



# ASIA STANDARD INTERNATIONAL GROUP LIMITED

Stock Code: 129



Interim Report  
**2012**



# Corporate Information

## Directors

### Executive

Mr. Fung Siu To, Clement (*Chairman*)  
 Dr. Lim Yin Cheng (*Deputy Chairman*)  
 Mr. Poon Jing (*Managing Director and Chief Executive*)  
 Mr. Poon Hai  
 (appointed on 9th July 2012)  
 Mr. Lun Pui Kan  
 Mr. Kwan Po Lam, Phileas

### Non-executive

Mr. Au Yat Chuen  
 (resigned on 9th July 2012)  
 Mr. Loup, Nicholas James  
 (resigned on 9th July 2012)

### 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. Wong Chi Keung (*Chairman*)  
 Mr. Fung Siu To, Clement  
 Mr. Koon Bok Ming, Alan  
 Mr. Leung Wai Keung  
 Mr. Loup, Nicholas James  
 (resigned on 9th July 2012)

### Authorised representatives

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

### Company secretary

Mr. Tung Kwok Lui

## Registered office

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

## Principal office in Hong Kong

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

Telephone 2866 3336  
 Facsimile 2866 3772  
 Website <http://www.asiastandard.com>  
 E-mail [as\\_info@asia-standard.com.hk](mailto:as_info@asia-standard.com.hk)

## Principal bankers

The Hongkong and Shanghai Banking Corporation  
 Bank of China (Hong Kong)  
 Hang Seng Bank  
 Industrial and Commercial Bank of China (Asia)  
 Bank of East Asia  
 Barclays Bank  
 Bank Morgan Stanley  
 UBS

## Legal advisers

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

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

## Auditor

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

## Share registrar in Bermuda

Butterfield Fulcrum Group (Bermuda) Limited  
 26 Burnaby Street,  
 Hamilton HM 11, 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

	<b>Six months ended</b>		
	<b>30th September</b>		
	<b>2012</b>	2011	Change
(in HK\$ million, except otherwise indicated)			
<b>Consolidated profit and loss account</b>			
Revenue	<b>567</b>	589	-4%
Operating profit/(loss)	<b>738</b>	(610)	N/A
Profit/(loss) attributable to shareholders of the Company	<b>789</b>	(192)	N/A
Earnings/(loss) per share (HK\$)			
Basic and diluted	<b>0.64</b>	(0.16)	N/A

	<b>30th</b>	31st	
	<b>September</b>	March	
	<b>2012</b>	2012	Change
<b>Consolidated balance sheet</b>			
Total assets	<b>15,774</b>	14,989	+5%
Net assets	<b>11,675</b>	10,838	+8%
Equity attributable to shareholders of the Company	<b>10,923</b>	10,133	+8%
Net debt	<b>3,511</b>	3,492	+1%

Supplementary information with hotel properties at valuation (note):

Revalued total assets	<b>21,668</b>	20,670	+5%
Revalued net assets	<b>17,542</b>	16,492	+6%
Equity attributable to shareholders of the Company	<b>15,035</b>	14,095	+7%
Equity attributable to shareholders of the Company per share (HK\$)	<b>12.22</b>	11.46	+7%
Gearing – net debt to revalued net assets	<b>20%</b>	21%	-1%

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 excluding the corresponding deferred tax on Hong Kong properties as Hong Kong tax jurisdiction does not include capital gain 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, on an open market value basis as at 30th September 2012 and 31st March 2012.

# Management Discussion and Analysis

## Proposed low density residential development in Shanghai



### Results

The Group recorded revenue of HK\$567 million (2011: HK\$589 million) for the first half of the financial year with profit attributable to shareholders of the Company at HK\$789 million (2011: loss of HK\$192 million). The turnaround from loss to profit is mainly due to the net investment gain for the current interim period compared to net investment loss for same period last year.

### Properties Sales, Development and Leasing

#### Sales

Sales from The Westminster Terrace amounted to HK\$159 million this period (2011: HK\$256 million) with a pre-tax profit of HK\$63 million (2011: HK\$109 million). By accounting convention, these sale and profit were not included in the Group's revenue and segment results but separately accounted for as share of profit from jointly controlled entity. All the residential units of The Westminster Terrace have now been sold, achieving total proceeds of about HK\$2.5 billion.

#### Development

The Group is at present developing 5 residential projects with attributable GFA of 4 million sq. ft., spanning over Hong Kong, Shanghai, Beijing and Macau.

## The Westminster Terrace



The design and construction tendering of the Group's 50% joint venture project in Shanghai is in progress. The development comprises premium low density detached and semi-detached houses with total floor area of approximately 1,080,000 sq. ft. on a 1.5 million sq. ft. site. It is located in a traditional high end residential community in the Qingpu district close to the Hongqiao CBD hub. We anticipate construction work to begin towards end of the year.

Planning parameters was approved for another 50% joint venture in Beijing. This waterfront residential/commercial development has a total floor area of approximately 2,360,000 sq. ft.. Land premium was paid and land clearances are under preparation.

In Hong Kong, the Hung Shui Kiu development is undergoing land exchange process. A commercial and residential development of approximately 590,000 sq. ft. is planned. This project is situated next to the local light rail station.

## Management Discussion and Analysis

Asia Orient Tower



During the period, the Group entered into a joint venture to acquire a tenanted residential building in Jardine's Lookout for redevelopment. The development will be a brand new luxurious residence of approximately 75,000 sq. ft. GFA on a 23,000 sq. ft. site.

In Macau, planning application for the 190,000 sq. ft. site is underway. The site application is located within the proposed residential/commercial Seac Pai Van zoning outline indicated by the Government.

Empire Hotel Kowloon



### Leasing

The Group's leasing portfolio comprises 353,000 sq. ft. retail/commercial buildings in Central, Wan Chai and Causeway Bay. Rental income attributable to the Group for both periods was approximately HK\$55 million. Substantial rent increase was recorded for retail shop at Asia Standard Tower in Central, effective subsequent to the interim period.

Revaluation gain (including that generated from properties owned by an associated company) of HK\$427 million was recorded, compared to HK\$1,059 million of interim period last year.

# Management Discussion and Analysis

## Hotel

Revenue arising from the hotel and hospitality segment increased 8% from HK\$341 million of last interim period to HK\$368 million of current period. Revenue increased for all Hong Kong located hotels and travel agency operation. Average occupancies for the 3 Hong Kong hotels exceeded 95% compared to 90% in last interim period. Contribution to segment results before depreciation was approximately HK\$133 million (2011: HK\$131 million).

Repositioning & refurbishments will be carried out at Empire Landmark Canada shortly, while redevelopment of the acquired properties in Tsimshatsui and Causeway Bay into hotels is under planning which, upon completion, will add approximately 200 more rooms to the portfolio.

A net investment gain of HK\$29 million was registered by the hotel subsidiary group, as opposed to a net investment loss of HK\$624 million last interim period.

Overall, the hotel group recorded a profit of HK\$141 million (2011: loss of HK\$487 million) on total revenue of HK\$420 million (2011: HK\$401 million).

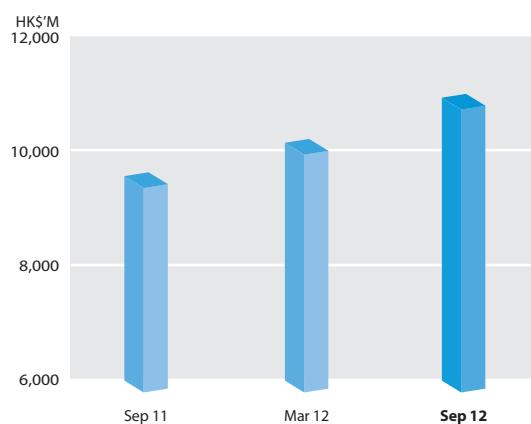
## Investments

At 30th September 2012, the Group held financial investments of approximately HK\$3,914 million (31st March 2012: HK\$3,704 million), with HK\$1,420 million (31st March 2012: HK\$1,421 million) held by the listed hotel subsidiary group. The Group recorded an unrealised net fair value gain of HK\$131 million (2011: HK\$1,727 million loss), together with a realised net gain of HK\$30 million (2011: HK\$6 million gain). Income during the period from these investments amounted to HK\$149 million (2011: HK\$156 million).

These financial investments comprise 65% by debt securities and 35% by equity securities. They are denominated in different currencies with 42% in United States dollar, 33% in Sterling, 13% in Hong Kong dollar, 8% in Euro and 4% in Renminbi.

At 30th September 2012, an approximate value of HK\$560 million (31st March 2012: HK\$340 million) of these investments were pledged to banks as collateral for credit facilities granted to the Group.

## Equity attributable to shareholders



# Management Discussion and Analysis

## Financial Review

At 30th September 2012, the Group's total assets were approximately HK\$15.8 billion, compared to HK\$15.0 billion at end of last financial year. The net assets were HK\$11.7 billion (31st March 2012: HK\$10.8 billion). Adopting market value of hotel properties, the revalued total assets and revalued net assets of the Group would be HK\$21.7 billion and HK\$17.5 billion, an increase of 5% and 6% compared to HK\$20.7 billion and HK\$16.5 billion respectively at the end of last financial year.

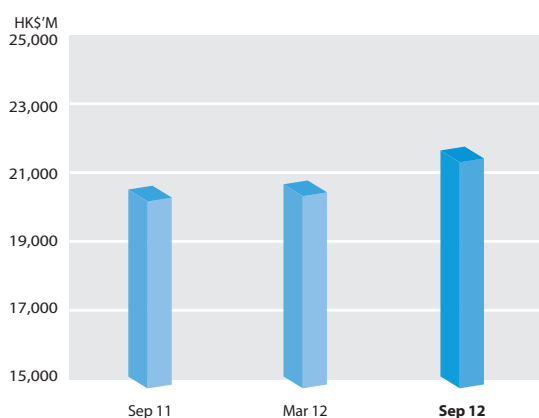
Net debt were HK\$3.5 billion (31st March 2012: HK\$3.5 billion), including HK\$1.5 billion (31st March 2012: HK\$1.5 billion) which belonged to the separately listed hotel subsidiary group. Net debt to revalued net asset value is approximately 20% (31st March 2012: 21%). All the debts are at floating rates. As at 30th September 2012, a total of HK\$150 million interest rate swap contracts were held to hedge our borrowings. Total interest cost is similar for the two interim periods.

The maturity of our debts spread over a long period of up to 14 years. 99% of total borrowings are secured. 11% are revolving credit facilities secured by financial assets investment. 88% are facilities secured by property assets with 12% from revolving credit facilities, 12% are repayable within 1 year, 27% repayable between one to five years and 37% repayable after five years. As at 30th September 2012, the Group had current assets of HK\$6,013 million (31st March 2012: HK\$5,785 million).

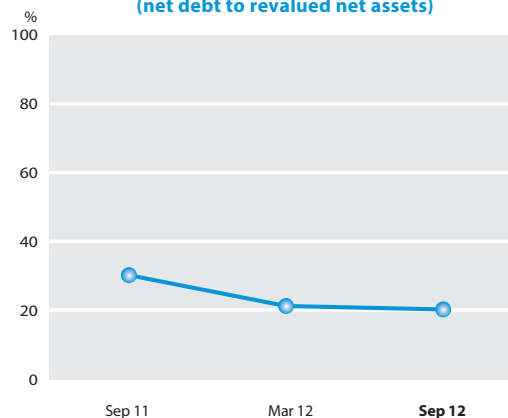
About 89% of the Group's borrowings are in Hong Kong dollar, 5% in Euro and remaining 6% in other currencies. In interim period of 2011, the Group recorded an exchange gain in these foreign currencies loan revaluation due to the weakening of Euro against Hong Kong dollar, resulting in a net credit in total finance costs.

As at 30th September 2012, property assets with an aggregated net book value of HK\$9,954 million (31st March 2012: HK\$9,336 million) were pledged to secure banking facilities of the Group. HK\$149 million guarantee was provided to financial institution against credit facilities granted to a jointly controlled entity (31st March 2012: HK\$149 million).

### Revalued total assets



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





# Management Discussion and Analysis

## Employees and Remuneration Policies

As at 30th September 2012, the Group employed 515 employees. 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 Hong Kong property market in general benefit from the unprecedented liquidity and very low long term interest rates by Central Banks around the world. However, the local government has instituted various tightening measures to cool off the rising demand in the residential segment, which hopefully will bring longer term stability.

Concurrently, we see signs of the PRC property market recovers steadily as illustrated by the tremendous sales turnover announced by numerous mainland developers. The positive demand for housing will be aided by the announced State objective to double per capita income between year 2010-2020. We therefore remain very confident on the Mainland economy and long term positive demand of the property market in the PRC.

As a result of successful amalgamation of adjoining lands, we are expanding our hotel business in proven locations and are optimistic on the performance of our hotel operations as mainland household income continue to rise.

# Report on Review of Interim Financial Information

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

## Introduction

We have reviewed the interim financial information set out on pages 9 to 28, which comprises the condensed consolidated balance sheet of Asia Standard International Group Limited (the "Company") and its subsidiaries (together, the "Group") as at 30th September 2012 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-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The Directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## Scope of Review

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

## Conclusion

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

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 20th November 2012

## Condensed Consolidated Profit and Loss Account – Unaudited

	Note	Six months ended 30th September	
		2012 HK\$'000	2011 HK\$'000
Revenue	4	567,160	589,257
Cost of sales		(181,488)	(195,255)
Gross profit		385,672	394,002
Selling and administrative expenses		(95,393)	(89,726)
Depreciation		(42,508)	(45,991)
Net investment gain/(loss)	5	161,066	(1,722,790)
Fair value gain of investment properties		328,718	854,137
Operating profit/(loss)		737,555	(610,368)
Net finance (costs)/income	7	(23,264)	13,515
Share of profits less losses of			
Jointly controlled entities		24,691	44,692
Associated companies		109,077	212,617
Profit/(loss) before income tax		848,059	(339,544)
Income tax (expense)/credit	8	(16,509)	907
Profit/(loss) for the period		831,550	(338,637)
Attributable to:			
Shareholders of the Company		789,456	(191,867)
Non-controlling interests		42,094	(146,770)
		831,550	(338,637)
Earnings/(loss) per share (HK\$)			
Basic and diluted	10	0.64	(0.16)

## Condensed Consolidated Statement of Comprehensive Income – Unaudited

	<b>Six months ended</b>	
	<b>30th September</b>	
	<b>2012</b>	2011
	<b>HK\$'000</b>	HK\$'000
Profit/(loss) for the period	<b>831,550</b>	(338,637)
Other comprehensive income/(charge)		
Net fair value gain/(loss) on available-for-sale investments	<b>12,021</b>	(58,036)
Impairment of available-for-sale investments charged to profit and loss account	<b>395</b>	1,517
Release of reserve upon disposal of available-for-sale investments	<b>(622)</b>	–
Currency translation differences	<b>3,120</b>	(14,148)
	<b>14,914</b>	(70,667)
Total comprehensive income/(charge) for the period	<b>846,464</b>	(409,304)
Attributable to:		
Shareholders of the Company	<b>799,657</b>	(241,244)
Non-controlling interests	<b>46,807</b>	(168,060)
	<b>846,464</b>	(409,304)

## Condensed Consolidated Balance Sheet – Unaudited

	<i>Note</i>	<b>30th September 2012 HK\$'000</b>	31st March 2012 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment	11	<b>2,691,987</b>	2,526,770
Investment properties	12	<b>4,626,854</b>	4,297,374
Jointly controlled entities		<b>945,019</b>	971,731
Associated companies		<b>1,288,202</b>	1,195,611
Available-for-sale investments		<b>202,473</b>	197,295
Mortgage loans receivable		<b>6,200</b>	14,073
Deferred income tax assets		<b>792</b>	1,041
		<b>9,761,527</b>	9,203,895
<b>Current assets</b>			
Properties under development for sale		<b>1,536,053</b>	1,521,261
Completed properties held for sale		<b>55,611</b>	56,216
Hotel and restaurant inventories		<b>2,249</b>	2,342
Mortgage loans receivable		<b>821</b>	1,156
Trade and other receivables	13	<b>388,310</b>	207,603
Amount due from a jointly controlled entity		<b>–</b>	91,000
Income tax recoverable		<b>166</b>	173
Financial assets at fair value through profit or loss	14	<b>3,711,275</b>	3,507,089
Bank balances and cash		<b>318,232</b>	398,366
		<b>6,012,717</b>	5,785,206
<b>Current liabilities</b>			
Trade and other payables	15	<b>111,262</b>	113,158
Dividend payable		<b>9,841</b>	–
Amount due to a jointly controlled entity		<b>42,955</b>	55,357
Derivative financial instruments		<b>4,229</b>	6,001
Borrowings	16	<b>1,422,017</b>	1,526,688
Income tax payable		<b>41,928</b>	21,734
		<b>1,632,232</b>	1,722,938
Net current assets		<b>4,380,845</b>	4,062,268
Total assets less current liabilities		<b>14,142,012</b>	13,266,163

## Condensed Consolidated Balance Sheet – Unaudited

	<i>Note</i>	<b>30th September 2012 HK\$'000</b>	31st March 2012 HK\$'000
<hr/>			
Non-current liabilities			
Long term borrowings	<i>16</i>	<b>2,407,292</b>	2,364,093
Deferred income tax liabilities		<b>60,052</b>	64,025
		<b>2,467,344</b>	2,428,118
<hr/>			
Net assets		<b>11,674,668</b>	10,838,045
<hr/>			
Equity			
Share capital	<i>17</i>	<b>12,302</b>	12,302
Reserves	<i>18</i>	<b>10,910,836</b>	10,121,020
Equity attributable to shareholders of the Company		<b>10,923,138</b>	10,133,322
Non-controlling interests		<b>751,730</b>	704,723
		<b>11,674,668</b>	10,838,045
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## Condensed Consolidated Statement of Cash Flows – Unaudited

	<b>Six months ended</b>	
	<b>30th September</b>	
	<b>2012</b>	2011
	<b>HK\$'000</b>	HK\$'000
Net cash generated before working capital changes	<b>134,201</b>	183,689
Change in working capital	<b>(107,184)</b>	(866,057)
Net cash generated from/(used in) operating activities	<b>27,017</b>	(682,368)
Net cash used in investing activities	<b>(47,029)</b>	(339,438)
Net cash (used in)/generated from financing activities	<b>(61,048)</b>	996,483
Net decrease in cash and cash equivalents	<b>(81,060)</b>	(25,323)
Cash and cash equivalents at the beginning of the period	<b>389,433</b>	309,569
Changes in exchange rates	<b>917</b>	(4,479)
Cash and cash equivalents at the end of the period	<b>309,290</b>	279,767
Analysis of the balances of cash and cash equivalents		
Bank balances and cash (excluding restricted bank balances)	<b>309,290</b>	279,767

## Condensed Consolidated Statement of Changes in Equity – Unaudited

	<b>Shareholders of the Company</b>	<b>Non-controlling interests</b>	<b>Total</b>
	HK\$'000	HK\$'000	HK\$'000
At 31st March 2011	9,773,759	815,661	10,589,420
Net fair value loss on available-for-sale investments	(40,551)	(17,485)	(58,036)
Impairment of available-for-sale investments charged to profit and loss account	1,060	457	1,517
Currency translation differences	(9,886)	(4,262)	(14,148)
Loss for the period	(191,867)	(146,770)	(338,637)
Total comprehensive charge for the period	(241,244)	(168,060)	(409,304)
At 30th September 2011	9,532,515	647,601	10,180,116
At 31st March 2012	<b>10,133,322</b>	<b>704,723</b>	<b>10,838,045</b>
Net fair value gain on available-for-sale investments	<b>8,369</b>	<b>3,652</b>	<b>12,021</b>
Impairment of available-for-sale investments charged to profit and loss account	<b>277</b>	<b>118</b>	<b>395</b>
Release of reserve upon disposal of available-for-sale investments	<b>(622)</b>	<b>–</b>	<b>(622)</b>
Currency translation differences	<b>2,177</b>	<b>943</b>	<b>3,120</b>
Profit for the period	<b>789,456</b>	<b>42,094</b>	<b>831,550</b>
Total comprehensive income for the period	<b>799,657</b>	<b>46,807</b>	<b>846,464</b>
2012 final dividend	<b>(9,841)</b>	<b>–</b>	<b>(9,841)</b>
At 30th September 2012	<b>10,923,138</b>	<b>751,530</b>	<b>11,674,668</b>



# Notes to the Interim Financial Information

## 1 Basis of preparation

The unaudited condensed consolidated interim financial information ("Interim Financial Information") has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants, and should be read in conjunction with the annual financial statements for the year ended 31st March 2012.

The accounting policies and methods of computation used in the preparation of this Interim Financial Information are consistent with those used in the annual financial statements for the year ended 31st March 2012. There are no new or revised standards or interpretations that are effective for the first time for this interim period which are relevant to the Group's operation and have a material impact to the Group's Interim Financial Information.

## 2 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and cash flow interest rate risk), credit risk and liquidity risk. There have been no changes in the overall risk management since the year ended 31st March 2012.

The Interim Financial Information does not include financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31st March 2012.

## 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 fair value of investment properties, impairment of trade and other receivables, income taxes, fair value of derivative financial instruments and impairment of available-for-sale investments.

## Notes to the Interim Financial Information

### 3 Critical accounting estimates and judgements (continued)

At 30th September 2012, the Group had investment properties with fair value of HK\$4,626,854,000 (31st March 2012: HK\$4,297,374,000). 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.

### 4 Turnover and segment information

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

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

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, investment properties, available-for-sale investments, other non-current assets, properties for sale, trade and other receivables and financial assets at fair value through profit or loss. Segment liabilities comprise mainly borrowings.

## Notes to the Interim Financial Information

## 4 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
Six months ended 30th September 2012						
Turnover	683	42,135	367,564	890,022	7,945	1,308,349
Segment revenue	683	42,135	367,564	148,833	7,945	567,160
Contribution to segment results	77	39,221	133,383	148,833	7,945	329,459
Depreciation	-	-	(40,515)	-	(1,993)	(42,508)
Net investment gain	-	-	-	161,066	-	161,066
Fair value gain of investment properties	-	328,718	-	-	-	328,718
Segment results	77	367,939	92,868	309,899	5,952	776,735
Unallocated corporate expenses						(39,180)
Operating profit						737,555
Net finance cost						(23,264)
Share of profits less losses of Jointly controlled entities	24,691	-	-	-	-	24,691
Associated companies	-	109,077	-	-	-	109,077
Profit before income tax						848,059
Income tax expense						(16,509)
Profit for the period						831,550
Six months ended 30th September 2011						
Turnover	37,919	44,520	340,775	1,514,835	9,480	1,947,529
Segment revenue	37,919	44,520	340,775	156,563	9,480	589,257
Contribution to segment results	4,645	42,580	130,713	156,563	9,480	343,981
Depreciation	-	-	(44,329)	-	(1,662)	(45,991)
Net investment loss	-	-	-	(1,722,790)	-	(1,722,790)
Fair value gain of investment properties	-	854,137	-	-	-	854,137
Segment results	4,645	896,717	86,384	(1,566,227)	7,818	(570,663)
Unallocated corporate expenses						(39,705)
Operating loss						(610,368)
Net finance income						13,515
Share of profits less losses of Jointly controlled entities	44,692	-	-	-	-	44,692
Associated companies	(16)	212,643	-	-	(10)	212,617
Loss before income tax						(339,544)
Income tax credit						907
Loss for the period						(338,637)

## Notes to the Interim Financial Information

## 4 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
As at 30th September 2012						
Segment assets	2,640,472	5,818,451	2,785,606	4,169,196	170,376	15,584,101
Other unallocated assets						190,143
						15,774,244
Segment assets include:						
Jointly controlled entities and associated companies	1,048,262	1,184,045	-	-	914	2,233,221
Addition to non-current assets for the six months ended 30th September 2012*						
	97,845	763	200,852	-	3,795	303,255
Segment liabilities						
Borrowings	1,275,500	480,964	1,103,873	968,972	-	3,829,309
Other unallocated liabilities						270,267
						4,099,576
As at 31st March 2012						
Segment assets	2,743,988	5,395,688	2,635,462	3,781,147	175,879	14,732,164
Other unallocated assets						256,937
						14,989,101
Segment assets include:						
Jointly controlled entities and associated companies	1,165,960	1,091,468	-	-	914	2,258,342
Addition to non-current assets for the six months ended 30th September 2011*						
	500,000	6,162	7,397	-	3,677	517,236
Segment liabilities						
Borrowings	1,543,000	486,495	1,044,007	817,279	-	3,890,781
Other unallocated liabilities						260,275
						4,151,056

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

## Notes to the Interim Financial Information

## 4 Turnover and segment information (continued)

	Six months ended 30th September	
	2012 HK\$'000	2011 HK\$'000
Revenue		
Hong Kong	372,179	378,838
Overseas	194,981	210,419
	<b>567,160</b>	589,257
	30th September 2012 HK\$'000	31st March 2012 HK\$'000
Non-current assets*		
Hong Kong	8,474,471	7,852,229
Overseas	1,077,591	1,139,257
	<b>9,552,062</b>	8,991,486

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

## Notes to the Interim Financial Information

## 5 Net investment gain/(loss)

	<b>Six months ended</b>	
	<b>30th September</b>	
	<b>2012</b>	2011
	<b>HK\$'000</b>	HK\$'000
Financial assets at fair value through profit or loss		
– net unrealised gain/(loss) from market price movements	<b>132,945</b>	(1,594,128)
– net unrealised exchange loss	<b>(1,888)</b>	(124,925)
– net realised gain (note)	<b>28,102</b>	5,579
Available-for-sale investments		
– net realised gain	<b>2,302</b>	–
– impairment	<b>(395)</b>	(1,517)
Derivative financial instruments – net unrealised loss	–	(7,799)
	<b>161,066</b>	(1,722,790)

Note:

Net realised gain on financial assets at fair value through profit or loss		
Gross consideration	<b>741,189</b>	1,358,272
Cost of investments	<b>(615,965)</b>	(759,102)
Total gain	<b>125,224</b>	599,170
Less: net unrealised gain recognised in prior years	<b>(97,122)</b>	(593,591)
Net realised gain recognised in current period	<b>28,102</b>	5,579

## Notes to the Interim Financial Information

## 6 Income and expenses by nature

	Six months ended 30th September	
	2012 HK\$'000	2011 HK\$'000
<b>Income</b>		
Net rental income (note (a))	<b>39,221</b>	42,580
Interest income		
– Listed investments	<b>138,009</b>	144,347
– Unlisted investments	<b>209</b>	180
– Jointly controlled entities	<b>2,260</b>	4,493
– Other receivables	<b>1,936</b>	2,210
– Bank deposits	<b>453</b>	325
Dividend income		
– Listed investments	<b>10,161</b>	11,686
<b>Expenses</b>		
Operating lease rental expense for land and buildings	<b>3,756</b>	3,620
Employee benefit expense, including Directors' emoluments (note (b))	<b>81,716</b>	78,324
Cost of properties and goods sold	<b>99,403</b>	120,476
Notes:		
<b>(a) Net rental income</b>		
Gross rental income		
– Investment properties	<b>41,399</b>	42,063
– Properties held for sale	<b>736</b>	2,457
	<b>42,135</b>	44,520
Outgoings	<b>(2,914)</b>	(1,940)
	<b>39,221</b>	42,580
<b>(b) Employee benefit expense</b>		
Wages and salaries	<b>79,018</b>	75,875
Retirement benefits costs	<b>2,698</b>	2,449
	<b>81,716</b>	78,324

## Notes to the Interim Financial Information

**7 Net finance (costs)/income**

	<b>Six months ended</b>	
	<b>30th September</b>	
	<b>2012</b>	2011
	<b>HK\$'000</b>	HK\$'000
Interest expense		
Long term bank loans	<b>(24,609)</b>	(22,027)
Short term bank loans and overdrafts	<b>(8,245)</b>	(12,727)
Interest capitalised under properties under development for sale	<b>8,074</b>	5,609
Other incidental borrowing costs	<b>(3,304)</b>	(125)
Net foreign exchange gain on borrowings	<b>3,048</b>	42,597
Fair value gain on interest rate swaps	<b>1,772</b>	188
	<b>(23,264)</b>	13,515

**8 Income tax (expense)/credit**

	<b>Six months ended</b>	
	<b>30th September</b>	
	<b>2012</b>	2011
	<b>HK\$'000</b>	HK\$'000
Current income tax		
Hong Kong profits tax	<b>(20,236)</b>	(4,327)
Over provision in prior years	<b>3</b>	18,085
	<b>(20,233)</b>	13,758
Deferred income tax	<b>3,724</b>	(12,851)
	<b>(16,509)</b>	907

Hong Kong profits tax is provided at the rate of 16.5% (2011: 16.5%) on the estimate assessable profit for the period. Income tax on overseas profits has been calculated on the estimated assessable profit for the period at the tax rate prevailing in the countries in which the Group operates.

Share of income tax charge of jointly controlled entities and associated companies for the period of HK\$5,225,000 (2011: HK\$9,022,000) and HK\$2,086,000 (2011: HK\$1,566,000) 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 Interim Financial Information

## 9 Dividend

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 30th September 2012 (2011: Nil).

## 10 Earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on profit attributable to shareholders of the Company of HK\$789,456,000 (2011: loss of HK\$191,867,000) and divided by the weighted average number of 1,230,142,122 (2011: 1,222,371,832) shares in issue during the period.

For the six months ended 30th September 2012 and 2011, the Company's and its listed subsidiary's outstanding share options did not have a dilution effect on the earnings/(loss) per share, so the basic and diluted earnings/(loss) per share were equal.

## 11 Property, plant and equipment

	<b>Freehold land of a hotel in Canada</b>	<b>Leasehold land in Hong Kong</b>	<b>Hotel buildings</b>	<b>Other buildings</b>	<b>Other equipments</b>	<b>Total</b>
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Cost</b>						
At 31st March 2012	79,301	1,972,221	1,519,783	52,420	48,434	3,672,159
Currency translation difference	947	–	7,053	–	(22)	7,978
Additions	–	195,881	4,971	2,044	1,751	204,647
Disposals	–	–	(466)	–	(16)	(482)
<b>At 30th September 2012</b>	<b>80,248</b>	<b>2,168,102</b>	<b>1,531,341</b>	<b>54,464</b>	<b>50,147</b>	<b>3,884,302</b>
<b>Accumulated depreciation</b>						
At 31st March 2012	–	385,083	712,814	7,090	40,402	1,145,389
Currency translation difference	–	–	4,661	–	(14)	4,647
Charge for the period	–	13,296	27,198	739	1,275	42,508
Disposals	–	–	(213)	–	(16)	(229)
<b>At 30th September 2012</b>	<b>–</b>	<b>398,379</b>	<b>744,460</b>	<b>7,829</b>	<b>41,647</b>	<b>1,192,315</b>
<b>Net book value</b>						
<b>At 30th September 2012</b>	<b>80,248</b>	<b>1,769,723</b>	<b>786,881</b>	<b>46,635</b>	<b>8,500</b>	<b>2,691,987</b>
At 31st March 2012	79,301	1,587,138	806,969	45,330	8,032	2,526,770

## Notes to the Interim Financial Information

### 12 Investment properties

Investment properties were revalued by Prudential Surveyors International Limited, independent professional valuers, on an open market value basis as at 30th September 2012 and 31st March 2012.

### 13 Trade and other receivables

Trade and other receivables of the Group include trade receivables, loans receivable, utility and other deposits, accrued interest and dividend receivable.

Trade receivables of the Group amounted to HK\$183,076,000 (31st March 2012: HK\$34,832,000). 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 2012 HK\$'000</b>	31st March 2012 HK\$'000
0 day to 60 days	<b>182,781</b>	33,780
61 days to 120 days	<b>222</b>	992
More than 120 days	<b>73</b>	60
	<b>183,076</b>	34,832

## Notes to the Interim Financial Information

## 14 Financial assets at fair value through profit or loss

	<b>30th September 2012 HK\$'000</b>	31st March 2012 HK\$'000
Equity securities		
– Listed in Hong Kong	<b>309,790</b>	574,271
– Listed in the USA	<b>414,332</b>	458,432
– Listed in Europe	<b>455,890</b>	465,602
	<b>1,180,012</b>	1,498,305
Debt securities		
– Listed in Europe	<b>1,357,702</b>	1,338,383
– Listed in Singapore	<b>1,154,962</b>	652,893
– Unlisted	<b>8,000</b>	8,000
	<b>2,520,664</b>	1,999,276
Unlisted fund	<b>10,599</b>	9,508
	<b>3,711,275</b>	3,507,089

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

US dollar	<b>1,624,709</b>	1,301,681
Sterling	<b>1,305,459</b>	1,317,700
Euro	<b>321,923</b>	305,437
Hong Kong dollar	<b>317,790</b>	582,271
Renminbi	<b>141,394</b>	–
	<b>3,711,275</b>	3,507,089

Note:

The debt securities carry fixed coupon ranging from 2% to 13.75% (31st March 2012: from 2% to 13.5%) per annum based on nominal values which are equivalent to HK\$3,059,844,000 (31st March 2012: HK\$2,804,792,000).

## Notes to the Interim Financial Information

**15 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 amounted to HK\$20,939,000 (31st March 2012: HK\$19,307,000).

Aging analysis of trade payables at the balance sheet date is as follows:

	<b>30th September 2012 HK\$'000</b>	31st March 2012 HK\$'000
0 day to 60 days	<b>20,372</b>	19,260
61 days to 120 days	<b>327</b>	36
More than 120 days	<b>240</b>	11
	<b>20,939</b>	19,307

**16 Borrowings**

	<b>30th September 2012 HK\$'000</b>	31st March 2012 HK\$'000
<b>Current liabilities</b>		
Short term bank loans		
Secured	<b>862,942</b>	1,020,249
Unsecured	<b>40,065</b>	4,140
	<b>903,007</b>	1,024,389
Current portion of long term bank loans	<b>458,816</b>	437,303
Portion of long term bank loans with a repayment on demand clause	<b>60,194</b>	64,996
	<b>1,422,017</b>	1,526,688
<b>Non-current liabilities</b>		
Long term bank loans, secured	<b>2,407,292</b>	2,364,093
	<b>3,829,309</b>	3,890,781

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

Repayable within one year	<b>458,816</b>	437,303
Repayable between one and two years	<b>427,778</b>	178,853
Repayable between two and five years	<b>614,275</b>	633,417
Repayable after five years	<b>1,425,433</b>	1,616,819
	<b>2,926,302</b>	2,866,392
Current portion included in current liabilities	<b>(458,816)</b>	(437,303)
	<b>2,467,486</b>	2,429,089

Note:

The amounts due are based on the scheduled repayment dates set out in the loan agreements and ignore the effect of any repayment on demand clause.

## Notes to the Interim Financial Information

## 17 Share capital

Shares of HK\$0.01 each	Number of shares	Amount HK\$'000
Authorised:		
At 31st March 2012 and 30th September 2012	400,000,000,000	4,000,000
Issued and fully paid:		
At 31st March 2012 and 30th September 2012	<b>1,230,142,122</b>	<b>12,302</b>

## 18 Reserves

	Share premium HK\$'000	Capital redemption reserve HK\$'000	Share option reserve HK\$'000	Available- for-sale- investments reserve HK\$'000	Contributed surplus HK\$'000	Revenue reserve HK\$'000	Total HK\$'000
At 31st March 2012	2,028,665	44,190	16,638	43,446	2,782,836	5,205,245	10,121,020
Net fair value gain on available-for-sale investments	-	-	-	8,369	-	-	8,369
Impairment of available-for-sale investments charged to profit and loss account	-	-	-	277	-	-	277
Release of reserve upon disposal of available-for-sale investments	-	-	-	(622)	-	-	(622)
Currency translation differences	-	-	-	-	-	2,177	2,177
Profit for the period	-	-	-	-	-	789,456	789,456
2012 final dividend	-	-	-	-	-	(9,841)	(9,841)
<b>At 30th September 2012</b>	<b>2,028,665</b>	<b>44,190</b>	<b>16,638</b>	<b>51,470</b>	<b>2,782,836</b>	<b>5,987,037</b>	<b>10,910,836</b>

# Notes to the Interim Financial Information

## 19 Capital commitments

Capital commitments at the balance sheet date are as follows:

	<b>30th September 2012 HK\$'000</b>	31st March 2012 HK\$'000
Property, plant and equipment of subsidiaries		
Contracted but not provided for	<b>5,704</b>	7,344
Authorised but not contracted for	<b>42,798</b>	33,129
	<b>48,502</b>	40,473
Investment in a jointly controlled entity		
Contracted but not provided for	<b>183,521</b>	–
	<b>232,023</b>	40,473

## 20 Financial guarantees

	<b>30th September 2012 HK\$'000</b>	31st March 2012 HK\$'000
Guarantees for the banking and loan facilities of:		
Jointly controlled entities	<b>149,263</b>	149,461

## 21 Related party transactions

During the period, no significant transactions have been entered into except for income from jointly controlled entities comprising management fee, project management fee, agency fee and interest income of HK\$4,900,000 (2011: HK\$6,900,000).

No transactions have been entered into with the directors of the Company (being the key management personnel) during the period other than the emoluments paid to them (being key management personnel compensation) (2011: Nil).

## 22 Subsequent event

Subsequent to balance sheet date, the listed hotel subsidiary group has entered into sales and purchase agreement in relation to acquisition of certain properties in Hong Kong from a wholly-owned subsidiary of the Group, being part of its hotel development project to increase its capacity. There is no material financial effect to the Group. The acquisition is a connected transaction for the listed hotel subsidiary and subject to independent shareholders' approval in its special general meeting to be held in December 2012.

## Other Information

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

As at 30th September 2012, 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	1,190,512	621,734,324	622,924,836	50.63

Note:

By virtue of his controlling interest (48.02%) in Asia Orient Holdings Limited ("Asia Orient"), Mr. Poon Jing is deemed to be interested in the shares of the Company held by Asia Orient as disclosed under the heading "Substantial shareholders and other persons' interests and short positions in shares and underlying shares" below.

##### (b) Associated corporations

Director	Associated corporation	Number of shares held				Percentage of shares in issue (%)
		Personal interest	Family interest	Corporate interest	Total	
Poon Jing	Asia Orient	205,026,822	4,873,940	133,068,271 (Notes)	342,969,033	48.02
	Asia Standard Hotel Group Limited ("Asia Standard Hotel")	50,050	–	1,132,669,492 (Notes)	1,132,719,542	73.08
Fung Siu To, Clement	Asia Orient	14,148,814	–	–	14,148,814	1.98
	Mark Honour Limited	9	–	–	9	0.01

## Other Information

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

#### (I) Long positions in shares (continued)

##### (b) Associated corporations (continued)

Notes:

1. By virtue of his controlling interest in the Asia Orient, Mr. Poon Jing is deemed to be interested in the 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

<b>Director</b>	<b>Outstanding as at 1st April 2012 and 30th September 2012</b>
Fung Siu To, Clement	2,062,176
Lim Yin Cheng	2,062,176
Poon Jing	515,544
Lun Pui Kan	2,062,176
Kwan Po Lam, Phileas	2,062,176
Loup, Nicholas James	2,062,176

Notes:

1. Options were granted on 30th March 2005 and exercisable during the period from 30th March 2005 to 29th March 2015 at exercise price of HK\$3.15 (as adjusted) per share.
2. During the period, no option was granted to the Directors and the options granted to the Directors have not been exercised, lapsed or cancelled.
3. Mr. Loup, Nicholas James resigned as Non-executive Director of the Company on 9th July 2012.



## Other Information

**Directors' and chief executive's interests and short positions in shares, underlying shares and debentures (continued)****(II) Long positions in underlying shares (continued)***Interests in share options (continued)**(b) Associated corporation – Asia Orient*

<b>Director</b>	<b>Date of grant</b>	<b>Exercise price</b> (HK\$)	<b>Exercise period</b>	<b>Outstanding as at 1st April 2012 and 30th September 2012</b>
Fung Siu To, Clement	29th March 2007	1.4315	29th March 2007 to 28th March 2017	2,126,301
Lim Yin Cheng	29th March 2007	1.4315	29th March 2007 to 28th March 2017	2,126,301
Lun Pui Kan	29th March 2007	1.4315	29th March 2007 to 28th March 2017	2,126,301
Kwan Po Lam, Phileas	29th March 2007	1.4315	29th March 2007 to 28th March 2017	2,126,301

Notes:

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

*(c) Associated corporation – Asia Standard Hotel*

<b>Director</b>	<b>Date of grant</b>	<b>Exercise price</b> (HK\$)	<b>Exercise period</b>	<b>Outstanding as at 1st April 2012 and 30th September 2012</b>
Fung Siu To, Clement	29th March 2007	1.296	29th March 2007 to 28th March 2017	8,000,000
Lim Yin Cheng	2nd April 2007	1.300	2nd April 2007 to 1st April 2017	8,000,000
Lun Pui Kan	2nd April 2007	1.300	2nd April 2007 to 1st April 2017	8,000,000
Kwan Po Lam, Phileas	2nd April 2007	1.300	2nd April 2007 to 1st April 2017	8,000,000

Note:

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

## Other Information

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

Save as disclosed above, as at 30th September 2012, none of the Directors or Chief Executive (including their spouse and children under 18 years of age) of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of the SFO) which (a) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which are taken or deemed to have under such provisions of the SFO); or (b) were recorded in the register required to be kept under Section 352 of the SFO; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

The register of substantial shareholders maintained under section 336 of the SFO shows that as at 30th September 2012, 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

Shareholders	Capacity	Number of shares held	Total	Percentage (%)
Asia Orient (Note 1)	Beneficial owner	47,029,169		
	Interests in controlled corporation	574,705,155	621,734,324	50.54
Asia Orient Holdings (BVI) Limited ("Asia Orient BVI") (Note 1)	Interests in controlled corporation	574,705,155	574,705,155	46.71
Asia Orient Company Limited ("AOCL") (Note 2)	Beneficial owner	276,834,687		
	Interests in controlled corporation	2,236,750	279,071,437	22.68
Kingfisher Inc. and Lipton Investment Limited ("Kingfisher and Lipton") (Note 2)	Interests in controlled corporation	258,657,123	258,657,123	21.02
Dalton Investment LLC	Investment manager	98,428,187	98,428,187	8.00

## Other Information

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

#### Long positions in shares of the Company (continued)

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 574,705,155 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 30th September 2012, the Directors are not aware of any other persons who had interests or short positions in the shares or underlying shares of the Company which are required to be recorded in the register required to be kept under section 336 of the SFO.

### Share option schemes

#### The Company

The share option scheme of the Company was adopted by the Company on 27th August 2004. As at 30th September 2012, there were 13,404,141 share options outstanding. Movements of the share options of the Company during the period are as follows:

<b>Grantee</b>	<b>Outstanding as at 1st April 2012 and 30th September 2012</b>
Directors	10,826,424
Other employees	2,577,717
	13,404,141

Notes:

1. These share options were granted on 30th March 2005 and exercisable from 30th March 2005 to 29th March 2015 at an exercise price of HK\$3.15 (as adjusted) per share.
2. During the period, no option was granted, exercised, cancelled or lapsed.

## Other Information

### Share option schemes (continued)

#### Subsidiary – Asia Standard Hotel

The share option scheme of Asia Standard Hotel was adopted by Asia Standard Hotel on 28th August 2006. As at 30th September 2012, there were 78,999,999 share options outstanding. Movements of the share options of Asia Standard Hotel during the period are as follows:

Grantee	Date of grant	Exercise price (HK\$)	Exercise period	Outstanding as at 1st April 2012 and 30th September 2012
Director	29th March 2007	1.296	29th March 2007 to 28th March 2017	8,000,000
	2nd April 2007	1.300	2nd April 2007 to 1st April 2017	24,000,000
Director of a subsidiary	29th March 2007	1.296	29th March 2007 to 28th March 2017	8,000,000
	2nd April 2007	1.300	2nd April 2007 to 1st April 2017	8,000,000
Employees	2nd April 2007	1.300	2nd April 2007 to 1st April 2017	30,999,999
				78,999,999

Note:

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

## Other Information

### Interim dividend

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 30th September 2012 (2011: Nil).

### Purchase, sale or redemption of listed securities

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

### Corporate governance code

During the period, the Company has complied with both the code provisions of the Code on Corporate Governance Practices (effective until 31st March 2012) ("CG Practices") and the Corporate Governance Code (effective from 1st April 2012) ("CG Code") as set out in Appendix 14 of the Listing Rules, except the following derivations:-

- (1) Code Provision A.4.1 of CG Practices and CG Code provide 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; and
- (2) Code Provision A.5.1 of CG Code provides that issuers should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors. The Company does not have a nomination committee. The Board as a whole is responsible for reviewing the structure, size and composition of the Board, the appointment of new Directors and the nomination of Directors for re-election by shareholders at the general meeting of the Company. Under the Bye-Laws of the Company, the Board may at any time, and from time to time, to appoint any person as a Director, either to fill a casual vacancy, or as an addition to the Board. Any Director so appointed shall retire at the next annual general meeting but shall then be eligible for re-election at the meeting.

### Code of conduct regarding securities transactions by directors

The Company has adopted the Model Code and has made specific enquiry of all directors regarding any non-compliance with the Model Code during the period, and they all confirmed that they have fully complied with the required standard as set out in the Model Code throughout the period ended 30th September 2012.

## Other Information

### **Audit committee**

The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30th September 2012.

On behalf of the Board

Asia Standard International Group Limited

Fung Siu To, Clement

*Chairman*

Hong Kong, 20th November 2012



ASIA STANDARD INTERNATIONAL GROUP LIMITED

[www.asiastandard.com](http://www.asiastandard.com)

