



# ASIA STANDARD HOTEL GROUP LIMITED

Stock Code: 292



# Corporate Information

## Directors

### Executive

Mr. Poon Jing (*Chairman*)  
Dr. Lim Yin Cheng  
(*Deputy Chairman and Chief Executive*)  
Mr. Fung Siu To, Clement  
Mr. Poon Tin Sau, Robert  
Mr. Woo Wei Chun, Joseph

### Independent Non-executive

Mr. Ip Chi Wai  
Mr. Leung Wai Keung  
Mr. Hung Yat Ming

## Audit committee

Mr. Hung Yat Ming (*Chairman*)  
Mr. Leung Wai Keung  
Mr. Ip Chi Wai

## Remuneration committee

Dr. Lim Yin Cheng (*Chairman*)  
Mr. Hung Yat Ming  
Mr. Ip Chi Wai

## Authorised representatives

Dr. Lim Yin Cheng  
Mr. Lee Tai Hay, Dominic

## Company secretary

Mr. Lee Tai Hay, Dominic

## 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 [www.asiastandardhotelgroup.com](http://www.asiastandardhotelgroup.com)  
E-mail [info@asia-standard.com.hk](mailto:info@asia-standard.com.hk)

## Principal bankers

Bank of China (Hong Kong) Limited  
Industrial and Commercial Bank of  
China (Asia) Limited  
Hang Seng Bank Limited  
The Hongkong and Shanghai Banking  
Corporation Limited  
DBS Bank (Hong Kong) Limited  
Wing Hang Bank Limited  
Chong Hing Bank Limited  
Industrial and Commercial Bank of  
China (Canada)

## 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

	Six months ended 30th September		
	2010	2009	Change
(in HK\$ million, except otherwise indicated)			
<b>Consolidated profit and loss account</b>			
Revenue	<b>346</b>	260	+33%
Contribution from hotel operation	<b>98</b>	51	+92%
Net investment gain	<b>103</b>	325	-68%
Depreciation	<b>(44)</b>	(43)	+2%
Finance costs	<b>(32)</b>	(22)	+45%
Profit for the period attributable to shareholders	<b>151</b>	313	-52%
Earnings per share (HK cent)			
Basic	<b>11.23</b>	23.96	-53%
Diluted	<b>10.45</b>	22.58	-54%
	<b>30th September 2010</b>	31st March 2010	Change

## Consolidated balance sheet

Total assets	<b>4,214</b>	3,962	+6%
Net assets	<b>2,606</b>	2,364	+10%
Net debt	<b>1,385</b>	1,370	+1%

Supplementary information with hotel properties at valuation (note):

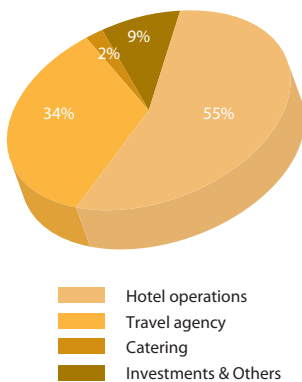
Revalued total assets	<b>8,048</b>	6,533	+23%
Revalued net assets	<b>5,808</b>	4,514	+29%
Revalued net assets per share (HK\$)	<b>3.79</b>	3.44	+10%
Gearing – net debt to revalued net assets (%)	<b>24%</b>	30%	-6%

Note: According to the Group's accounting policies, hotel properties were carried at cost less accumulated depreciation. To give further information on the economic substance of its hotel properties investments, the Group hereby presents supplementary unaudited financial information taking into account the fair market value of hotel properties and the corresponding deferred income tax.

The hotel properties in Hong Kong and Canada were revalued by Vigers Appraisal & Consulting Limited and Grant Thornton Management Consultants respectively, independent professional valuers, as at 30th September 2010.

# Management Discussion and Analysis

## Revenue by operating segments



## Empire Hotel Hong Kong



## Interim Results

The Group's revenue for the six months ended 30th September 2010 amounted to HK\$346 million, increased by HK\$86 million or 33% compared with the same period of last year. Profit attributable to shareholders, however, decreased to HK\$151 million or 52% when compared with HK\$313 million of the same period of last year. The decrease was mainly due to the reduction in fair value gain from financial assets held for trading at the balance sheet date over last year. Basic earnings per share during the period was HK11.23 cents when compared with the basic earnings per share of HK23.96 cents in 2009.

## Business Review

Hong Kong arrivals data for 2010 has been robust where cumulative arrivals between April and September of 2010 reached 17.6 million, a 28% increase year-on-year. This positive gain was largely driven by the growth of arrivals from Mainland China, which contributed almost 62% of total arrivals to Hong Kong and a year-on-year growth (+33%) in cumulative visitors' arrivals among all market regions.

All other major markets recovered from the global financial/ economic crisis with varying speeds. Long-haul and short haul markets (excluding Mainland China and Macau) have registered 11% and 22% growth, respectively.

On the supply side, the number of hotel rooms under high tariff B category has seen a 4% increase in the period under review from the same period of last year.

## Empire Hotel Hong Kong

Empire Hong Kong's average room rate increased by 19% and average occupancy rate increased by 13% to 90%. Total revenue amounted to HK\$52 million and its gross operating profit amounted to HK\$28 million. Upgrading renovation of the entire lobby and exterior façade was finished.

# Management Discussion and Analysis

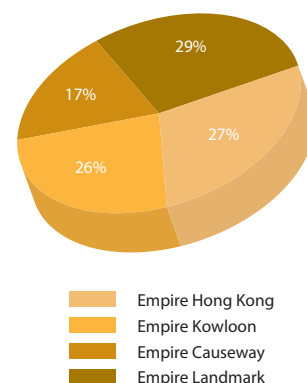
## Empire Hotel Causeway Bay - Club Lounge



## Empire Hotel Kowloon - Life Spa



## 2010 revenue by hotel



### Empire Hotel Kowloon

Empire Kowloon's average room rate increased by 29% and average occupancy rate increased by 12% to 91%. Total revenue amounted to HK\$50 million and its gross operating profit amounted to HK\$29 million.

### Empire Hotel Causeway Bay

Empire Causeway Bay's average room rate increased by 38% and average occupancy rate increased by 19% to 88%. Its notable performance in the period under review is the result of increasing awareness of the hotel after last year's opening. We are confident that it will bring in substantial contributions in the future.

### Empire Landmark Hotel Vancouver

Empire Landmark's average room rate increased by 7% and average occupancy rate increased by 11% to 74%. Total revenue amounted to HK\$55 million, and its gross operating profit amounted to HK\$24 million.

### Travel and Catering

Revenues for the travel and catering amounted to HK\$118 million and HK\$6 million, respectively.

### Financial Review

Total assets amounted to HK\$4,214 million, increased by 6% when compared with HK\$3,962 million as at 31st March 2010. Based on independent valuation, the total revalued amount of the four hotel properties as at 30th September 2010 was HK\$6,435 million, increased by 24% when compared with that as at 31st March 2010.

The shareholders' funds amounted to HK\$2,606 million, increased by HK\$242 million when compared with HK\$2,364 million as at 31st March 2010. The increase was mainly due to the fair value gain on financial assets and an increase in capital from exercise of warrants. Taking into account the market value of the hotel properties, the revalued net asset value of the Group would be HK\$5,808 million.

## Management Discussion and Analysis

The financial investment portfolio amounted to HK\$1,396 million (31st March 2010: HK\$1,157 million). This segment of business generated through profit and loss account a total income of HK\$31 million (2009: HK\$26 million) and an investment gain of HK\$103 million (2009: HK\$325 million).

The consolidated net bank borrowings was HK\$1,385 million, increased HK\$15 million when compared with that at 31st March 2010. 80% of the gross bank borrowings or HK\$1,203 million was denominated in HK dollars, and the remaining 20% or to the equivalent of HK\$292 million were in foreign currencies incurred in operations and investment in financial assets overseas.

Of the total gross bank borrowings, 42% was repayable within one year, and 35% was repayable after five years. As at 30th September 2010, the Group had net current assets of HK\$661 million (31st March 2010: HK\$411 million).

The Group's gearing ratio, expressed as a percentage of net debt over the net asset value, decreased to 53% (31st March 2010: 58%), and after taking into account the fair value of hotel properties at the balance sheet date, the gearing was at a level of 24% (31st March 2010: 30%).

The aggregate net book value of hotel properties pledged as collateral for banking facilities of the Group as at 30th September 2010 amounted to HK\$2,601 million (31st March 2010: HK\$2,635 million).

The aggregate carrying amount of financial assets at fair value though profit or loss and available-for-sale investments pledged to banks as collateral for credit facilities of the Group amounted to HK\$234 million (31st March 2010: HK\$55 million).

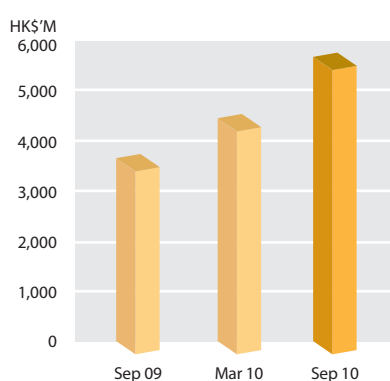
### Human Resources

As at 30th September 2010, the total number of employees of the Company and its subsidiaries was 458. In addition to salary payment, the Group provides other benefits including insurance, share options, medical scheme and retirement plans and others to its employees.

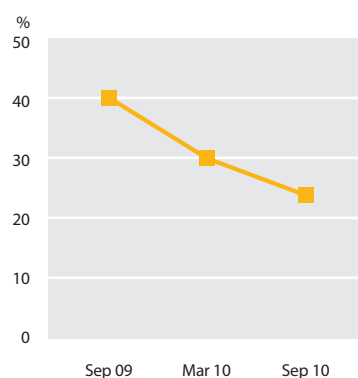
### Future Prospects

Continuing robust mainland economies together with its opening up of travel visa requirements have been the growth driver in local leisures, retails and hotel accommodation throughout the period. We very much remain optimistic about the coming months as mainland maintains and continues to grow while the rest of the world appears to gather pace to recovery.

#### Revalued net assets



#### Gearing ratio (net debts to revalued net assets)



# Report on Review of Interim Financial Information

**To the Board of Directors of  
Asia Standard Hotel Group Limited**

*(incorporated in Bermuda with limited liability)*

## Introduction

We have reviewed the interim financial information set out on pages 6 to 26 which comprises the condensed consolidated balance sheet of Asia Standard Hotel Group Limited (the "Company") and its subsidiaries (together, the "Group") as at 30th September 2010 and the related condensed consolidated profit and loss account, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the six months period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## Scope of Review

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

## Conclusion

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

**PricewaterhouseCoopers**

*Certified Public Accountants*

Hong Kong, 26th November 2010



## Condensed Consolidated Profit and Loss Account – Unaudited

	Note	Six months ended 30th September	
		2010 HK\$'000	2009 HK\$'000
Revenue	4	<b>345,902</b>	259,625
Cost of sales		<b>(173,749)</b>	(142,262)
Gross profit		<b>172,153</b>	117,363
Net investment gain	5	<b>102,789</b>	325,327
Selling and administrative expenses		<b>(51,316)</b>	(50,100)
Depreciation		<b>(43,654)</b>	(43,239)
Other income/(charge)	6	<b>12,664</b>	(10,780)
Operating profit		<b>192,636</b>	338,571
Finance costs	8	<b>(32,492)</b>	(21,666)
Profit before income tax		<b>160,144</b>	316,905
Income tax expense	9	<b>(8,962)</b>	(3,619)
Profit for the period attributable to shareholders		<b>151,182</b>	313,286
Dividend	10	<b>3,833</b>	–
Earnings per share (HK cent)			
Basic	11	<b>11.23</b>	23.96
Diluted	11	<b>10.45</b>	22.58



## Condensed Consolidated Statement of Comprehensive Income – Unaudited

	Six months ended 30th September	
	2010 HK\$'000	2009 HK\$'000
Profit for the period	<b>151,182</b>	313,286
Other comprehensive (charge)/income:		
Net fair value (loss)/gain on available-for-sale investments	<b>(3,386)</b>	142,775
Impairment of available-for-sale investments charged to profit and loss account	<b>112</b>	1,531
Release of reserve upon disposal of available-for-sale investments	<b>–</b>	7,457
Currency translation differences	<b>(2,480)</b>	27,023
Other comprehensive (charge)/income for the period	<b>(5,754)</b>	178,786
Total comprehensive income for the period attributable to shareholders	<b>145,428</b>	492,072

## Condensed Consolidated Balance Sheet – Unaudited

	<i>Note</i>	<b>30th September 2010 HK\$'000</b>	31st March 2010 HK\$'000 (Restated)
<b>Non-current assets</b>			
Property, plant and equipment	12	<b>2,602,941</b>	2,636,737
Deferred income tax assets		–	1,338
Available-for-sale investments		<b>228,424</b>	228,258
		<b>2,831,365</b>	2,866,333
<b>Current assets</b>			
Inventories		<b>2,296</b>	2,206
Financial assets at fair value through profit or loss		<b>1,168,005</b>	928,857
Trade and other receivables	13	<b>102,174</b>	87,811
Bank balances and cash		<b>110,260</b>	76,452
		<b>1,382,735</b>	1,095,326
<b>Current liabilities</b>			
Derivative financial instruments		<b>25,579</b>	14,571
Trade and other payables	14	<b>59,191</b>	62,053
Income tax payable		<b>14,994</b>	14,630
Short term borrowings	15	<b>556,814</b>	479,014
Current portion of long term borrowings	15	<b>65,018</b>	59,768
Warrant liabilities	16	–	53,904
		<b>721,596</b>	683,940
<b>Net current assets</b>		<b>661,139</b>	411,386
<b>Total assets less current liabilities</b>		<b>3,492,504</b>	3,277,719
<b>Non-current liabilities</b>			
Long term borrowings	15	<b>873,536</b>	907,606
Deferred income tax liabilities		<b>13,394</b>	6,143
		<b>886,930</b>	913,749
<b>Net assets</b>		<b>2,605,574</b>	2,363,970
<b>Equity</b>			
Share capital	17	<b>30,666</b>	26,246
Reserves	18	<b>2,574,908</b>	2,337,724
		<b>2,605,574</b>	2,363,970

## Condensed Consolidated Statement of Cash Flows – Unaudited

	Six months ended 30th September	
	2010 HK\$'000	2009 HK\$'000
Net cash generated before working capital changes	<b>87,871</b>	39,321
Changes in working capital	<b>(127,578)</b>	(153,449)
Net cash used in operating activities	<b>(39,707)</b>	(114,128)
Net cash used in investing activities	<b>(14,098)</b>	(15,332)
Net cash generated from financing activities	<b>87,509</b>	135,608
Net increase in cash and cash equivalents	<b>33,704</b>	6,148
Cash and cash equivalents at the beginning of the period	<b>76,452</b>	63,884
Changes in exchange rates	<b>104</b>	2,084
Cash and cash equivalents at the end of the period	<b>110,260</b>	72,116
Analysis of balances of cash and cash equivalents		
Bank balances and cash	<b>110,260</b>	72,116

## Condensed Consolidated Statement of Changes in Equity – Unaudited

	Share capital HK\$'000	Other reserves HK\$'000	Revenue reserve HK\$'000	Total HK\$'000
At 31st March 2009	261,409	1,858,189	(345,722)	1,773,876
Profit for the period	–	–	313,286	313,286
Other comprehensive income:				
Fair value gain on available-for-sale investments	–	142,775	–	142,775
Impairment of available-for-sale investments charged to profit and loss account	–	1,531	–	1,531
Release of reserve upon disposal of available-for-sale investments	–	7,457	–	7,457
Currency translation differences	–	27,023	–	27,023
Total comprehensive income for the period	–	178,786	313,286	492,072
Issue of shares upon conversion of warrants	168	488	(307)	349
Capital reorganisation	(235,419)	235,419	–	–
Total transactions with owners	(235,251)	235,907	(307)	349
At 30th September 2009	26,158	2,272,882	(32,743)	2,266,297
At 31st March 2010	<b>26,246</b>	<b>2,250,579</b>	<b>87,145</b>	<b>2,363,970</b>
Profit for the period	–	–	<b>151,182</b>	<b>151,182</b>
Other comprehensive income:				
Fair value loss on available-for-sale investments	–	<b>(3,386)</b>	–	<b>(3,386)</b>
Impairment of available-for-sale investments charged to profit and loss account	–	<b>112</b>	–	<b>112</b>
Currency translation differences	–	<b>(2,480)</b>	–	<b>(2,480)</b>
Total comprehensive (charge)/ income for the period	–	<b>(5,754)</b>	<b>151,182</b>	<b>145,428</b>
Issue of shares upon conversion of warrants	<b>4,027</b>	<b>148,407</b>	<b>(52,799)</b>	<b>99,635</b>
Expiry of warrants	–	<b>20,345</b>	<b>(20,345)</b>	–
Scrip dividend	<b>393</b>	<b>9,335</b>	–	<b>9,728</b>
Final dividend	–	–	<b>(13,187)</b>	<b>(13,187)</b>
Total transactions with owners	<b>4,420</b>	<b>178,087</b>	<b>(86,331)</b>	<b>96,176</b>
At 30th September 2010	<b>30,666</b>	<b>2,422,912</b>	<b>151,996</b>	<b>2,605,574</b>

# Notes to the Interim Financial Information

## 1. Basis of preparation

The unaudited condensed consolidated interim financial information has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), and should be read in conjunction with the annual financial statements for the year ended 31st March 2010.

The accounting policies and methods of computation used in the preparation of this condensed consolidated interim financial information are consistent with those used in the annual financial statements for the year ended 31st March 2010, except for the adoption of new or revised standards and amendments to existing standards ("new HKFRS"), which are relevant to the Group's operations and are mandatory for the Group's accounting periods beginning on 1st April 2010.

Except for certain changes in accounting policies as described below, the adoption of the new HKFRS in the current period did not have any significant effect on the interim financial information or result in any substantial changes in the Group's significant accounting policies.

HKAS 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. Prior to the amendment, land interest which title is not expected to pass to the Group by the end of the lease term was classified as operating lease under "Leasehold land", and amortised over the lease term. HKAS 17 (Amendment) has been applied retrospectively for annual periods beginning 1st January 2010 in accordance with the effective date and transitional provisions of the amendment. The Group has reassessed the classification of leasehold land on the basis of information existing at the inception of those leases, and recognised the leasehold land in Hong Kong as finance lease retrospectively. As a result of the reassessment, the Group has reclassified the leasehold land from operating lease to finance lease. Since the property interest is held for own use, that land interest classified as finance lease is accounted for as land and hotel buildings and is depreciated from the land interest available for its intended use over the lease term.

The effect of the changes in the accounting policies following the adoption of the HKAS 17 (Amendment) on the condensed consolidated profit and loss account are as follows:

	Six months ended 30th September	
	<b>2010</b>	2009
	<b>HK\$'000</b>	HK\$'000
Increase/(decrease) in profit:		
Depreciation	<b>13,463</b>	13,463
Amortisation	<b>(13,463)</b>	(13,463)
	-	-

# Notes to the Interim Financial Information

## 1. Basis of preparation (continued)

The effect of the changes in the accounting policies following the adoption of the HKAS 17 (Amendment) on the condensed consolidated balance sheet are as follows:

	<b>30th September 2010 HK\$'000</b>	31st March 2010 HK\$'000
Increase/(decrease) in:		
Property, plant and equipment	<b>1,618,336</b>	1,631,799
Leasehold land	<b>(1,618,336)</b>	(1,631,799)
	-	-

The HKICPA has issued certain new and revised standards, interpretations and amendments to existing standards that are not yet effective for the year ending 31st March 2011. The Group has not early adopted these standards, interpretations and amendments. The Group has already commenced an assessment of the related impact to the Group. The Group is not yet in a position to state whether they will have substantial change to the Group's accounting policies and presentation of the financial statements.

## 2. Financial risk management

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

## 3. Critical accounting estimates and judgements

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

## Notes to the Interim Financial Information

### 4. Revenue and segment information

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

#### (a) Turnover

The Group is principally engaged in hotel, catering services, travel agency operations and securities investments.

Turnover comprises revenue from hotel, catering services, travel agency operations, dividend and interest income, together with gross proceeds from disposal of financial assets at fair value through profit or loss and derivative financial instruments.

Revenue includes revenue from hotel, catering services, travel agency operations and dividend and interest income.

	Six months ended 30th September	
	2010 HK\$'000	2009 HK\$'000
Turnover		
Revenue		
Hotel operating income	<b>189,607</b>	129,838
– Room rentals	<b>147,754</b>	97,301
– Food and beverages	<b>30,547</b>	22,846
– Ancillary services	<b>4,514</b>	3,104
– Rental income	<b>6,792</b>	6,587
Catering income	<b>6,253</b>	5,573
Travel agency income	<b>117,901</b>	96,756
Investments	<b>31,264</b>	26,581
Other operations	<b>877</b>	877
	<b>345,902</b>	259,625
Gross proceeds from disposal of financial assets at fair value through profit or loss and derivative financial instruments	<b>230,977</b>	116,698
	<b>576,879</b>	376,323



## Notes to the Interim Financial Information

**4. Revenue and segment information** (continued)**(b) Segment information**

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors (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 hotel operation, catering services, travel agency and investments.

Hotel operation	–	hotel operation in Hong Kong and Canada
Catering services	–	restaurant operation in Hong Kong and Mainland China
Travel agency	–	sale of air tickets and hotel reservation service in Hong Kong
Investments	–	investment in financial instruments

Segment assets consist primarily of property, plant and equipment, trade and other receivables, available-for-sale investments, financial assets at fair value through profit or loss, excluding deferred income tax assets, bank balances and cash. Segment liabilities comprise mainly borrowings.

	Hotel operation	Catering services	Travel agency	Investments	Others	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Six months ended 30th September 2010						
Turnover	<b>189,607</b>	<b>6,253</b>	<b>117,901</b>	<b>262,241</b>	<b>877</b>	<b>576,879</b>
Segment revenue	<b>189,607</b>	<b>6,253</b>	<b>117,901</b>	<b>31,264</b>	<b>877</b>	<b>345,902</b>
Contribution to segment results	<b>97,564</b>	<b>(388)</b>	<b>(268)</b>	<b>32,097</b>	<b>877</b>	<b>129,882</b>
Net investment gain	–	–	–	<b>102,789</b>	–	<b>102,789</b>
Depreciation	<b>(43,507)</b>	<b>(82)</b>	<b>(20)</b>	–	<b>(45)</b>	<b>(43,654)</b>
Other income	–	–	–	–	<b>12,664</b>	<b>12,664</b>
Segment results	<b>54,057</b>	<b>(470)</b>	<b>(288)</b>	<b>134,886</b>	<b>13,496</b>	<b>201,681</b>
Unallocated corporate expenses						<b>(9,045)</b>
Operating profit						<b>192,636</b>
Finance costs						<b>(32,492)</b>
Profit before income tax						<b>160,144</b>
Income tax expense						<b>(8,962)</b>
Profit for the period attributable to shareholders						<b>151,182</b>

## Notes to the Interim Financial Information

**4. Revenue and segment information** (continued)

## (b) Segment information (continued)

	Hotel operation HK\$'000	Catering services HK\$'000	Travel agency HK\$'000	Investments HK\$'000	Others HK\$'000	Total HK\$'000
Six months ended 30th September 2009						
Turnover	129,838	5,573	96,756	143,279	877	376,323
Segment revenue	129,838	5,573	96,756	26,581	877	259,625
Contribution to segment results	50,834	(1,532)	(385)	27,210	877	77,004
Net investment gain	–	–	–	325,327	–	325,327
Depreciation	(43,087)	(87)	(20)	–	(45)	(43,239)
Other charge	–	–	–	–	(10,780)	(10,780)
Segment results	7,747	(1,619)	(405)	352,537	(9,948)	348,312
Unallocated corporate expenses						(9,741)
Operating profit						338,571
Finance costs						(21,666)
Profit before income tax						316,905
Income tax expense						(3,619)
Profit for the period attributable to shareholders						313,286

## Notes to the Interim Financial Information

## 4. Revenue and segment information (continued)

## (b) Segment information (continued)

	Hotel operation HK\$'000	Catering services HK\$'000	Travel agency HK\$'000	Investments HK\$'000	Others HK\$'000	Total HK\$'000
At 30th September 2010						
Segment assets	<b>2,641,782</b>	<b>3,548</b>	<b>11,142</b>	<b>1,421,707</b>	<b>25,661</b>	<b>4,103,840</b>
Other unallocated assets						<b>110,260</b>
						<b>4,214,100</b>
Segment liabilities						
Borrowings	<b>938,554</b>	–	–	<b>556,814</b>	–	<b>1,495,368</b>
Other unallocated liabilities						<b>113,158</b>
						<b>1,608,526</b>
Additions to non-current assets*	<b>13,865</b>	<b>190</b>	<b>45</b>	–	–	<b>14,100</b>
At 31st March 2010						
Segment assets	2,671,927	3,507	14,985	1,167,602	25,848	3,883,869
Other unallocated assets						77,790
						3,961,659
Segment liabilities						
Borrowings	967,374	–	–	479,014	–	1,446,388
Other unallocated liabilities						151,301
						1,597,689
Additions to non-current assets*	53,561	5	13	–	–	53,579

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

## Notes to the Interim Financial Information

**4. Revenue and segment information** (continued)

## (b) Segment information (continued)

	Six months ended 30th September	
	<b>2010</b> <b>HK\$'000</b>	2009 HK\$'000
<b>Revenue</b>		
Hong Kong	<b>262,016</b>	193,890
Overseas	<b>83,886</b>	65,735
	<b>345,902</b>	259,625
	<b>30th</b>	31st
	<b>September</b>	March
	<b>2010</b>	2010
	<b>HK\$'000</b>	HK\$'000
<b>Non-current assets*</b>		
Hong Kong	<b>2,339,011</b>	2,361,553
Overseas	<b>263,930</b>	275,184
	<b>2,602,941</b>	2,636,737

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

## Notes to the Interim Financial Information

## 5. Net investment gain

	Six months ended 30th September	
	2010 HK\$'000	2009 HK\$'000
Financial assets at fair value through profit or loss		
– net unrealised gain from market value movements	<b>75,455</b>	303,809
– net unrealised exchange gain	<b>26,836</b>	19,960
– net realised gain	<b>10,908</b>	10,329
– provision for interest receivable	–	(9,490)
Available-for-sale investments		
– net realised gain	–	1,114
– impairment	<b>(112)</b>	(1,531)
Derivative financial instruments		
– net unrealised (loss)/gain	<b>(10,298)</b>	4,701
– net realised loss	–	(3,565)
	<b>102,789</b>	325,327

## 6. Other income/(charge)

	Six months ended 30th September	
	2010 HK\$'000	2009 HK\$'000
Fair value gain/(loss) on warrant liabilities (note 16)	<b>12,664</b>	(10,780)

## Notes to the Interim Financial Information

## 7. Income and expenses by nature

	Six months ended 30th September	
	2010	2009
	HK\$'000	HK\$'000 (Restated)
<b>Income</b>		
Operating lease rental income for hotel buildings	6,792	6,587
Interest income		
– Listed investments	17,400	2,545
– Unlisted investments	16	144
– Other receivables	877	877
– Bank deposits	148	109
Dividend income		
– Listed investments	13,700	23,222
– Unlisted investments	–	89
<b>Expenses</b>		
Cost of goods sold	99,246	83,275
Depreciation	43,654	43,239
Employee benefit expenses, including Directors' emoluments (note)	55,472	48,956
Operating lease rental expense for land and buildings	3,001	3,099
Note:		
<b>Employee benefit expenses</b>		
Wages and salaries	53,511	47,828
Retirement benefits costs	1,961	1,128
	55,472	48,956

## Notes to the Interim Financial Information

## 8. Finance costs

	Six months ended 30th September	
	2010 HK\$'000	2009 HK\$'000
Interest expenses on bank loans and overdrafts	12,903	13,470
Other incidental borrowing costs	1,071	1,037
Net foreign exchange loss on bank borrowings	17,808	8,828
Fair value loss/(gain) on interest rate swaps	710	(1,669)
	<b>32,492</b>	21,666

## 9. Income tax expense

	Six months ended 30th September	
	2010 HK\$'000	2009 HK\$'000
Current income tax		
Hong Kong profits tax	373	32
Overseas profits tax	–	785
	<b>373</b>	817
Deferred income tax	8,589	2,802
Income tax expense	<b>8,962</b>	3,619

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



# Notes to the Interim Financial Information

## 10.Dividend

	Six months ended 30th September	
	2010	2009
	HK\$'000	HK\$'000
Interim, of HK0.25 cent (2009: Nil) per share	<b>3,833</b>	–

At a meeting held on 26th November 2010, the Board of Directors recommended to pay an interim dividend of HK0.25 cent per share with a scrip option (2009: Nil). The interim dividend is not reflected in the interim financial information, but will be reflected as an appropriation of revenue reserve in the year ending 31st March 2011.

The amount of HK\$3,833,000 is based on 1,533,295,973 issued shares as at 26th November 2010.

## 11.Earnings per share

The calculation of basic earnings per share is based on the profit for the period attributable to shareholders of HK\$151,182,000 (2009: HK\$313,286,000) and divided by weighted average number of 1,346,257,141 (2009: 1,307,557,161) shares in issue during the period ended 30th September 2010.

The calculation of diluted earnings per share for the six months ended 30th September 2010 was based on the profit for the period attributable to shareholders of HK\$151,182,000 and 1,446,734,132 shares equaling to the weighted average number of 1,346,257,141 shares in issue during the period plus 100,476,991 potential shares deemed to be in issue assuming the outstanding warrants had been exercised.

The calculation of diluted earnings per share for the six months ended 30th September 2009 was based on the profit for the period attributable to shareholders of HK\$313,286,000 and 1,387,270,256 shares equaling to the weighted average number of 1,307,557,161 shares in issue during the period plus 79,713,095 potential shares deemed to be in issue assuming the outstanding warrants had been exercised.

The outstanding share options did not have any dilutive effect on the earnings per share for the six months ended 30th September 2010 and 2009.

## Notes to the Interim Financial Information

## 12. Property, plant and equipment

	Land and hotel buildings HK\$'000	Plant and equipment HK\$'000	Total HK\$'000
<b>Cost</b>			
At 31st March 2010 (restated)	3,140,652	416,811	3,557,463
Currency translation difference	(6,465)	(1,235)	(7,700)
Additions	122	13,978	14,100
Disposals	–	(1,519)	(1,519)
<b>At 30th September 2010</b>	<b>3,134,309</b>	<b>428,035</b>	<b>3,562,344</b>
<b>Accumulated depreciation</b>			
At 31st March 2010 (restated)	637,607	283,119	920,726
Currency translation difference	(2,721)	(990)	(3,711)
Charge for the period	28,860	14,794	43,654
Disposals	–	(1,266)	(1,266)
<b>At 30th September 2010</b>	<b>663,746</b>	<b>295,657</b>	<b>959,403</b>
<b>Net book value</b>			
<b>At 30th September 2010</b>	<b>2,470,563</b>	<b>132,378</b>	<b>2,602,941</b>
At 31st March 2010 (restated)	2,503,045	133,692	2,636,737

Notes:

(a) At 30th September 2010, the carrying amount HK\$2,601,322,000 (31st March 2010: HK\$2,635,223,000) of hotel properties were pledged to banks to secure bank borrowings of HK\$1,356,716,000 (31st March 2010: HK\$1,406,388,000).

(b) Supplementary information with hotel properties at valuation:

The aggregate valuation of hotel properties in Hong Kong and Canada were revalued by Vigers Appraisal & Consulting Limited and Grant Thornton Management Consultants respectively, independent professional valuers, amounted to HK\$6,434,747,000 (31st March 2010: HK\$5,206,622,000).

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

## Notes to the Interim Financial Information

### 13. Trade and other receivables

Trade and other receivables of the Group include trade receivables, deposits and prepayments, dividend, interest and other receivables.

Trade receivables of the Group amounted to HK\$34,659,000 (31st March 2010: HK\$33,246,000). The credit terms given to the customers vary and are generally based on the financial strengths of individual customers. In order to effectively manage the credit risks associated with trade receivables, credit evaluations of customers are performed periodically.

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

	<b>30th September 2010 HK\$'000</b>	31st March 2010 HK\$'000
0 – 60 days	<b>34,247</b>	31,597
61 – 120 days	<b>249</b>	1,439
Over 120 days	<b>163</b>	210
	<b>34,659</b>	33,246

### 14. Trade and other payables

Trade and other payables of the Group include trade payables, rental and management fee deposits, retentions payable of construction costs and various accruals.

Trade payables of the Group amounted to HK\$16,073,000 (31st March 2010: HK\$15,808,000).

Aging analysis of trade payables is as follows:

	<b>30th September 2010 HK\$'000</b>	31st March 2010 HK\$'000
0 – 60 days	<b>16,005</b>	15,593
61 – 120 days	<b>39</b>	12
Over 120 days	<b>29</b>	203
	<b>16,073</b>	15,808

## Notes to the Interim Financial Information

## 15. Borrowings

	<b>30th September 2010 HK\$'000</b>	31st March 2010 HK\$'000
Short term bank borrowings, unsecured	–	40,000
Short term bank and other borrowings, secured (notes a and b)	<b>556,814</b>	439,014
	<b>556,814</b>	479,014
Long term bank borrowings, secured (notes a and c)	<b>938,554</b>	967,374
	<b>1,495,368</b>	1,446,388

Notes:

- (a) The short term bank borrowings of HK\$418,162,000 (31st March 2010: HK\$439,014,000) and the long term bank borrowings of HK\$938,554,000 (31st March 2010: HK\$967,374,000) are secured by mortgages of the Group's hotel properties, floating charges over all the assets of certain subsidiaries and corporate guarantees given by the Company.
- (b) The short term bank and other borrowings of HK\$138,652,000 (31st March 2010: Nil) are secured by certain financial assets at fair value through profit or loss and available-for-sale investments.
- (c) The maturity of long term bank borrowings is as follows:

	<b>30th September 2010 HK\$'000</b>	31st March 2010 HK\$'000
Repayable within one year	<b>65,018</b>	59,768
Repayable within one to two years	<b>73,166</b>	68,826
Repayable within two to five years	<b>283,090</b>	296,008
Repayable after five years	<b>517,280</b>	542,772
	<b>938,554</b>	967,374
Current portion included in current liabilities	<b>(65,018)</b>	(59,768)
	<b>873,536</b>	907,606

# Notes to the Interim Financial Information

## 16. Warrant liabilities

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\$0.146 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 each six months period from the date of issue of the warrants and on the tenth business day before the date of expiration of the warrants. After the share consolidation and the final reset adjustment, the subscription price was adjusted to HK\$0.29 per share. The warrants expired on 6th September 2010.

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

	HK\$'000
At 31st March 2010	53,904
Set off against reserve upon conversion of warrants	(41,240)
Fair value gain credited to profit and loss account (note 6)	(12,664)
<b>At 30th September 2010</b>	<b>–</b>

## 17. Share capital

	<b>Number of shares of HK\$0.02 per share</b>	<b>Amount HK\$'000</b>
<b>Authorised:</b>		
At 31st March 2010 and 30th September 2010	<b>35,000,000,000</b>	<b>700,000</b>
<b>Issued and fully paid:</b>		
At 31st March 2010	1,312,277,029	26,246
Conversion of warrants (note a)	201,366,496	4,027
Scrip dividend (note b)	19,652,448	393
<b>At 30th September 2010</b>	<b>1,533,295,973</b>	<b>30,666</b>

Notes:

- (a) During the period, the Company allotted and issued 201,366,496 (31st March 2010: 12,803,420) new shares for a gross consideration of HK\$58,396,000 (31st March 2010: HK\$1,519,000) upon conversion of warrants. The remaining warrants lapsed upon maturity.
- (b) In September 2010, 19,652,448 new shares were allotted and issued in lieu of final dividend of HK1 cent per share for the year ended 31st March 2010.

## Notes to the Interim Financial Information

## 18. Reserves

	Share premium	Warrants reserve	Contributed surplus	Available- for-sale investment reserve	Exchange reserve	Share option reserve	Revenue reserve	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 31st March 2010	1,037,910	(114,383)	1,134,752	100,781	66,239	25,280	87,145	2,337,724
Fair value loss on available-for-sale investments	-	-	-	(3,386)	-	-	-	(3,386)
Impairment of available-for-sale investments charged to profit and loss account	-	-	-	112	-	-	-	112
Currency translation differences	-	-	-	-	(2,480)	-	-	(2,480)
Profit for the period	-	-	-	-	-	-	151,182	151,182
Conversion of warrants	54,369	94,038	-	-	-	-	(52,799)	95,608
Expiry of warrants	-	20,345	-	-	-	-	(20,345)	-
Final dividend (with scrip option)	9,335	-	-	-	-	-	(13,187)	(3,852)
<b>At 30th September 2010</b>	<b>1,101,614</b>	<b>-</b>	<b>1,134,752</b>	<b>97,507</b>	<b>63,759</b>	<b>25,280</b>	<b>151,996</b>	<b>2,574,908</b>

## 19. Capital commitments

Capital commitments at the balance sheet date are as follows:

	<b>30th September 2010 HK\$'000</b>	31st March 2010 HK\$'000
Property, plant and equipment		
Contracted but not provided for	<b>9,424</b>	10,084
Authorised but not contracted for	<b>5,650</b>	13,982
	<b>15,074</b>	24,066

## 20. Financial guarantee

At 30th September 2010 and 31st March 2010, the Group had no financial guarantee and significant contingent liabilities.

## 21. Comparative figures

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

## Other Information

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

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

#### (I) Long positions in shares

##### (a) The Company

Director	Number of shares held			Percentage of shares in issue (%)
	Personal interest	Corporate interest	Total	
Poon Jing	49,337	1,116,470,997	1,116,520,334	72.82

Note:

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

##### (b) Associated corporations

Associated corporation	Director	Number of shares held			Percentage of shares in issue (%)
		Personal interest	Corporate interest	Total	
Asia Standard International Group Limited ("ASI") (note)	Poon Jing	1,689,159	613,365,030	615,054,189	49.43
Mark Honour Limited	Fung Siu To, Clement	9	–	9	0.01

Note:

By virtue of Mr. Poon Jing's controlling interest in Asia Orient, he is deemed to be interested in the shares of ASI held by subsidiaries of Asia Orient.



## Other Information

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

(continued)

#### (II) Long positions in underlying shares

##### *Interests in share options*

##### *(a) The Company*

As at 30th September 2010, details of the share options granted to Directors under the share option scheme of the Company adopted on 28th August 2006 ("Share Option Scheme") are as follows:

Director	Date of grant	Exercise price (HK\$) (note 1)	Exercise period	Outstanding as at 1st April 2010 and 30th September 2010  (note 1)
Fung Siu To, Clement	29th March 2007	1.296	29th March 2007 to 28th March 2017	8,000,000
Poon Tin Sau, Robert	29th March 2007	1.296	29th March 2007 to 28th March 2017	8,000,000
Lim Yin Cheng	2nd April 2007	1.300	2nd April 2007 to 1st April 2017	8,000,000
Woo Wei Chun, Joseph	2nd April 2007	1.300	2nd April 2007 to 1st April 2017	8,000,000

Notes:

- Subsequent to the share consolidation in 2009, the exercise price of the share options was adjusted from HK\$0.1296 and HK\$0.13 per share to HK\$1.296 and HK\$1.30 per share respectively, and the number of share options granted was adjusted accordingly.
- During the period, no option was granted to the Directors and the options granted to the Directors have not been exercised, cancelled or lapsed.

## Other Information

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

(II) Long positions in underlying shares (continued)

*Interests in share options (continued)*

(b) Associated corporation – ASI

Director	Outstanding as at 1st April 2010 and 30th September 2010 (note 1)
Poon Jing	515,544
Lim Yin Cheng	2,062,176
Fung Siu To, Clement	2,062,176

Notes:

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

Save as disclosed above, as at 30th September 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.

## Other Information

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

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 30th September 2010, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and chief executive.

#### Long positions in shares of the Company

Name of Shareholders	Number of shares held	Percentage (%)
Asia Standard Development (Holdings) Limited ("ASDHL")	362,699,590	23.65
Asia Standard International Limited ("ASIL")	706,726,744	46.09
ASI (note 1)	1,070,420,353	69.81
Asia Orient Holdings (BVI) Limited (note 2)	1,116,470,997	72.82
Asia Orient (note 3)	1,116,470,997	72.82

Notes:

1. ASDHL and ASIL are the wholly owned subsidiaries of ASI. ASI is deemed to be interested in and duplicate the interest held by ASDHL and ASIL.
2. Asia Orient Holdings (BVI) Limited and its subsidiaries together hold more than one-third of the issued shares of ASI and is deemed to be interested in and duplicate the interest held by ASI.
3. Asia Orient Holdings (BVI) Limited is a wholly owned subsidiary of Asia Orient. Asia Orient is deemed to be interested in and duplicate the interest held by Asia Orient Holdings (BVI) Limited and its subsidiaries.

Save as disclosed above, as at 30th September 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.

## Other Information

### Share Option Scheme

Pursuant to the share option scheme of the Company adopted on 28th August 2006 ("Share Option Scheme"), the Board of Directors of the Company may grant share 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. There are no changes in any terms of the Share Option Scheme during the six months ended 30th September 2010. The detailed terms of the Share Option Scheme were disclosed in the 2010 annual report.

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

Grantee	Date of grant	Exercise price (HK\$) (note 1)	Exercise period	Outstanding as at 1st April 2010 and 30th September 2010 (note 1)
Directors	29th March 2007	1.296	29th March 2007 to 28th March 2017	16,000,000
	2nd April 2007	1.300	2nd April 2007 to 1st April 2017	16,000,000
Directors of an associated company	2nd April 2007	1.300	2nd April 2007 to 1st April 2017	16,000,000
Employees of an associated company	2nd April 2007	1.300	2nd April 2007 to 1st April 2017	30,999,999

Notes:

- Subsequent to the share consolidation in 2009, the exercise price of the share options was adjusted from HK\$0.1296 and HK\$0.13 per share to HK\$1.296 and HK\$1.30 per share respectively, and the number of share options granted was adjusted accordingly.
- During the period, no option was granted, exercised, cancelled or lapsed.

### Interim Dividend

The Board of Directors recommends an interim dividend for the six months ended 30th September 2010 of HK0.25 cent per share with an option to elect to receive shares of the Company credited as fully paid in lieu of cash in respect of part or all of the proposed interim dividend (the "Scrip Dividend Scheme") (2009: Nil) to shareholders whose names appear on the Register of Members of the Company on Friday, 14th January 2011 (the "Record Date").

The Scrip Dividend Scheme will be subject to the Stock Exchange granting listing of and permission to deal in the new shares to be allotted thereunder. For the purpose of determining the number of new shares to be allotted, the market value of new shares will be calculated as the average of the closing prices of the existing shares of the Company in the Stock Exchange for the three trading days prior to and including the Record Date. The interim dividend is expected to be paid on or around Tuesday, 15th February 2011.

## Other Information

### Closure of Register of Members

The Register of Members will be closed from Wednesday, 12th January 2011 to Friday, 14th January 2011, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all share certificates with completed transfer forms either overleaf or separately must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 11th January 2011.

### Purchase, Sale or Redemption of Listed Securities

During the period, the Company had not redeemed any of its shares. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the period.

### Model Code for Securities Transactions by Directors

The Company has adopted the Model Code and has made specific enquiry of all Directors regarding any non-compliance with the Model Code during the period, and they all confirmed that they have fully complied with the required standard set out in the Model Code throughout the period ended 30th September 2010.

### Code on Corporate Governance Practices

During the period, the Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules, except for the deviation from code provision A.4.1 which states that Non-executive Directors should be appointed for a specific term, subject to re-election. All Independent Non-executive Directors of the Company are not appointed for specific terms, but subject to retirement by rotations and re-elections at the annual general meeting of the Company in accordance with the Bye-Laws of the Company.

### Audit Committee

The Audit Committee members are Mr. Hung Yat Ming, Mr. Leung Wai Keung and Mr. Ip Chi Wai who have reviewed the unaudited interim results of the Group for the six months ended 30th September 2010.

On behalf of the Board

**Asia Standard Hotel Group Limited**

**Poon Jing**

*Chairman*

Hong Kong, 26th November 2010





**ASIA STANDARD HOTEL GROUP LIMITED**

Stock Code: 292