are made by the employees and by the Group. The Group's contributions may be reduced by contributions forfeited by those employees who leave the schemes prior to vesting fully in the contributions.

The Group also participates in the MPF scheme, which are available to all employees not joining the ORSO schemes in Hong Kong and in the CPP organised by the Canadian Government for all employees in Canada. Monthly contributions to the MPF scheme and CPP are made equal to 5% (2009: 5%) or a fixed sum and 4.95% (2009: 4.95%) respectively, of the employee's relevant income in accordance with the local legislative requirements.

As at 31st March 2010, no forfeiture (2009: Nil) was available to reduce the Group's future contributions to the ORSO Scheme.

Notes to the Financial Statements

9 Employee benefit expense (continued)

(b) Share options

The Company and Asia Standard Hotel Group Limited ("Asia Standard Hotel"), a listed subsidiary, operate share option schemes, whereby options may be granted to employees of the Group, including the Executive Directors, to subscribe for shares of the Company and Asia Standard Hotel respectively. The consideration to be paid on each grant of option is HK\$1 for the Company and Asia Standard Hotel respectively.

Company

Details of share options held under the share option scheme of the Company as at 31st March 2010 are as follows:

Date of grant	Exercise price per share	Expiry date	Number of share options				Outstanding at 31st March 2010
			Outstanding at 1st April 2009	Exercised during the year	Lapsed during the year	Adjustment	
30th March 2005	HK\$3.15	29th March 2015					
Directors	(note)		108,264,245	–	–	(97,437,821)	10,826,424
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

Note:

Subsequent to the consolidation of every ten shares of HK\$0.01 each of the Company into the consolidated share of HK\$0.10 each on 9th September 2009, the exercise price of share options granted on 30th March 2005 was adjusted from HK\$0.315 per share to HK\$3.15 per share.

During the year, no share option was granted or cancelled (2009: Nil). 5,155,440 share options were lapsed upon the resignation of an employee (2009: 10,310,880 share options were lapsed upon the resignation of an employee).

Notes to the Financial Statements

9 Employee benefit expense (continued)

(b) Share options (continued)

Asia Standard Hotel

Details of share options held under the share option scheme of Asia Standard Hotel as at 31st March 2010 are as follows:

Date of grant	Exercise price per share	Expiry date	Number of share options			Outstanding at 31st March 2010
			Outstanding at 1st April 2009	Exercised during the year	Adjustment	
29th March 2007	HK\$1.296	28th March 2017				
Directors	(note)		80,000,000	–	(72,000,000)	8,000,000
Employees			80,000,000	–	(72,000,000)	8,000,000
			160,000,000	–	(144,000,000)	16,000,000
2nd April 2007	HK\$1.300	1st April 2017				
Directors	(note)		240,000,000	–	(216,000,000)	24,000,000
Director of Asia Standard Hotel			80,000,000	–	(72,000,000)	8,000,000
Employees			310,000,000	(9)	(278,999,992)	30,999,999
			630,000,000	(9)	(566,999,992)	62,999,999
			790,000,000	(9)	(710,999,992)	78,999,999

Note:

Subsequent to the consolidation of every ten shares of HK\$0.02 each of Asia Standard Hotel into the consolidated share of HK\$0.20 each on 9th September 2009, the exercise price of share options granted on 29th March 2007 and 2nd April 2007 were adjusted from HK\$0.1296 and HK\$0.13 per share to HK\$1.296 and HK\$1.3 per share respectively.

Save as disclosed above no option was granted, exercised, cancelled or lapsed during the year.

Notes to the Financial Statements

10 Directors' and senior management's emoluments

- (a) The aggregate amount of emoluments paid and payable to Directors of the Company for the years ended 31st March 2010 and 2009 are set out as follows:

Name of Director	Directors' fee	Salaries, allowances and benefits in kind <i>(note)</i>	Employer's contribution to retirement benefit scheme	Total emoluments
2010 (in HK\$'000)				
Executive				
Mr. Fung Siu To, Clement	–	6,976	42	7,018
Dr. Lim Yin Cheng	–	4,533	60	4,593
Mr. Poon Jing	–	18,350	12	18,362
Mr. Lun Pui Kan	–	2,437	105	2,542
Mr. Kwan Po Lam, Phileas	–	3,585	53	3,638
Mr. Loup, Nicholas James	100	–	–	100
	100	35,881	272	36,253
Non-executive				
Mr. Au Yat Chuen	120	–	–	120
Independent Non-executive				
Mr. Koon Bok Ming, Alan	120	–	–	120
Mr. Leung Wai Keung	200	–	–	200
Mr. Wong Chi Keung	100	–	–	100
	420	–	–	420
	640	35,881	272	36,793
2009 (in HK\$'000)				
Executive				
Mr. Fung Siu To, Clement	–	2,689	42	2,731
Dr. Lim Yin Cheng	–	4,428	60	4,488
Mr. Poon Jing	–	15,363	12	15,375
Mr. Lun Pui Kan	–	1,913	95	2,008
Mr. Kwan Po Lam, Phileas	–	3,587	53	3,640
Mr. Loup, Nicholas James	100	–	–	100
	100	27,980	262	28,342
Non-executive				
Mr. Au Yat Chuen	120	–	–	120
Independent Non-executive				
Mr. Koon Bok Ming, Alan	120	–	–	120
Mr. Leung Wai Keung	200	–	–	200
Mr. Wong Chi Keung	100	–	–	100
	420	–	–	420
	640	27,980	262	28,882

Note: Balance includes HK\$12,000,000 (2009: HK\$11,250,000) paid by subsidiaries of Asia Standard Hotel.

Notes to the Financial Statements

10 Directors' and senior management's emoluments (continued)

- (b) The five highest paid individuals in the Group for the year include five (2009: five) Directors whose emoluments are already reflected in the analysis presented above.
- (c) During the year, no emolument was paid or is payable by the Group to any of the above directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2009: Nil).

11 Finance costs

	2010 HK\$'000	2009 HK\$'000
Interest expense		
Long term bank loans	31,038	46,415
Loans from minority shareholders of subsidiaries (<i>note 35</i>)	1,240	3,152
Short term bank loan and overdrafts	10,437	4,257
Other incidental borrowing costs	6,554	4,021
Net foreign exchange loss on borrowings	6,582	5,472
Fair value (gain)/loss on interest rate swaps (<i>note 27(a)</i>)	(4,482)	1,746
	51,369	65,063
Interest capitalised under properties under development	-	(9,537)
	51,369	55,526

To the extent funds are borrowed for the purpose of financing certain properties under development, a capitalisation rate was used to determine the amount of borrowing costs eligible for capitalisation as part of the costs of these properties under development. No interest is capitalised during the year (2009: capitalisation rate was 2.2% per annum).

Notes to the Financial Statements

12 Income tax expense/(credit)

	2010 HK\$'000	2009 HK\$'000
Current income tax		
Hong Kong profits tax	37,733	365
Overseas profits tax	–	486
Under provision in prior years	230	2,359
	37,963	3,210
Deferred income tax expense/(credit)	127,051	(9,452)
	165,014	(6,242)

Hong Kong profits tax is provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profit for the year. Income tax on overseas profits has been calculated on the estimated assessable profit for the year at the rates of tax prevailing in the countries in which the Group operates.

Shares of income tax charge of jointly controlled entities and associated companies for the year of HK\$29,184,000 (2009: HK\$209,000) and HK\$15,409,000 (2009: tax credit of HK\$11,399,000) are included in the profit and loss account as share of profits less losses of jointly controlled entities and associated companies respectively.

Notes to the Financial Statements

12 Income tax expense/(credit) (continued)

The income tax on the Group's profit/(loss) before income tax differs from the theoretical amount that would arise using the tax rate of Hong Kong as follows:

	2010 HK\$'000	2009 HK\$'000
Profit/(loss) before income tax	2,689,089	(462,639)
Share of profits less losses of jointly controlled entities and associated companies	(230,610)	92,440
	2,458,479	(370,199)
Calculated at a tax rate of 16.5% (2009: 16.5%)	405,649	(61,083)
Under provisions in prior years	230	2,359
Effect of different tax rates in other countries	6,978	1,184
Effect of change of profits tax rate	-	(8,853)
Income not subject to income tax	(273,046)	(20,925)
Expenses not deductible for tax purposes	22,306	77,404
Tax losses not recognised	8,356	6,626
Recognition of previously unrecognised tax losses	-	(5,231)
Reversal of previously recognised tax loss	-	1,650
Utilisation of previously unrecognised tax losses	(1,986)	(386)
Others	(3,473)	1,013
Income tax expense/(credit)	165,014	(6,242)

13 Profit attributable to shareholders of the Company

The profit attributable to shareholders of the Company is dealt with in the financial statements of the Company to the extent of HK\$338,525,000 (2009: HK\$44,332,000).

Notes to the Financial Statements

14 Dividends

	2010 HK\$'000	2009 HK\$'000
Interim, paid, of HK1.0 cent (2009: HK1.0 cent, adjusted for consolidation of every 10 shares into 1 share in September 2009) per share	12,471	11,211
Final, proposed, of HK1.5 cents (2009: Nil) per share	18,707	–
	31,178	11,211

At a meeting held on 29th June 2010, the Board of Directors has proposed to pay a final dividend of HK1.5 cents (2009: Nil) per share with a scrip option. The proposed dividend is not reflected in the financial statements, but will be reflected as an appropriation of revenue reserve in the year ending 31st March 2011.

The amount of HK\$18,706,945 is based on 1,247,129,646 issued shares as at 29th June 2010.

15 Earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on profit attributable to shareholders of the Company of HK\$2,383,270,000 (2009: loss of HK\$381,303,000) and divided by the weighted average number of 1,199,106,377 (2009: 1,107,137,319) shares in issue during the year. The comparatives have been restated due to consolidation of every 10 shares into 1 share during the year.

For the years ended 31st March 2010 and 2009, the Company's and its listed subsidiary's outstanding share options and warrants did not have a dilutive effect on the earnings per share (2009: loss per share), the basic and diluted earnings/(loss) per share were equal.

Notes to the Financial Statements

16 Property, plant and equipment

	Freehold land of a hotel in Canada	Hotel buildings	Other buildings	Other equipment	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cost					
At 31st March 2008	77,259	1,272,251	19,000	51,668	1,420,178
Currency translation differences	(14,505)	(83,106)	–	152	(97,459)
Additions	–	155,047	–	8,993	164,040
Disposals	–	(4,727)	–	(8,651)	(13,378)
At 31st March 2009	62,754	1,339,465	19,000	52,162	1,473,381
Accumulated depreciation					
At 31st March 2008	–	484,683	5,766	49,767	540,216
Currency translation differences	–	(43,825)	–	150	(43,675)
Charge for the year	–	44,077	376	1,447	45,900
Disposals	–	(1,697)	–	(8,342)	(10,039)
At 31st March 2009	–	483,238	6,142	43,022	532,402
Net book value					
At 31st March 2009	62,754	856,227	12,858	9,140	940,979
Cost					
At 31st March 2009	62,754	1,339,465	19,000	52,162	1,473,381
Reclassification	–	10,902	–	(10,902)	–
Currency translation differences	15,264	89,363	–	50	104,677
Additions	–	53,561	–	427	53,988
Disposals	–	(9,004)	(2,551)	(1,295)	(12,850)
At 31st March 2010	78,018	1,484,287	16,449	40,442	1,619,196
Accumulated depreciation					
At 31st March 2009	–	483,238	6,142	43,022	532,402
Reclassification	–	3,226	–	(3,226)	–
Currency translation differences	–	49,635	–	40	49,675
Charge for the year	–	60,796	315	485	61,596
Disposals	–	(9,002)	(917)	(1,295)	(11,214)
At 31st March 2010	–	587,893	5,540	39,026	632,459
Net book value					
At 31st March 2010	78,018	896,394	10,909	1,416	986,737

Notes to the Financial Statements

16 Property, plant and equipment (continued)

Notes:

(a) Total carrying values of hotel properties comprise the following:

	2010	2009
	HK\$'000	HK\$'000
Hotel properties		
Hotel buildings	896,394	856,227
Hotel freehold land	78,018	62,754
Hotel leasehold land (<i>note 18</i>)	1,609,692	1,636,022
	2,584,104	2,555,003

As at 31st March 2009, hotel properties under conversion amounted to HK\$587,850,000. The conversion was completed in April 2009.

Supplementary information with hotel properties at valuation:

The aggregate open market value of the hotel properties in Hong Kong and Canada based on valuation conducted respectively by Vigers Appraisal & Consulting Limited and Grant Thornton Management Consultants (2009: Knight Frank and Grant Thornton Management Consultants), independent professional valuers, amounted to HK\$5,206,622,000 (2009: HK\$4,322,981,000).

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

(b) The aggregate net book value of property, plant and equipment pledged as security for loans amounted to HK\$981,469,000 (2009: HK\$926,258,000).

17 Investment properties

	2010	2009
	HK\$'000	HK\$'000
At the beginning of the year	1,849,000	1,953,380
Addition	1,926	4,674
Fair value change	568,674	(109,054)
At the end of the year	2,419,600	1,849,000

Investment properties were revalued by Vigers Appraisal & Consulting Limited, independent professional valuers, on an open market value basis as at 31st March 2010 and 2009. Investment properties are situated on long term leasehold land in Hong Kong.

The aggregate net book value of investment properties pledged as securities for loans amounted to HK\$2,419,600,000 (2009: HK\$1,849,000,000).

Notes to the Financial Statements

18 Leasehold land

	Hotel properties HK\$'000	Properties under development HK\$'000	Self-used properties HK\$'000	Total HK\$'000
Cost				
At 31st March 2008, 2009 and 2010	1,936,356	46,099	35,865	2,018,320
Accumulated amortisation				
At 31st March 2008	274,005	706	4,713	279,424
Recognised in the profit and loss account	20,039	54	262	20,355
Capitalised in property, plant and equipment	6,290	–	–	6,290
Amortisation for the year	26,329	54	262	26,645
At 31st March 2009	300,334	760	4,975	306,069
Amortisation for the year	26,330	54	262	26,646
At 31st March 2010	326,664	814	5,237	332,715
Net book value				
At 31st March 2010	1,609,692	45,285	30,628	1,685,605
At 31st March 2009	1,636,022	45,339	30,890	1,712,251

The Group's prepaid leasehold land payments comprise:

	2010 HK\$'000	2009 HK\$'000
Leasehold land in Hong Kong		
Long term lease	1,140,096	1,151,999
Medium term lease	545,509	560,252
	1,685,605	1,712,251

The aggregate net book value of leasehold land pledged as securities for loans amounted to HK\$1,640,320,000 (2009: HK\$1,666,912,000).

Notes to the Financial Statements

19 Subsidiaries

	2010	2009
	HK\$'000	HK\$'000
Unlisted shares, at cost	1,229,076	1,229,076
Amounts due by subsidiaries less provisions	4,081,028	3,638,349
	5,310,104	4,867,425

As at 31st March 2010, the shares in certain subsidiaries are pledged to secure loan facilities granted to the Group.

Details of the principal subsidiaries are set out in note 42.

The amounts receivable are unsecured, interest free and have no fixed terms of repayment.

20 Jointly controlled entities

	2010	2009
	HK\$'000	HK\$'000
Share of net assets	198,414	86,574
Advances to jointly controlled entities	511,328	475,774
Provisions on advances to jointly controlled entities	(35,333)	(37,383)
	674,409	524,965

Advances to jointly controlled entities amounting to HK\$261,693,000 (2009: HK\$221,026,000) are subordinated to the repayment of the loans of those jointly controlled entities.

Advances to jointly controlled entities are equity in nature and made to finance property development projects. The advances to jointly controlled entities are denominated in Hong Kong dollar. During the year, except for an amount of HK\$261,693,000 due from a jointly controlled entities which is interest bearing at The Hong Kong and Shanghai Banking Corporation ("HSBC") prime rate, the remaining amounts are unsecured, interest free and have no fixed term of repayment (2009: the amounts are unsecured, interest free and have no fixed terms of repayment).

Details of the principal jointly controlled entities are set out in note 42.

Notes to the Financial Statements

20 Jointly controlled entities (continued)

The Group's share of assets and liabilities and results of jointly controlled entities

	2010 HK\$'000	2009 HK\$'000
Assets		
Non-current assets	666,323	817,777
Current assets	248,597	148,770
	914,920	966,547
Liabilities		
Non-current liabilities	114,642	312,366
Current liabilities	601,864	567,607
	716,506	879,973
Net assets	198,414	86,574
Income	438,587	4,146
Expenses	(270,511)	(13,134)
Profit/(loss) before income tax	168,076	(8,988)
Income tax expense	(29,184)	(209)
Profit/(loss) for the year	138,892	(9,197)

Notes to the Financial Statements

21 Associated companies

	2010 HK\$'000	2009 HK\$'000
Share of net assets	550,608	469,329
Advances to associated companies	642,212	648,798
Provisions for advances to associated companies	(538,239)	(552,784)
	654,581	565,343
Amount due to an associated company included in current liabilities	(51,150)	(51,150)
	603,431	514,193

As at 31st March 2010 and 2009, the shares in an associated company are pledged to secure the loan facilities granted to the Group.

Advances to associated companies of HK\$642,212,000 (2009: HK\$647,885,000) are equity in nature and made to finance property development projects. Except for an amount of \$913,000 due from an associated company as at 31st March 2009 which was interest bearing at HSBC prime rate, the remaining amounts receivable and payable are unsecured, interest free and have no fixed terms of repayment. The advances to associated companies are denominated in Hong Kong dollar.

Details of the principal associated companies are set out in note 42.

	2010 HK\$'000	2009 HK\$'000
Assets	773,160	688,064
Liabilities	(222,552)	(218,735)
Net assets	550,608	469,329
Revenues	14,410	16,101
Profit/(loss) for the year	91,718	(83,243)

Notes to the Financial Statements

22 Available-for-sale investments

	2010	2009
	HK\$'000	HK\$'000
Equity securities listed in Hong Kong	228,258	186,830

Notes:

- (a) In 2009, the Group reclassified certain financial assets at fair value through profit or loss into the available-for-sale investments. The Group believed that the deterioration of the world's financial markets that occurred during the third quarter of 2008 represents a rare circumstance that allows such a reclassification. No such reclassification was made for the year ended 31st March 2010.

The fair values of reclassified financial assets as of the date of reclassification amounted to HK\$67,943,000. As at 31st March 2010, the fair value of reclassified financial assets was HK\$28,955,000 (2009: HK\$31,471,000). Fair value gain of HK\$3,570,000 (2009: HK\$5,821,000) and impairment loss of HK\$1,531,000 (2009: HK\$42,293,000) for the reclassified financial assets were recognised in equity and profit and loss account respectively.

In respect of the reclassified financial assets, the Group recognised fair value loss of HK\$16,317,000 before reclassification in 2009.

- (b) Impairment provision of HK\$1,531,000 (2009: HK\$185,813,000) on available-for-sale investments was recognised in profit and loss account during the year (note 6).

23 Mortgage loans receivable

	2010	2009
	HK\$'000	HK\$'000
Mortgage loans receivable	178,350	26,621
Less: current portion included in current assets	(35,315)	(1,874)
	143,035	24,747

The mortgage loans receivable carry interest at rates ranged from HSBC prime rate plus 1.5 to 2% (2009: HSBC prime rate plus 1.5% to 2%) per annum. The effective interest rate at 31st March 2010 was 6.58% (2009: 7.3%) per annum. The mortgage loans receivable are denominated in Hong Kong dollar. The carrying amounts of the mortgage loans receivable approximate their fair values.

Notes to the Financial Statements

24 Properties under development for sale and completed properties held for sale

	2010 HK\$'000	2009 HK\$'000
Properties under development for sale		
Leasehold land	404,112	374,135
Development costs	27,210	26,633
	431,322	400,768
Completed properties held for sale		
Leasehold land	84,092	333,758
Development costs	75,035	364,951
	159,127	698,709

At 31st March 2010, properties amounting to HK\$453,035,000 (2009: HK\$916,340,000) were pledged to banks to secure certain banking facilities of the Group.

25 Trade and other receivables

	2010 HK\$'000	2009 HK\$'000
Trade receivables		
Fully performing	61,326	88,098
Past due but not impaired	9,282	5,562
Impaired	286	308
	70,894	93,968
Less: provision for impairment of receivables	(286)	(308)
Trade receivables, net	70,608	93,660
Prepayments	8,298	9,092
Utility and other deposits	44,671	19,052
Other receivables	118,013	111,154
	241,590	232,958

Notes to the Financial Statements

25 Trade and other receivables (continued)

As at 31st March 2010, other receivables comprise loan receivable of HK\$54,571,000 (2009: HK\$51,440,000), interest and dividend receivable from financial assets at fair value through profit or loss and available-for-sale investments, which are fully performing. Loan receivables for both years were interest bearing from HSBC prime rate to 2% above HSBC prime rate per annum and repayable within one year.

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

	2010	2009
	HK\$'000	HK\$'000
0 - 60 days	69,651	93,259
61 - 120 days	957	160
Over 120 days	-	241
	70,608	93,660

The majority of past due but not impaired trade receivables are less than 120 days. These relate to a number of independent customers for whom there is no recent history of default. The aging analysis of these trade receivables is as follows:

	2010	2009
	HK\$'000	HK\$'000
0 - 60 days	8,325	5,296
Over 60 days	957	266
	9,282	5,562

As at 31st March 2010, trade receivables of HK\$286,000 (2009: HK\$308,000) were impaired.

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 debtors, credit evaluations of customers are performed periodically.

The carrying amounts of trade and other receivables approximate their fair values.

Notes to the Financial Statements

25 Trade and other receivables (continued)

The carrying amounts of the trade receivables of the Group are denominated in the following currencies:

	2010	2009
	HK\$'000	HK\$'000
Hong Kong dollar	182,451	196,299
US dollar	23,261	7,604
Sterling	22,747	16,783
Canadian dollar	10,317	8,758
Others	2,814	3,514
	241,590	232,958

26 Financial assets at fair value through profit or loss

	Group		Company	
	2010	2009	2010	2009
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Equity securities				
– Listed in Hong Kong	39	63,359	39	5,823
– Listed in the USA	502,950	15,025	–	–
– Listed in Europe	126,012	7,678	–	–
Preference securities				
– Listed in the USA	612,973	345,146	–	–
– Listed in Europe	329,642	60,026	–	–
– Unlisted	40,435	370	–	–
Debt securities				
– Listed in Europe	1,391,865	201,471	–	–
– Listed in Singapore	11,946	–	–	–
– Unlisted	13,000	–	–	–
	3,028,862	693,075	39	5,823

Notes to the Financial Statements

26 Financial assets at fair value through profit or loss (continued)

Notes:

- (a) At 31st March 2010, the nominal values of preference securities are equivalent to HK\$1,302,535,000 (2009: HK\$1,116,562,000).
- (b) The debt securities carry fixed interest ranging from 5.905% to 13% (2009: from 5.926% to 8.399%) per annum and their nominal values are equivalent to HK\$2,125,659,000 (2009: HK\$685,429,000).
- (c) At 31st March 2010, financial assets at fair value through profit or loss equivalent to HK\$55,070,000 (2009: HK\$14,968,000) were pledged as security for foreign currency interest rate swaps (note 27(b)).
- (d) Financial assets at fair value through profit or loss are denominated in the following currencies:

	Group		Company	
	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000
Hong Kong dollar	13,039	63,359	39	5,823
US dollar	1,710,088	585,734	-	-
Euro	176,199	38,230	-	-
Sterling	1,129,536	5,752	-	-
	3,028,862	693,075	39	5,823

27 Derivative financial instruments

	2010		2009	
	Assets HK\$'000	Liabilities HK\$'000	Assets HK\$'000	Liabilities HK\$'000
Interest rate swaps (notes (a) and (b))	-	17,961	-	22,344
Range accrual notes	-	-	2,163	-
Warrants and rights issue entitlement of Hong Kong listed equity securities	-	-	11,266	-
	-	17,961	13,429	22,344

Notes:

- (a) The notional principal amount of the outstanding interest rate swap contracts at 31st March 2010 were HK\$300,000,000 (2009: HK\$450,000,000).
- (b) The notional principal amount of US\$10,000,000 (2009: US\$15,000,000) of the outstanding foreign currency interest rate swap contract was secured by financial assets at fair value through profit or loss (note 26(c)). At 31st March 2009, the notional principal amount of US\$15,000,000 of outstanding foreign currency interest swap contract was secured by bank balances and cash (note 28).
- (c) The Group's derivative financial instruments are settled on a net basis, except for interest income and expense, and notional principal amount derived from foreign currency interest rate swaps which are settled in gross.

Notes to the Financial Statements

28 Bank balances and cash

	Group		Company	
	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000
Cash at bank and in hand	75,846	99,436	593	504
Short term bank deposits	145,768	127,332	50,000	41,863
Cash and cash equivalents	221,614	226,768	50,593	42,367
Restricted bank balances	6,043	18,015	–	–
	227,657	244,783	50,593	42,367

The carrying amounts of the bank balances and cash of the Group are denominated in the following currencies:

	Group	
	2010 HK\$'000	2009 HK\$'000
Hong Kong dollar	183,608	208,947
Canadian dollar	20,875	7,581
Renminbi	9,872	12,304
United States dollar	12,980	15,846
Others	322	105
	227,657	244,783

At 31st March 2009, bank balances amounted to HK\$12,000,000 were pledged as securities for certain derivative financial instruments (note 27(b)).

29 Trade and other payables

	2010 HK\$'000	2009 HK\$'000
Trade payables	15,808	17,128
Accruals and other payables	109,319	100,374
Rental and management fee deposits	20,792	19,995
	145,919	137,497

Notes to the Financial Statements

29 Trade and other payables (continued)

Aging analysis of trade payables is as follows:

	2010 HK\$'000	2009 HK\$'000
0 - 60 days	15,593	16,974
61 - 120 days	12	41
Over 120 days	203	113
	<hr/> 15,808	<hr/> 17,128

The carrying amounts of trade and other payables approximate their fair values. The majority of trade and other payables are denominated in Hong Kong dollar.

30 Warrant liabilities

(a) The Company

Old warrants

On 7th September 2007, the Company issued warrants to shareholders on the basis of one warrant for every five shares of the Company. The initial subscription price was at HK\$0.29 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 at the end of six months from the date of issue of the warrants and on the tenth business day before the date of expiration of the warrants. The warrants expired on 6th September 2008.

New Warrants

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 expired on 7th September 2009.

Notes to the Financial Statements

30 Warrant liabilities (continued)

(a) The Company (continued)

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

	2010 HK\$'000	2009 HK\$'000
At 1st April	8,481	19,654
Expiry of old warrants	–	(19,654)
Issue of new warrants	–	26,102
Set off against reserve upon conversion of warrants	(1,173)	(2)
Fair value gain credited to profit and loss account	(7,308)	(17,619)
At 31st March	–	8,481

The following assumptions were used to calculate the fair value of warrants at 31st March 2009:

Closing share price at 31st March (HK\$)	0.60
Exercise price (HK\$)	1.00
Expected remaining life of warrants (years)	0.4
Expected volatility (%)	75.12
Risk free rate (%)	0.19

The 2009 closing share price and exercise price has been adjusted for the Company's share consolidation of every 10 shares into 1 share.

(b) Listed subsidiary

On 7th September 2007, Asia Standard Hotel, the listed subsidiary, issued bonus warrants to shareholders on the basis of one warrant for every five shares of Asia Standard Hotel. The initial subscription price was at HK\$0.146 per share and the warrants are exercisable at any time within three years 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 at the end of every six months from the date of issue of the warrants and on the tenth business day before the date of expiration of the warrants. After Asia Standard Hotel share consolidation of every 10 shares into 1 share and the fifth reset adjustments, the subscription price was adjusted to HK\$0.29 per share.

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

	2010 HK\$'000	2009 HK\$'000
At 1st April	7,893	16,909
Fair value loss/(gain) charged/(credited) to profit and loss account	9,838	(9,016)
Set off against minority interest upon conversion of warrants	(731)	–
At 31st March	17,000	7,893

The following assumptions were used to calculate the fair value of warrants at 31st March 2009 and 2010:

Closing share price at 31st March (HK\$)	0.51	0.31
Exercise price (HK\$)	0.29	0.29
Expected remaining life of warrants (years)	0.4	1.4
Expected volatility (%)	35.53	53.59
Risk free rate (%)	0.145	0.62

The 2009 closing share price and exercise price has been adjusted for the Asia Standard Hotel's share consolidation of every 10 shares into 1 share.

Notes to the Financial Statements

31 Share capital

Shares of HK\$0.01 each			Number of shares	Amount HK\$'000
Authorised:				
At 31st March 2009 and 2010			400,000,000,000	4,000,000
	Number of shares		Amount	
	2010	2009	2010 HK\$'000	2009 HK\$'000
Issued and fully paid:				
At the beginning of the year	11,366,385,969	10,875,834,587	113,664	108,758
Conversion of warrants (<i>note (a)</i>)	1,138,498,464	105,882,634	11,385	1,059
Exercise of share options	27	–	–	–
Scrip dividend (<i>note (b)</i>)	–	384,668,748	–	3,847
Capital Reorganisation (<i>note (c)</i>)	(11,254,396,014)	–	(112,544)	–
Share repurchase (<i>note (d)</i>)	(3,358,800)	–	(34)	–
At the end of the year	1,247,129,646	11,366,385,969	12,471	113,664

Notes:

(a) In September 2008, 105,435,240 of the old warrants were converted at adjusted exercise price of HK\$0.094 and the remaining warrants lapsed upon maturity.

In September 2008, 2,175,166,964 new warrants were issued and 447,394 of these warrants were converted at HK\$0.10 per share during the year ended 31st March 2009.

During the year ended 31st March 2010, 3,659,878 and 1,134,838,586 of the new warrants were converted at exercise price of HK\$0.10 and adjusted exercise price of HK\$0.085 respectively, the remaining warrants lapsed upon maturity.

(b) In October 2008, 228,964,941 new shares were allotted and issued at HK0.20 cent per share in lieu of final dividend for the year ended 31st March 2008.

In February 2009, 155,703,807 new shares were allotted and issued at HK0.10 cent per share in lieu of interim dividend for the six months ended 30th September 2008.

(c) On 8th July 2009, the Company proposed a reorganisation of the share capital (the "Capital Reorganisation"). The Capital Reorganisation became effective on 9th September 2009 after approval by the shareholders. The Capital Reorganisation involved the following:

(i) Every ten issued shares of HK\$0.01 each were consolidated into one share of HK\$0.1 each.

(ii) 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. The credit arising from the capital reduction was transferred to the contributed surplus account of the Company (note 32).

(d) All the repurchased shares were cancelled in October 2009.

Notes to the Financial Statements

32 Reserves

	Share premium HK\$'000	Capital redemption reserve HK\$'000	Share options reserve HK\$'000	Warrant reserve HK\$'000	Available- for-sale investment reserve HK\$'000	Contributed surplus HK\$'000	Revenue reserve HK\$'000	Total HK\$'000
Group								
At 31st March 2008	1,885,487	43,868	18,146	(83,306)	8,610	2,670,292	459,391	5,002,488
Fair value loss on available-for-sale investments	-	-	-	-	(147,868)	-	-	(147,868)
Impairment of available-for-sale investments charged to profit and loss account	-	-	-	-	128,486	-	-	128,486
Currency translation differences	-	-	-	-	-	-	(24,311)	(24,311)
Loss for the year	-	-	-	-	-	-	(381,303)	(381,303)
Issue of warrants	-	-	-	(26,102)	-	-	-	(26,102)
Conversion of warrants	8,766	-	-	5,413	-	-	(5,411)	8,768
Expiry of warrants	-	-	-	77,898	-	-	(77,898)	-
2008 final dividend (with scrip option)	19,462	-	-	-	-	-	(21,752)	(2,290)
2009 interim dividend (with scrip option)	9,654	-	-	-	-	-	(11,211)	(1,557)
Share options lapsed in a listed subsidiary	-	-	(1,508)	-	-	-	1,508	-
At 31st March 2009	1,923,369	43,868	16,638	(26,097)	(10,772)	2,670,292	(60,987)	4,556,311
At 31st March 2009	1,923,369	43,868	16,638	(26,097)	(10,772)	2,670,292	(60,987)	4,556,311
Fair value gain on available-for-sale investments	-	-	-	-	63,000	-	-	63,000
Impairment of available-for-sale investments charged to profit and loss account	-	-	-	-	1,032	-	-	1,032
Release of reserve upon disposal of available-for-sale investments	-	-	-	-	14,656	-	-	14,656
Currency translation differences	-	-	-	-	-	-	24,658	24,658
Profit for the year	-	-	-	-	-	-	2,383,270	2,383,270
Conversion of warrants	85,442	-	-	13,662	-	-	(12,489)	86,615
Expiry of warrants	-	-	-	12,435	-	-	(12,435)	-
Capital Reorganisation (note 31(c))	-	-	-	-	-	112,544	-	112,544
Share repurchase (note 31(d))	-	34	-	-	-	-	(3,183)	(3,149)
2010 interim dividend	-	-	-	-	-	-	(12,471)	(12,471)
At 31st March 2010	2,008,811	43,902	16,638	-	67,916	2,782,836	2,306,363	7,226,466
Representing:								
2010 final dividend proposed	-	-	-	-	-	-	18,707	18,707
Others	2,008,811	43,902	16,638	-	67,916	2,782,836	2,287,656	7,207,759
At 31st March 2010	2,008,811	43,902	16,638	-	67,916	2,782,836	2,306,363	7,226,466

Notes to the Financial Statements

32 Reserves (continued)

	Share premium	Capital redemption reserve	Warrant reserve	Contributed surplus	Revenue reserve	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Company						
At 31st March 2008	1,884,336	43,868	(83,306)	2,684,451	242,775	4,772,124
Profit for the year	–	–	–	–	44,332	44,332
Issue of warrants	–	–	(26,102)	–	–	(26,102)
Conversion of warrants	8,766	–	5,413	–	(5,411)	8,768
Expiry of warrants	–	–	77,898	–	(77,898)	–
2008 final dividend (with scrip option)	19,462	–	–	–	(21,752)	(2,290)
2009 interim dividend (with scrip option)	9,654	–	–	–	(11,211)	(1,557)
At 31st March 2009	1,922,218	43,868	(26,097)	2,684,451	170,835	4,795,275
At 31st March 2009	1,922,218	43,868	(26,097)	2,684,451	170,835	4,795,275
Profit for the year	–	–	–	–	338,525	338,525
Conversion of warrants	85,442	–	13,662	–	(12,489)	86,615
Expiry of warrants	–	–	12,435	–	(12,435)	–
Capital Reorganisation (note 31(c))	–	–	–	112,544	–	112,544
Share repurchase (note 31(d))	–	34	–	–	(3,183)	(3,149)
2010 interim dividend	–	–	–	–	(12,471)	(12,471)
At 31st March 2010	2,007,660	43,902	–	2,796,995	468,782	5,317,339
Representing:						
2010 final dividend proposed	–	–	–	–	18,707	18,707
Others	2,007,660	43,902	–	2,796,995	450,075	5,298,632
At 31st March 2010	2,007,660	43,902	–	2,796,995	468,782	5,317,339

The revenue reserve is distributable. Under the Companies Act of Bermuda and the Bye-Laws of the Company, the contributed surplus is also distributable.

Notes to the Financial Statements

33 Borrowings

	Group		Company	
	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000
Short term bank loans and overdrafts				
Secured	676,014	385,011	-	-
Unsecured	80,000	30,000	30,000	-
	756,014	415,011	30,000	-
Long term bank loans, secured	1,616,613	1,902,426	-	-
	2,372,627	2,317,437	30,000	-

The maturity of the long term bank loans is as follows:

Repayable within one year	114,706	42,230	-	-
Repayable between one and two years	198,764	111,568	-	-
Repayable between two and five years	355,822	650,758	-	-
	669,292	804,556	-	-
Repayable after five years	947,321	1,097,870	-	-
	1,616,613	1,902,426	-	-
Current portion included in current liabilities	(114,706)	(42,230)	-	-
	1,501,907	1,860,196	-	-

The carrying amount of the borrowings are denominated in the following currencies:

Hong Kong dollar	2,218,705	2,133,100	30,000	-
Canadian dollar	97,307	87,214	-	-
Japanese Yen	56,615	97,123	-	-
	2,372,627	2,317,437	30,000	-

The effective interest rates of the borrowing at the balance sheet date range from 0.53% to 2% (2009: 0.68% to 2.2%) per annum.

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

Notes to the Financial Statements

34 Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes related to the same tax jurisdiction. The offset amounts are as follows:

	Group		Company	
	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000
Deferred income tax assets	9,764	35,239	-	2,241
Deferred income tax liabilities	(279,355)	(177,779)	-	-
	(269,591)	(142,540)	-	2,241

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction is as follows:

Group

Deferred income tax liabilities

	Available-for-sale investments		Accelerated tax depreciation		Revaluation of properties		Fair value adjustments		Total	
	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000
At the beginning of the year	-	(2,668)	(52,407)	(53,017)	(166,262)	(195,423)	(60,064)	(84,427)	(278,733)	(335,535)
Recognised in the profit and loss account	-	-	(16,598)	610	(93,468)	29,161	2,482	24,363	(107,584)	54,134
Recognised in equity	-	2,668	-	-	-	-	-	-	-	2,668
At the end of the year	-	-	(69,005)	(52,407)	(259,730)	(166,262)	(57,582)	(60,064)	(386,317)	(278,733)

Notes to the Financial Statements

34 Deferred income tax (continued)

Deferred income tax assets

	Accelerated accounting		Tax loss		Difference in cost		Total	
	depreciation				base of properties			
	2010	2009	2010	2009	2010	2009	2010	2009
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At the beginning of the year	239	296	65,428	88,689	70,526	91,891	136,193	180,876
Recognised in the profit and loss account	(239)	(57)	(7,899)	(23,261)	(11,329)	(21,365)	(19,467)	(44,683)
At the end of the year	-	239	57,529	65,428	59,197	70,526	116,726	136,193

Company

Deferred income tax assets

	Tax losses	
	2010	2009
	HK\$'000	HK\$'000
At the beginning of the year	2,241	110
Recognised in the profit and loss account	(2,241)	2,131
At the end of the year	-	2,241

Deferred income tax assets are recognised for tax loss carried forward to the extent that realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of HK\$83 million (2009: HK\$77 million) in respect of losses amounting to HK\$482 million (2009: HK\$466 million) that can be carried forward against future taxable income. Except for tax losses of HK\$462 million (2009: HK\$448 million) which have no expiry date, the balance will expire at various dates up to and including 2029 (2009: 2029).

35 Amount due to minority shareholder

Loan from minority shareholder was to finance property projects of subsidiaries and had no specific terms of repayment. In 2009, loan of HK\$105,303,000 bore interest at 1.5% per annum above HSBC prime rate. The balance was fully repaid during the year.

Notes to the Financial Statements

36 Capital commitments

Capital commitments at the balance sheet date are as follows:

	2010	2009
	HK\$'000	HK\$'000
Property, plant and equipment		
Contracted but not provided for	10,084	35,992
Authorised but not contracted for	13,982	33,162
	<hr/> 24,066	<hr/> 69,154

37 Operating lease arrangements

(a) Lessor

The Group leases out certain properties under operating leases which typically run for lease terms between 1 and 6 years.

At 31st March 2010, the future aggregate minimum rental receipts receivable under non-cancellable operating leases were as follows:

	Group	
	2010	2009
	HK\$'000	HK\$'000
In respect of land and buildings:		
Within one year	79,570	78,708
In the second to fifth year inclusive	89,777	64,704
	<hr/> 169,347	<hr/> 143,412

Notes to the Financial Statements

37 Operating lease arrangements (continued)

(b) Lessee

At 31st March 2010, the future aggregate minimum lease payments payable under non-cancellable operating leases were as follows:

	Group	
	2010 HK\$'000	2009 HK\$'000
In respect of land and buildings:		
Within one year	3,592	6,702
In the second to fifth year inclusive	5,776	7,911
After the fifth year	4,961	6,312
	14,329	20,925

38 Financial guarantees

	Group		Company	
	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000
Guarantees for the banking and loan facilities of:				
Subsidiaries	–	–	897,000	913,893
Jointly controlled entities	108,190	278,390	108,190	278,390
	108,190	278,390	1,005,190	1,192,283

At 31st March 2010, the Group and the Company had no liability regarding to its financial guarantees as disclosed above (2009: Nil).

Notes to the Financial Statements

39 Note to consolidated statement of cash flows

Reconciliation of profit/(loss) before income tax to net cash used in operations

	2010 HK\$'000	2009 HK\$'000
Profit/(loss) before income tax	2,689,089	(462,639)
Share of profits less losses of		
Jointly controlled entities	(138,892)	9,197
Associated companies	(91,718)	83,243
Depreciation	61,596	45,900
Amortisation	35,967	29,677
Net realised and fair value (gains)/losses on financial assets		
at fair value through profit or loss	(1,336,704)	234,884
Impairment of available-for-sale investments	1,531	185,813
Net realised gain on disposal of available-for-sale investments	(28,702)	–
Net fair value (gain)/loss on derivative financial instruments	(4,908)	10,975
Fair value changes of investment properties	(568,674)	109,054
Net fair value loss/(gain) on warrant liabilities	2,530	(46,289)
Loss on deemed disposal of interest in a listed subsidiary	4,822	–
(Gain)/loss on disposal of property, plant and equipment	(2,664)	3,339
Net provision for diminution in value of properties under development		
for sale/completed properties held for sale	4,126	5,500
Dividend income	(106,291)	(29,279)
Interest income	(105,478)	(29,186)
Interest expense	51,369	55,526
Operating profit before working capital changes	466,999	205,715
(Increase)/decrease in mortgage loans receivable	(151,729)	789
Decrease in properties under development for sale		
(excluding interest expense capitalised)	546,529	6,893
(Increase)/decrease in hotel and restaurant inventories	(46)	108
Increase in trade and other receivables	(16)	(25,858)
Increase in financial assets at fair value through profit or loss	(984,084)	(889,420)
Increase in derivative financial instruments	(7,748)	(30,000)
Decrease in restricted bank balances	11,972	8,259
Increase in trade and other payables	9,156	22,176
Net cash used in operations	(108,967)	(701,338)

Notes to the Financial Statements

40 Related party transactions

The major shareholder of the Group is Asia Orient Holdings Limited ("Asia Orient"), a company incorporated in Bermuda and listed in Hong Kong. The Group is an associated company of Asia Orient.

In addition to the related party information shown elsewhere in the financial statements, the following transactions were carried out with related parties:

(a) Sales and purchases of goods and services

	2010 HK\$'000	2009 HK\$'000
Income from/(expense to) subsidiaries of Asia Orient		
Rental income (<i>note (a)</i>)	630	555
Management fee expense (<i>note (b)</i>)	(1,005)	(1,015)
Cleaning expense (<i>note (c)</i>)	(863)	(744)
Management fee from a jointly controlled entity (<i>note (d)</i>)	2,400	–
Project management fee from a jointly controlled entity (<i>note (d)</i>)	3,109	1,282
Interest income from a jointly controlled entity (<i>note 20</i>)	22,264	–
Interest income from an associated company (<i>note 21</i>)	–	2
Interest expense to a minority shareholder (<i>note 35</i>)	(1,240)	(3,152)

Notes:

- (a) Rental income is subject to terms agreed by the parties involved, which are at a fixed monthly fee.
- (b) Management fee expense is charged for management services rendered at a mutually agreed fee.
- (c) Cleaning expense is subject to terms agreed by the parties involved, which are at a fixed monthly fee.
- (d) Project management fee and management fee is subject to mutually agreed terms.
- (e) The balances with jointly controlled entities and associated companies are disclosed in notes 20 and 21 respectively.
- (f) No significant transactions have been entered with the Directors of the Company (being the key management personnel) during the year other than the emoluments paid to them as disclosed in note 10.

Notes to the Financial Statements

40 Related party transactions (continued)

(b) Key management compensation

	2010	2009
	HK\$'000	HK\$'000
Fee	640	640
Salaries, allowances and benefits in kind	38,840	30,790
Employer's contribution to retirement benefit scheme	296	286
	39,776	31,716

Key management includes the Company's Directors and two (2009: two) senior management members.

41 Comparative figures

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

Notes to the Financial Statements

42 Principal subsidiaries, jointly controlled entities and associated companies

Listed below are the principal subsidiaries, jointly controlled entities and associated companies which, in the opinion of the Directors, principally affect the results and/or net assets of the Group.

Subsidiaries

(Unless indicated otherwise, they are indirectly wholly owned by the Group and have their principal place of operations in Hong Kong.)

Name	Principal activity	Issued and fully paid share capital
<i>Incorporated in Hong Kong</i>		
Asia Standard (Beijing) Company Limited	Investment holding	HK\$2
Asia Standard Development (Holdings) Limited	Investment holding	HK\$10 and non-voting deferred share capital of HK\$362,892,949
Asia Standard Development (Real Estate Agencies) Limited	Real estate agency services	HK\$2
Asia Standard Finance Company Limited	Financing services	HK\$1,000,000
Asia Standard International Limited*	Investment holding	HK\$1,214,916,441
Asia Standard Management Services Limited	Management services	HK\$2
Asia Standard Project Management Company Limited	Project management	HK\$2
Cheer Selection Limited	Securities investment	HK\$2
Full Union Development Limited	Property development	HK\$2
Get Rich Enterprises Limited	Property development	HK\$2
Glory Ocean Limited	Property development	HK\$2
Grace Profit Enterprises Limited (67.4% owned)	Investment holding	HK\$2
Hoi Chak Properties Limited	Property investment	HK\$10 and non-voting deferred share capital of HK\$2
Honest Engineering Limited (80% owned)	Construction	HK\$100
JBC Travel Company Limited (67.4% owned)	Travel agency	HK\$2,500,000
Mark Honour Limited (99.9% owned)	Property development	HK\$100,000
Master Asia Enterprises Limited (67.4% owned)	Hotel holding	HK\$10,000
Perfect Wave Limited (67.4% owned)	Catering operation	HK\$2
Stone Pole Limited (67.4% owned)	Hotel holding	HK\$10
Tilpifa Company Limited	Property investment	HK\$10 and non-voting deferred share capital of HK\$10,000
Tonlok Limited	Property development	HK\$1,000

Notes to the Financial Statements

42 Principal subsidiaries, jointly controlled entities and associated companies (continued)

Subsidiaries (continued)

Name	Principal activity	Issued and fully paid share capital
<i>Incorporated in Hong Kong (continued)</i>		
Union Rich Resources Limited	Property development	HK\$2
Vinstar Development Limited (67.4% owned)	Hotel holding	HK\$2
Winfast Engineering Limited	Construction	HK\$2
<i>Incorporated in Bermuda</i>		
Asia Standard Hotel Group Limited (67.4% owned)	Investment holding	HK\$26,245,540
<i>Incorporated in the British Virgin Islands</i>		
Enrich Enterprises Ltd. (67.4% owned)**	Hotel holding	US\$1
Global Gateway Corp. (67.4% owned)**	Hotel operation	US\$1
Glory Ventures Enterprises Inc. (67.4% owned)**	Hotel holding	US\$1
Greatime Limited (67.4% owned)	Securities investment	US\$1
Onrich Enterprises Limited (67.4% owned)	Securities investment	US\$1
Techfull Properties Corp.	Securities investment	US\$1
Topshine Investment Holdings Limited (67.4% owned)	Securities investment	US\$1
<i>Incorporated in the People's Republic of China (the "PRC")</i>		
Shanghai Hong Hua TGIF Restaurant Company Limited (64.0% owned)***	Catering operation	RMB17,384,640
* <i>Direct subsidiary of the Company</i>		
** <i>Operates in Canada</i>		
*** <i>Operates in the PRC, cooperative joint venture</i>		

Notes to the Financial Statements

42 Principal subsidiaries, jointly controlled entities and associated companies (continued)

Associated companies

(Unless indicated otherwise, they are all incorporated and operated in Hong Kong.)

Name	Principal activity	Issued and fully paid share capital	Group equity interest
Gallop Worldwide Limited (incorporated in the British Virgin Islands)	Investment holding	US\$2	50%
Perfect Pearl Company Limited	Property investment	HK\$1,000 and non-voting deferred share capital of HK\$10,000	33%

Jointly controlled entities

(Unless indicated otherwise, they are all incorporated and operated in Hong Kong.)

Name	Principal activity	Issued and fully paid share capital	Group equity interest
Lucky New Investment Limited	Property development	HK\$1	50%
Paramount Shine Limited	Property development	HK\$2	50%
Singon Holdings Limited	Property development	HK\$2	25%
<i>Incorporated in the PRC</i> 北京黃海房地產開發有限公司 [#]	Property development	RMB240,000,000	44%

[#] operates in the PRC

43 Approval of financial statements

The financial statements were approved by the Board of Directors on 29th June 2010.

Combined Balance Sheet of Affiliated Companies

The Group had amounts due from and loans to certain affiliated companies in a total sum of HK\$1,154 million (before Group's provisions) and guarantees given to banks for facilities utilised of HK\$108 million totalling HK\$1,262 million as at 31st March 2010 which exceeds 8% of the Group's consolidated total assets. A 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:

	Combined balance sheet 2010 HK\$'000	Group's attributable interest 2010 HK\$'000
Property, plant and equipment	2,183	961
Investment properties	1,830,000	603,900
Properties under development for sale	1,568,559	746,196
Current assets	751,667	337,023
Current liabilities	(285,627)	(136,021)
Borrowings	(350,130)	(152,328)
Deferred income tax liabilities	(203,562)	(68,662)
Minority interests	(4,157)	(2,079)
Shareholders' advance	(2,320,220)	(579,968)
	988,713	749,022

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 2010.

Consolidated profit and loss account

For the year ended 31st March 2010

	2010 HK\$'000	2009 HK\$'000
Revenue	594,157	603,533
Cost of sales	(302,072)	(352,025)
Gross profit	292,085	251,508
Net investment gain/(loss)	399,629	(286,416)
Selling and administrative expenses	(92,675)	(94,221)
Depreciation and amortisation	(88,830)	(68,660)
Other income and charges	(30,700)	17,750
Operating profit/(loss)	479,509	(180,039)
Finance costs	(32,955)	(38,055)
Profit/(loss) before income tax	446,554	(218,094)
Income tax expense	(11,974)	(12,201)
Profit/(loss) for the year attributable to shareholders	434,580	(230,295)
Dividends	13,131	–
Earning/(loss) per share (HK cents)		
– Basic	33.20	(17.73)
– Diluted	31.06	(17.73)

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

Consolidated balance sheet

As at 31st March 2010

	2010 HK\$'000	2009 HK\$'000
Non-current assets		
Property, plant and equipment	1,004,938	958,262
Leasehold land	1,631,799	1,658,726
Available-for-sale investments	228,258	182,428
Deferred income tax assets	1,338	7,771
	2,866,333	2,807,187
Current assets		
Inventories	2,206	2,160
Derivative financial instruments	-	12,806
Financial assets at fair value through profit or loss	928,857	308,132
Trade and other receivables	87,811	83,867
Bank balances and cash	76,452	75,884
	1,095,326	482,849
Current liabilities		
Derivative financial instruments	14,571	15,773
Trade and other payables	62,053	53,931
Current income tax payable	14,630	14,512
Short term borrowings	479,014	415,011
Current portion of long term borrowings	59,768	43,432
Warrant liabilities	53,904	-
	683,940	542,659
Net current assets/(liabilities)	411,386	(59,810)
Total assets less current liabilities	3,277,719	2,747,377
Non-current liabilities		
Warrant liabilities	-	23,935
Long term borrowings	907,606	948,964
Deferred income tax liabilities	6,143	602
	913,749	973,501
Net assets	2,363,970	1,773,876
Equity		
Share capital	26,246	261,409
Reserves	2,337,724	1,512,467
	2,363,970	1,773,876



ASIA STANDARD INTERNATIONAL GROUP LIMITED

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

www.asiastandard.com.hk