



# ASIA STANDARD INTERNATIONAL GROUP LIMITED

Stock Code: 129







# 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  
Mr. Lun Pui Kan  
Mr. Kwan Po Lam, Phileas

### 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. Poon Hai

## 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 [asinfo@asiastandard.com](mailto:asinfo@asiastandard.com)

## Principal bankers

HSBC  
Hang Seng Bank  
Industrial and Commercial Bank of China (Asia)  
Bank of China (Hong Kong)  
The Bank of East Asia  
Shanghai Commercial Bank  
Chong Hing Bank  
Barclays Bank  
Bank Morgan Stanley  
UBS  
Bank Julius Baer

## Legal advisers

Stephenson Harwood  
18th Floor, United Centre,  
95 Queensway,  
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

MUFG Fund Services (Bermuda) Limited  
The Belvedere Building,  
69 Pitts Bay 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

(in HK\$ million, except otherwise indicated)

	Six months ended		
	30th September		
	2015	2014	Change
<b>Consolidated profit and loss account</b>			
Revenue	675	629	+7%
Operating profit	590	753	-22%
Profit attributable to shareholders of the Company	392	709	-45%
Earnings per share – basic (HK\$)	0.31	0.57	-46%

	30th	31st	Change
	September	March	
	2015	2015	
<b>Consolidated balance sheet</b>			
Total assets	24,138	22,994	+5%
Net assets	16,192	15,863	+2%
Equity attributable to shareholders of the Company	15,216	14,918	+2%
Net debt	6,764	5,465	+24%

Supplementary information with hotel properties in operation at valuation (note):

Revalued total assets	31,543	30,589	+3%
Revalued net assets	23,560	23,424	+1%
Equity attributable to shareholders of the Company	20,391	20,228	+1%
Gearing – net debt to revalued net assets	29%	23%	+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 in operation and excluding the corresponding deferred tax on Hong Kong properties as Hong Kong tax jurisdiction does not include capital gain tax.

The four hotel properties in operation in Hong Kong and Canada were revalued by Vigers Appraisal & Consulting Limited and CBRE Limited respectively, independent professional valuers, on an open market value basis as at 30th September 2015 and 31st March 2015.

# Management Discussion and Analysis



Queen's Gate in Shanghai

## Results

The Group recorded revenue of HK\$675 million (2014: HK\$629 million) for the first half of financial year with profit attributable to shareholders of the Company at HK\$392 million (2014: HK\$709 million). The decrease in profit is mainly due to the decrease in valuation gain of the Group's investment properties as compared to interim period of last year.

## Properties sales, development and leasing

### Sales

The Group's 50% joint venture development in Shanghai, Queen's Gate, has commenced presale of the phase I of units in July and contracted approximately RMB600 million up to the end of September 2015. The project is situated in the traditional high end and low-density residential neighborhood of Qingpu district providing over 300 villas and apartments with total construction floor area of approximately 1,080,000 sq. ft. Construction is at the final stage and is applying for the completion certificate. Presale consent for the phase II is also being applied.

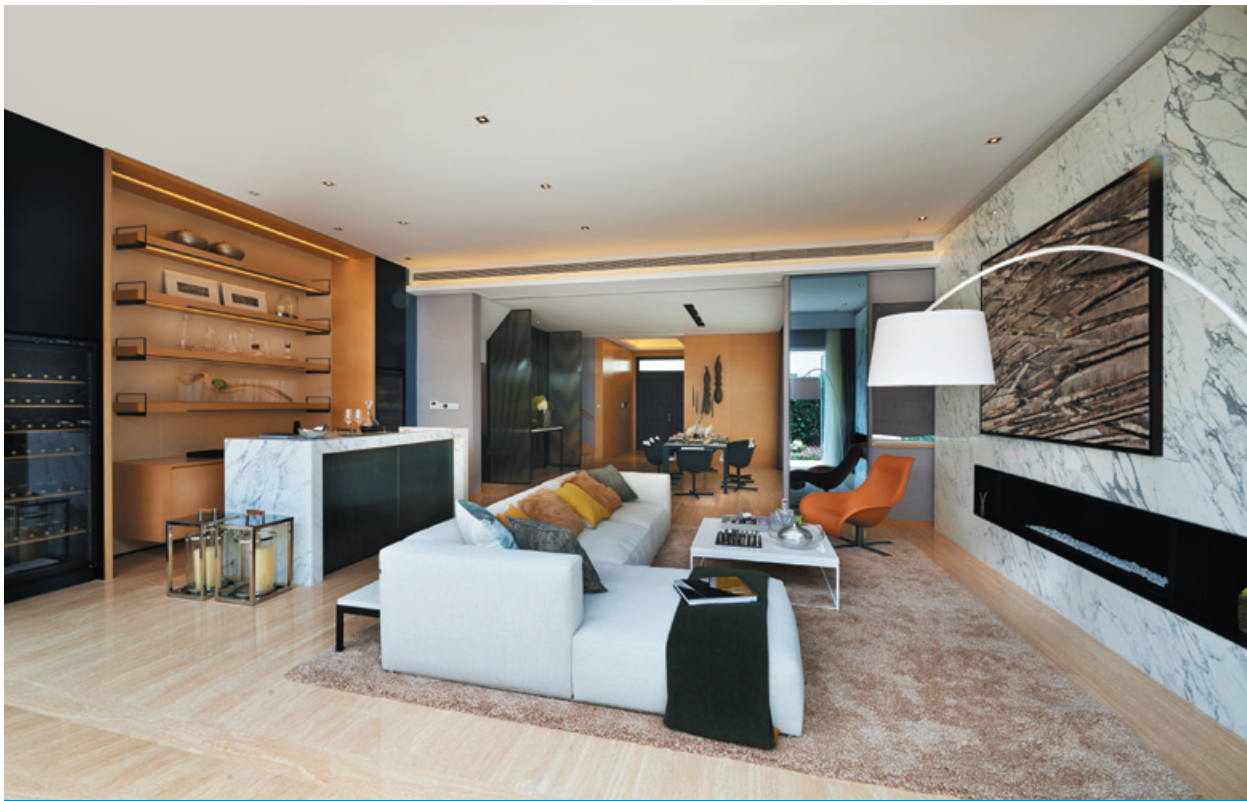
## Development

Foundation of the luxurious residential joint venture redevelopment at Perkins Road in Hong Kong is ongoing and estimated to complete in the first quarter 2016. The development will provide 69,000 sq. ft. GFA upon completion of the redevelopment in latter half 2017.

The commercial and residential development at Hung Shui Kiu, Yuen Long is currently undergoing land exchange process. Approval for a development scheme under Town Planning Board was obtained. Another residential development at the Lam Tei light rail station nearby is in the process of land exchange application with the government.

During the period, we entered into a 40% joint venture residential project at Po Shan Road in mid-levels, another high rise luxurious re-development. Demolition of the original building is completed and site investigation is underway.

## Management Discussion and Analysis



Queen's Gate in Shanghai

Land clearances and resettlement for the 50% joint venture development in Tongzhou are currently under preparation and expected to take place in the second half of the financial year. Structural and foundation design are ongoing and construction will start once resettlement completes.

In Macau, the Group is waiting for the issuance of the master zoning plan in the Seac Pai Van district from the government. The Group's development site in Seac Pai Van is expiring in the coming December and has applied for extension of the lease. Further details are given in the Notes to the Interim Financial Information relating to "properties held for development for sale".

### Leasing

Attributable rental income from the Group's 433,000 sq. ft. retail/commercial buildings leasing portfolio in Central, Wan Chai and Causeway Bay amount to HK\$88 million (2014: HK\$72 million), increased by 22%. Majority of the increase is due to acquisition of an adjacent commercial building in Wanchai in October last year, and substantial renovation and improvement work is being carried out for these two structurally connected towers.

Investment properties revaluation gain (including the deficit generated from a building owned by an associated company) of HK\$75 million (2014: HK\$445 million) was recorded.



## Management Discussion and Analysis



Asia Orient Tower in Wanchai



Empire Hotel Causeway Bay and the adjacent new hotel

### Hotel

During the period, overnight stay visitors to Hong Kong decreased 6% to approximately 13 million, compared to interim period last year. Strong Hong Kong Dollars, anti-parallel trading protest, relaxed visa policies of other tourists destinations all contributed to the decrease. Hotel rooms supply increased 2% (comparing to September 2014) to approximately 74,000 rooms as of end September 2015.

Revenue arising from the hotel and travel segment for the period amounted to HK\$261 million (2014: HK\$300 million). Average occupancies for the 3 Hong Kong hotels continued to exceed 95% for both periods while average room rates dropped by 22%. As a result, contribution to segment results before depreciation decreased from HK\$124 million to HK\$85 million.

Superstructure construction of the adjacent new hotel in Causeway Bay was completed during the period. Occupation permit has just been obtained and interior fittings are under progress. This will add 94 rooms upon expected opening in the first half of 2016. Superstructure work of the other new hotel in Tsimshatsui has commenced during the period, adding another 90 rooms to the portfolio upon completion in 2017.

### Financial investments

At 30th September 2015, the Group held financial investments of approximately HK\$6,865 million (31st March 2015: HK\$6,079 million), with HK\$2,067 million (31st March 2015: HK\$1,777 million) held by the listed hotel subsidiary group. The investment portfolio comprise 76% by listed debt securities (of which approximately 95% were issued by PRC real estate companies), and 24% by listed equity securities (of which approximately 85% were issued by large banks). They are denominated in different currencies with

# Management Discussion and Analysis

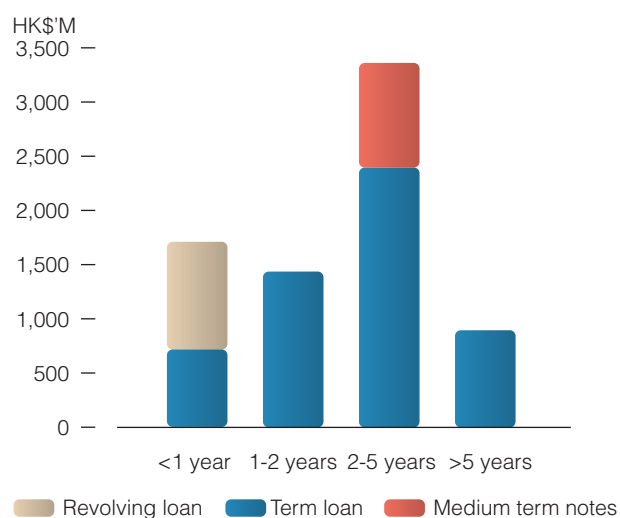
74% in United States dollar, 8% in Sterling, 8% in Renminbi, 6% in Hong Kong dollar and 4% in Euro.

The portfolio increase largely arose from a further investment of HK\$756 million and a mark-to-market valuation net gain of HK\$30 million, comprising HK\$228 million gain from debt securities and HK\$198 million loss from equity securities. The debt securities of the PRC property companies have benefitted from the monetary easing and the interest rate cut in the Mainland, while our equity securities have dropped following the general downward trend of the worldwide equity markets during the period.

Interest and dividend income from these investments amounted to HK\$338 million (2014: HK\$263 million). The increase is mostly due to the increase in portfolio size of our debt securities investment.

At 30th September 2015, an approximate value of HK\$900 million (31st March 2015: HK\$1,490 million) of these investments were pledged to banks as collateral for credit facilities granted to the Group.

## Debt maturity



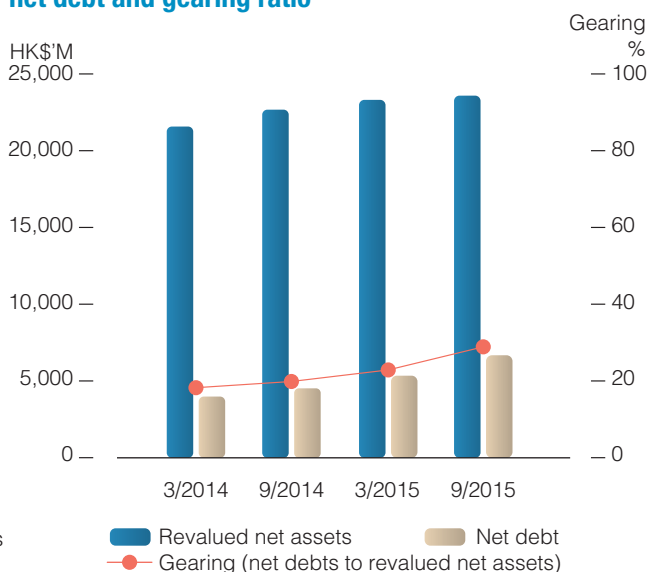
## Financial review

Save for that of the listed hotel subsidiary group which is independently administered, the Group's financing and treasury activities are centrally managed and controlled at the corporate level. At 30th September 2015, it had over HK\$4 billion cash and undrawn banking facilities.

At 30th September 2015, the Group's total assets were approximately HK\$24.1 billion, compared to HK\$23.0 billion at end of last financial year. The net assets were HK\$16.2 billion (31st March 2015: HK\$15.9 billion). Adopting market value of hotel properties, the revalued total assets and revalued net assets of the Group would be HK\$31.5 billion and HK\$23.6 billion, an increase of 3% and 1% compared to HK\$30.6 billion and HK\$23.4 billion respectively at the end of last financial year.

In April 2015, the Group issued HK\$250 million 5-year floating rate medium term notes out of its medium term note programme, adding to the existing RMB500 million issued in April 2013 and HK\$100 million issued in July 2014.

## Revalued net assets, net debt and gearing ratio





## Management Discussion and Analysis

Net debt were HK\$6.8 billion (31st March 2015: HK\$5.5 billion), including HK\$1.8 billion (31st March 2015: HK\$1.6 billion) which belonged to the separately listed hotel subsidiary group. The increase is mainly due to investment in JV development project and further financial investment. Gearing (net debt to revalued net asset value) is approximately 29% (31st March 2015: 23%). 69% of the debts are secured and 85% of the debts are at floating rates. As at 30th September 2015, RMB500 million cross currency swap contracts were held to hedge the repayment of the Renminbi medium term notes. Total finance cost increased as a result of increased borrowings and exchange loss on foreign currency borrowings.

Currently the maturities of our debts are well spread over a long period of up to 11 years. Revolving loans account for 16% and term loans secured by financial assets repayable between one to five years account for 5%. Term loans secured by property assets account for 54% with 3% repayable within 1 year, 39% repayable between one to five years and 12% repayable after five years. The remaining 25% comprise unsecured term loans and medium term notes. As at 30th September 2015, the Group had net current assets of HK\$6.2 billion (31st March 2015: HK\$6.5 billion).

About 84% of the Group's borrowings are in Hong Kong dollar, 8% in Renminbi, 7% in United States dollar and the remaining 1% in other currencies.

As at 30th September 2015, property assets with an aggregated net book value of HK\$14,110 million (31st March 2015: HK\$13,960 million) were pledged to secure banking facilities of the Group. HK\$881 million (31st March 2015: HK\$617 million) guarantee was provided to financial institution against credit facilities granted to joint ventures.

### Employees and remuneration policies

At 30th September 2015, the Group employed approximately 470 (31st March 2015: 440) 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

Demand for residential segments are hurt by tightening mortgage ratios, punitive tax measures save and except for luxury segment as record prices are transacted and registered in single lot homes and apartments. Record transacted prices for enbloc commercial properties are reported and registered which reinforce Hong Kong is still a favoured destination for large and SOE corporations. Retail rental inevitably suffered as rental yields continue to drop.

Hotel performance is substantially affected by unfriendly atmosphere, strong dollars, ever tightening visas protocols have all contributed to a sluggish performance.

Mainland developments however are showing positive and strong recovery due to a more favourable mortgage policy and a series of monetary easing in the banking industry. We expect this trend to continue.

Performance for our investment portfolio is generally steady.

Rental performance is expected to improve particularly in view of an upgrading works is finished in our Wanchai office building.

We are hopeful with our development mix, rental portfolio in Hong Kong and mainland.

We remain positive to the coming periods as we are counting on a gradual but slow U.S. interest rate hikes, while expecting continue quantitative easing by European, Japanese and Mainland central banks.

## Condensed Consolidated Profit and Loss Account – Unaudited

	Note	Six months ended 30th September	
		2015 HK\$'000	2014 HK\$'000
Revenue	5	674,763	629,404
Cost of sales		(133,753)	(133,960)
Gross profit		541,010	495,444
Selling and administrative expenses		(102,672)	(92,772)
Depreciation		(42,885)	(44,645)
Net investment gain	6	83,463	29,526
Fair value gain of investment properties		111,107	365,474
Operating profit		590,023	753,027
Net finance costs	8	(111,069)	(54,697)
Share of profits less losses of			
Joint ventures		(5,921)	(3,069)
Associated companies		(25,352)	87,620
Profit before income tax		447,681	782,881
Income tax expense	9	(10,179)	(22,124)
Profit for the period		437,502	760,757
Attributable to:			
Shareholders of the Company		391,827	709,136
Non-controlling interests		45,675	51,621
		437,502	760,757
Earnings per share (HK\$)			
Basic and diluted	11	0.31	0.57

## Condensed Consolidated Statement of Comprehensive Income – Unaudited

	Six months ended 30th September	
	2015	2014
	HK\$'000	HK\$'000
Profit for the period	437,502	760,757
Other comprehensive income/(charge)		
Items that have been reclassified or may be reclassified subsequently to profit or loss:		
Net fair value (loss)/gain on available-for-sale investments	(25,254)	3,913
Cash flow hedges		
– fair value gain/(loss)	321	(15,560)
– transfer to finance costs	15,959	(5,975)
Currency translation differences	(7,408)	(1,845)
Share of currency translation differences of joint ventures	(36,633)	1,289
	(53,015)	(18,178)
Total comprehensive income for the period	384,487	742,579
Attributable to:		
Shareholders of the Company	348,731	690,696
Non-controlling interests	35,756	51,883
	384,487	742,579



## Condensed Consolidated Balance Sheet – Unaudited

		30th September 2015 HK\$'000	31st March 2015 HK\$'000
	Note		
<b>Non-current assets</b>			
Investment properties	12	7,742,524	7,627,318
Property, plant and equipment	13	3,219,353	3,175,896
Property held for development for sale	14	798,266	797,485
Joint ventures and associated companies		3,312,176	2,860,805
Available-for-sale investments		195,347	216,159
Financial assets at fair value through profit or loss	16	181,973	296,187
Loan receivables		284,062	2,629
Deferred income tax assets		18,844	20,399
		<b>15,752,545</b>	<b>14,996,878</b>
<b>Current assets</b>			
Properties under development for sale		1,006,392	990,786
Completed properties held for sale		3,617	3,617
Hotel and restaurant inventories		15,294	1,290
Trade and other receivables	15	326,561	351,178
Income tax recoverable		9,466	12,565
Financial assets at fair value through profit or loss	16	6,487,749	5,566,465
Bank balances and cash		536,540	1,071,537
		<b>8,385,619</b>	<b>7,997,438</b>
<b>Current liabilities</b>			
Trade and other payables	17	153,036	151,672
Dividend payable		55,524	–
Amount due to a joint venture		66,773	71,767
Amount due to an associated company		224,400	224,400
Income tax payable		13,218	17,558
Borrowings	18	1,710,439	1,037,613
		<b>2,223,390</b>	<b>1,503,010</b>
Net current assets		<b>6,162,229</b>	<b>6,494,428</b>
Total assets less current liabilities		<b>21,914,774</b>	<b>21,491,306</b>

## Condensed Consolidated Balance Sheet – Unaudited

	Note	30th September 2015 HK\$'000	31st March 2015 HK\$'000
<hr/>			
Non-current liabilities			
Long term borrowings	18	4,647,018	4,787,666
Medium term notes	19	943,030	711,020
Derivative financial instruments		39,789	40,110
Deferred income tax liabilities		92,836	89,428
		<b>5,722,673</b>	5,628,224
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Net assets		<b>16,192,101</b>	15,863,082
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Equity			
Share capital	20	12,712	12,712
Reserves	21	15,203,297	14,905,359
<hr/>			
Equity attributable to shareholders of the Company		<b>15,216,009</b>	14,918,071
Non-controlling interests		976,092	945,011
		<b>16,192,101</b>	15,863,082
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# Condensed Consolidated Statement of Cash Flows – Unaudited

	Six months ended	
	30th September	
	2015	2014
	HK\$'000	HK\$'000
<b>Cash flows from operating activities</b>		
Net cash used in operation	(280,610)	(625,354)
Net income tax paid	(6,457)	(5,284)
Interest paid	(86,039)	(72,004)
Interest received from bank deposit and other receivables	2,925	6,497
Net cash used in operating activities	(370,181)	(696,145)
<b>Cash flows from investing activities</b>		
Addition to investment properties	(4,100)	(285)
Addition to property, plant and equipment	(86,561)	(45,184)
Proceeds from disposal of property, plant and equipment	2,100	–
Increase in investment in a joint venture	(470,074)	–
Loan to a joint venture partner	(280,000)	–
Advance (to)/from associated companies and joint ventures	(72,627)	192,359
Dividend received from an associated company	–	23,100
Net cash (used in)/generated from investing activities	(911,262)	169,990
<b>Cash flows from financing activities</b>		
Drawdown of long term borrowings	215,600	590,288
Repayment of long term borrowings	(164,289)	(162,037)
Net increase/(decrease) in short term borrowings	450,891	(229,349)
Net proceeds from medium term notes	245,528	96,678
Net cash generated from financing activities	747,730	295,580
Net decrease in cash and cash equivalents	(533,713)	(230,575)
Cash and cash equivalents at the beginning of the period	1,066,022	1,452,275
Changes in exchange rates	(1,287)	368
Cash and cash equivalents at the end of the period	531,022	1,222,068
Analysis of the balances of cash and cash equivalents		
Bank balances and cash (excluding restricted bank balances)	531,022	1,222,068



## Condensed Consolidated Statement of Changes in Equity – Unaudited

	Equity attributable to shareholders of the Company			Non- controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Reserves HK\$'000	Total HK\$'000		
At 31st March 2014	12,548	14,038,261	14,050,809	932,160	14,982,969
Net fair value gain on available-for-sale investments	–	3,049	3,049	864	3,913
Cash flow hedges					
– fair value loss	–	(15,560)	(15,560)	–	(15,560)
– transfer to finance costs	–	(5,975)	(5,975)	–	(5,975)
Currency translation differences	–	46	46	(602)	(556)
Profit for the period	–	709,136	709,136	51,621	760,757
Total comprehensive income for the period	–	690,696	690,696	51,883	742,579
2014 final dividend	–	(50,193)	(50,193)	(8,118)	(58,311)
Share option expense	–	56	56	–	56
Total transaction with owners	–	(50,137)	(50,137)	(8,118)	(58,255)
At 30th September 2014	12,548	14,678,820	14,691,368	975,925	15,667,293
At 31st March 2015	12,712	14,905,359	14,918,071	945,011	15,863,082
Net fair value loss on available-for-sale investments	–	(17,418)	(17,418)	(7,836)	(25,254)
Cash flow hedges					
– fair value gain	–	321	321	–	321
– transfer to finance costs	–	15,959	15,959	–	15,959
Currency translation differences	–	(41,958)	(41,958)	(2,083)	(44,041)
Profit for the period	–	391,827	391,827	45,675	437,502
Total comprehensive income for the period	–	348,731	348,731	35,756	384,487
2015 final dividend	–	(50,849)	(50,849)	(4,675)	(55,524)
Share option expense	–	56	56	–	56
Total transaction with owners	–	(50,793)	(50,793)	(4,675)	(55,468)
At 30th September 2015	12,712	15,203,297	15,216,009	976,092	16,192,101

# Notes to the Interim Financial Information

## 1 General information

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

## 2 Basis of preparation

The unaudited condensed consolidated interim financial information for the six months ended 30th September 2015 (“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 2015, which have been prepared in accordance with Hong Kong Financial Reporting Standards.

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 2015.

There are no other amended standards or interpretations relevant to the Group for this interim period that could be expected to have a material impact on the Group.

## 3 Financial risk management

### (i) Financial risk factors

The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk, 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 2015.

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 2015.

### (ii) Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

# Notes to the Interim Financial Information

## 3 Financial risk management (continued)

### (ii) Fair value estimation (continued)

The following table presents the Group's financial instruments that are measured at fair value.

	Level 1 HK\$'000	Level 2 HK\$'000	Total HK\$'000
<b>At 30th September 2015</b>			
<b>Assets</b>			
Financial assets at fair value through profit or loss	6,661,011	8,711	6,669,722
Available-for-sale investments	168,875	26,472	195,347
	<b>6,829,886</b>	<b>35,183</b>	<b>6,865,069</b>
<b>Liabilities</b>			
Derivative financial instruments – applying hedge accounting	–	39,789	39,789
<b>At 31st March 2015</b>			
<b>Assets</b>			
Financial assets at fair value through profit or loss	5,854,157	8,495	5,862,652
Available-for-sale investments	190,757	25,402	216,159
	<b>6,044,914</b>	<b>33,897</b>	<b>6,078,811</b>
<b>Liabilities</b>			
Derivative financial instruments – applying hedge accounting	–	40,110	40,110



# Notes to the Interim Financial Information

## 3 Financial risk management (continued)

### (ii) Fair value estimation (continued)

During the six months ended 30th September 2015, there was no transfer between level 1 and level 2 fair value measurements and there was no change in valuation technique.

- Financial instruments in level 1  
The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price. These instruments are included in level 1.
- Financial instruments in level 2  
The fair value of financial instruments that are not traded in an active market (over-the-counter derivatives) is determined by using latest available transaction price or valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Quoted market prices or dealer quotes for similar instruments are used for long term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

# Notes to the Interim Financial Information

## 4 Critical accounting estimates and judgements

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

At 30th September 2015, the Group had investment properties with fair value of HK\$7,742,524,000 (31st March 2015: HK\$7,627,318,000). 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.

## 5 Segment information

The Group is principally engaged in property development and investment, hotel, travel operation and securities investments. Revenue includes revenue from property sales and leasing, hotel and travel operation, management services, interest income and dividend income.

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 financial investments. Segment assets consist primarily of property, plant and equipment, investment properties, available-for-sale investments, other non-current assets, hotel inventories, properties, trade and other receivables and financial assets at fair value through profit or loss. Segment liabilities comprise mainly borrowings.

# Notes to the Interim Financial Information

## 5 Segment information (continued)

	Property sales HK\$'000	Property leasing HK\$'000	Hotel and travel and travel HK\$'000	Financial investments HK\$'000	Others HK\$'000	Total HK\$'000
Six months ended 30th September 2015						
Gross income	-	71,513	354,103	924,324	4,308	1,354,248
Segment revenue	-	71,513	260,711	338,231	4,308	674,763
Contribution to segment results	(235)	66,652	84,610	337,702	3,641	492,370
Depreciation	-	-	(40,718)	-	(2,167)	(42,885)
Net investment gain	-	-	-	83,463	-	83,463
Fair value gain of investment properties	-	111,107	-	-	-	111,107
Share of profits less losses of						
Joint ventures	(2,766)	-	-	-	(3,155)	(5,921)
Associated companies	-	(25,260)	-	-	(92)	(25,352)
Segment results	(3,001)	152,499	43,892	421,165	(1,773)	612,782
Unallocated corporate expenses						(54,032)
Net finance costs						(111,069)
Profit before income tax						447,681
Six months ended 30th September 2014						
Gross income	-	58,793	407,500	603,583	7,227	1,077,103
Segment revenue	-	58,793	299,677	263,707	7,227	629,404
Contribution to segment results	-	56,579	124,321	262,186	7,462	450,548
Depreciation	-	-	(42,400)	-	(2,245)	(44,645)
Net investment gain	-	-	-	29,526	-	29,526
Fair value gain of investment properties	-	365,474	-	-	-	365,474
Share of profits less losses of						
Joint ventures	(2,500)	-	-	-	(569)	(3,069)
Associated companies	-	87,688	-	-	(68)	87,620
Segment results	(2,500)	509,741	81,921	291,712	4,580	885,454
Unallocated corporate expenses						(47,876)
Net finance costs						(54,697)
Profit before income tax						782,881

Notes:

- Management regards gross income of travel operation as gross sales proceeds from the sales of air-ticket, hotel reservation arrangement and incentive travel tours.
- Management regards gross income of financial investments as comprising these revenue as defined under generally accepted accounting principles together with gross consideration from disposal of financial assets at fair value through profit or loss.



# Notes to the Interim Financial Information

## 5 Segment information (continued)

	Business segments						Total HK\$'000
	Property sales HK\$'000	Property leasing HK\$'000	Hotel and travel HK\$'000	Financial investments HK\$'000	Others HK\$'000	Unallocated HK\$'000	
As at 30th September 2015							
Assets	3,567,643	9,315,698	3,296,881	7,022,208	383,054	552,680	24,138,164
Assets include:							
Joint ventures and associated companies	1,759,092	1,549,225	–	–	1,025	2,834	3,312,176
Addition to non-current assets for the six months ended 30th September 2015*	470,074	4,100	88,094	–	6,163	–	568,431
Liabilities							
Borrowings	1,632,311	983,138	1,659,327	981,434	288,000	813,247	6,357,457
Other unallocated liabilities							1,588,606
							7,946,063
As at 31st March 2015							
Assets	3,102,949	9,229,695	3,256,806	6,221,895	85,637	1,097,334	22,994,316
Assets include:							
Joint ventures and associated companies	1,260,785	1,574,485	–	–	1,025	24,510	2,860,805
Addition to non-current assets or the six months ended 30th September 2014*	–	285	42,949	–	9,530	–	52,764
Liabilities							
Borrowings	1,449,808	992,651	1,625,799	1,070,146	–	686,875	5,825,279
Other unallocated liabilities							1,305,955
							7,131,234

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

# Notes to the Interim Financial Information

## 5 Segment information (continued)

	Six months ended 30th September	
	2015	2014
	HK\$'000	HK\$'000
<b>Revenue</b>		
Hong Kong	289,402	343,953
Overseas	385,361	285,451
	<b>674,763</b>	<b>629,404</b>
	30th September 2015	31st March 2015
	HK\$'000	HK\$'000
<b>Non-current assets*</b>		
Hong Kong	13,820,653	13,364,176
Overseas	1,251,666	1,097,328
	<b>15,072,319</b>	<b>14,461,504</b>

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

# Notes to the Interim Financial Information

## 6 Net investment gain

	Six months ended 30th September	
	2015	2014
	HK\$'000	HK\$'000
Financial assets at fair value through profit or loss		
– net unrealised gain from market price movements	49,719	67,886
– net unrealised exchange gain/(loss)	5,633	(39,920)
– net realised gain (note)	28,111	1,560
	<b>83,463</b>	29,526
Note:		
Net realised gain on financial assets at fair value through profit or loss		
Gross consideration	586,093	339,875
Cost of investments	(530,465)	(258,112)
Total gain	55,628	81,763
Less: net unrealised gain recognised in prior years	(27,517)	(80,203)
Net realised gain recognised in current period	<b>28,111</b>	1,560

# Notes to the Interim Financial Information

## 7 Income and expenses by nature

	Six months ended	
	30th September	
	2015	2014
	HK\$'000	HK\$'000
<b>Income</b>		
Net rental income (note (a))	66,652	56,579
Interest income		
– Listed investments	312,070	246,778
– Loan receivables	2,728	1,725
– Bank deposits	1,171	4,769
Dividend income		
– Listed investments	17,300	16,044
<b>Expenses</b>		
Cost of properties and goods sold	9,160	10,362
Employee benefit expense, including Directors' emoluments (note (b))	94,394	86,742
Loss on disposal of property, plant and equipment	8	8
Operating lease rental expense for land and buildings	571	692
Notes:		
<b>(a) Net rental income</b>		
Gross rental income		
Investment properties	71,488	58,768
Properties held for sale	25	25
	71,513	58,793
Outgoings	(4,861)	(2,214)
	66,652	56,579
<b>(b) Employee benefit expense</b>		
Wages and salaries	91,494	83,800
Share option expense	56	56
Retirement benefits costs	2,844	2,886
	94,394	86,742

# Notes to the Interim Financial Information

## 8 Net finance costs

	Six months ended 30th September	
	2015 HK\$'000	2014 HK\$'000
Interest expense		
Long term bank loans	(65,817)	(57,143)
Short term bank loans and overdrafts	(1,333)	(337)
Medium term notes	(26,334)	(21,491)
Interest income from hedging derivative financial instruments	2,694	2,931
Interest capitalised	19,362	27,820
	(71,428)	(48,220)
Other incidental borrowing costs	(11,492)	(9,257)
Net foreign exchange loss on borrowings	(12,190)	(3,677)
Fair value (loss)/gain on derivative financial instruments		
– cash flow hedge, transfer from reserve (note 21)	(15,959)	5,975
– not applying hedge accounting	–	482
	(111,069)	(54,697)



# Notes to the Interim Financial Information

## 9 Income tax expense

	Six months ended 30th September	
	2015	2014
	HK\$'000	HK\$'000
Current income tax		
Hong Kong profits tax	(5,813)	(16,533)
Overseas profits tax	(1,227)	(1,684)
Over provision in prior years	1,825	816
	(5,215)	(17,401)
Deferred income tax	(4,964)	(4,723)
	(10,179)	(22,124)

Hong Kong profits tax is provided at the rate of 16.5% (2014: 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 tax rate prevailing in the countries in which the Group operates.

Share of income tax expenses of joint ventures and associated companies for the period of nil (2014: Nil) and HK\$2,106,000 (2014: HK\$1,588,000) are included in the profit and loss account as share of profits less losses of joint ventures and associated companies respectively.

## 10 Dividend

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 30th September 2015 (2014: Nil).

## 11 Earnings per share

The calculation of basic earnings per share is based on profit attributable to shareholders of the Company of HK\$391,827,000 (2014: 709,136,000) and divided by the weighted average number of 1,271,235,217 (2014: 1,254,821,525) shares in issue during the period.

For the six months ended 30th September 2015 and 2014, the Company's and its listed subsidiary's outstanding share options did not have a dilution effect on the earnings per share, so the basic and diluted earnings per share were equal.

# 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 2015 and 31st March 2015. All of the fair value measurements of the Group's investment properties were categorised as level 3 of the fair value hierarchy. There were no transfers into or out of level 3 during the period.

## 13 Property, plant and equipment

	Freehold land of a hotel in Canada HK\$'000	Leasehold land in Hong Kong HK\$'000	Hotel buildings HK\$'000	Other buildings HK\$'000	Other equipments HK\$'000	Total HK\$'000
<b>Cost</b>						
At 31st March 2015	62,387	2,658,948	1,563,815	77,903	119,583	4,482,636
Currency translation differences	(3,341)	–	(20,419)	–	(63)	(23,823)
Additions	–	2,162	85,584	2,159	4,352	94,257
Disposals	–	–	(1,548)	–	(6,483)	(8,031)
<b>At 30th September 2015</b>	<b>59,046</b>	<b>2,661,110</b>	<b>1,627,432</b>	<b>80,062</b>	<b>117,389</b>	<b>4,545,039</b>
<b>Accumulated depreciation</b>						
At 31st March 2015	–	465,679	798,510	9,636	32,915	1,306,740
Currency translation differences	–	–	(15,882)	–	(34)	(15,916)
Charge for the period	–	13,555	23,354	523	5,453	42,885
Disposals	–	–	(1,540)	–	(6,483)	(8,023)
<b>At 30th September 2015</b>	<b>–</b>	<b>479,234</b>	<b>804,442</b>	<b>10,159</b>	<b>31,851</b>	<b>1,325,686</b>
<b>Net book value</b>						
<b>At 30th September 2015</b>	<b>59,046</b>	<b>2,181,876</b>	<b>822,990</b>	<b>69,903</b>	<b>85,538</b>	<b>3,219,353</b>
At 31st March 2015	62,387	2,193,269	765,305	68,267	86,668	3,175,896

# Notes to the Interim Financial Information

## 13 Property, plant and equipment (continued)

Note:

Supplementary information with hotel properties in operation at valuation:

According to the Group's accounting policies, the carrying amount of the four hotel properties in operation in Hong Kong and Canada were HK\$2,976,343,000 (31st March 2015: HK\$2,933,002,000).

The aggregate open market value, on a highest and best use basis, of the four hotel properties in operation in Hong Kong and Canada based on valuations conducted by Vigers Appraisal & Consulting Limited ("Vigers") and CBRE Limited ("CBRE") respectively, independent professional valuers, amounted to HK\$9,574,056,000 (31st March 2015: HK\$9,798,616,000), is regarded as level 3 hierarchy for disclosure purpose under HKFRS 13.

The hotel properties in operation in Hong Kong comprised 3 hotels. Vigers used the discounted cash flow ("DCF") method, which is considered the most appropriate valuation approach for assessing the market value of the properties as it would better reflect specific characteristics of the income-producing properties such as occupancies, average room rates, potential income growth and all out-goings, subject to future economic conditions in the markets. The valuation for the current year has taken into account the development potential on the unused allowable gross floor area of Empire Hotel Hong Kong. The direct comparison method was also used as a check on the valuation arrived at from the DCF method. For the hotel property in Canada, CBRE used the direct comparison method for assessing the market value of the property taking into account of its redevelopment potential. This approach directly uses market comparable transactions to determine the market value. Appropriate adjustments are applied to the comparable transactions to adjust for the discrepancies between the property and the comparables.

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.

## 14 Property held for development for sale

The amount represents a 100% interest, acquired by the Group in 2010, in a piece of land situated in Seac Pai Van, Coloane, Macau. The land concession was granted for a term of 25 years from 7th December 1990, for industrial use, and is renewable, under certain conditions, for further terms until 19th December 2049. In 1993, the government had determined to change the district to residential use. Since then, despite repeated request, the government has not issued the new master zoning plan of the district and so the land has not been developed. The land concession period is ending on 6th December 2015, and the Group has already submitted to the Macau government a request for renewal of the land concession.

The land is included by Macau government in a list that non-development of the land is not the responsibility of the concessionaires. However, in November 2015, it was reported in the news that the Secretary of Public Works and Transportation indicated that the government will resume the undeveloped lands in Seac Pai Van upon expiry of the land concession.

The Group has been seeking legal advice and clarification from the government on the matter. Management is actively pursuing the development rights of the project and extension of the land concession. Based on the above, the Directors considered it premature to determine any impairment that may be necessary and accordingly no provision is made as at 30th September 2015.

# Notes to the Interim Financial Information

## 15 Trade and other receivables

Trade and other receivables of the Group include trade receivables, loans receivable, utility and other deposits, accrued interest receivable and accrued dividend receivable. The comparative figure also included deposit for setting up a joint venture.

Trade receivables of the Group amounted to HK\$55,178,000 (31st March 2015: HK\$53,789,000). 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 2015 HK\$'000</b>	31st March 2015 HK\$'000
0 day to 60 days	<b>50,266</b>	49,336
61 days to 120 days	<b>1,256</b>	994
More than 120 days	<b>3,656</b>	3,459
	<b>55,178</b>	53,789

# Notes to the Interim Financial Information

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

	30th September 2015 HK\$'000	31st March 2015 HK\$'000
Equity securities		
– Listed in Europe	566,124	591,946
– Listed in the USA	619,950	644,197
– Listed in Hong Kong	44,814	69,726
	<b>1,230,888</b>	1,305,869
Debt securities		
– Listed in Singapore	4,337,658	3,304,877
– Listed in Hong Kong	639,993	743,700
– Listed in Europe	270,499	203,524
	<b>5,248,150</b>	4,252,101
Unlisted fund	8,711	8,495
Total amount included in current assets	<b>6,486,749</b>	5,566,465
Equity securities included in non-current assets		
– Listed in Hong Kong	181,973	296,187
	<b>6,669,722</b>	5,862,652

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

	30th September 2015 HK\$'000	31st March 2015 HK\$'000
United States dollar	5,070,380	4,121,379
Sterling	566,124	591,946
Hong Kong dollar	226,787	365,914
Renminbi	535,932	579,889
Euro	270,499	203,524
	<b>6,669,722</b>	5,862,652

Note:

The debt securities carry fixed coupon ranging from 3% to 13.875% (31st March 2015: from 2% to 13.875%) per annum and their nominal values are equivalent to HK\$5,315,965,000 (31st March 2015: HK\$4,731,620,000).



# Notes to the Interim Financial Information

## 17 Trade and other payables

Trade and other payables of the Group include trade payables, rental and management fee deposits, retentions payable of construction costs, interest payable and various accruals. Trade payables amounted to HK\$13,265,000 (31st March 2015: HK\$15,230,000).

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

	30th September 2015 HK\$'000	31st March 2015 HK\$'000
0 day to 60 days	12,753	14,460
61 days to 120 days	194	495
More than 120 days	318	275
	<b>13,265</b>	<b>15,230</b>

## 18 Borrowings

	30th September 2015 HK\$'000	31st March 2015 HK\$'000
<b>Current liabilities</b>		
Short term bank loans and overdrafts		
Secured	678,736	506,442
Unsecured	306,747	–
	<b>985,483</b>	<b>506,442</b>
Current portion of long term bank loans	706,019	506,716
Portion of long term bank loans with a repayment on demand clause	18,937	24,455
	<b>1,710,439</b>	<b>1,037,613</b>
<b>Non-current liabilities</b>		
Long term bank loans, secured	4,647,018	4,787,666
	<b>6,357,457</b>	<b>5,825,279</b>

The maturities of the long term bank loans, based on the scheduled repayment dates set out in the loan agreements and ignoring the effect of any repayment on demand clause, are as follow:

Repayable within one year	706,019	506,716
Repayable between one and two years	1,414,673	1,424,904
Repayable between two and five years	2,380,292	2,472,237
Repayable after five years	870,990	914,980
	<b>5,371,974</b>	<b>5,318,837</b>
Current portion included in current liabilities	<b>(706,019)</b>	<b>(506,716)</b>
	<b>4,665,955</b>	<b>4,812,121</b>

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

# Notes to the Interim Financial Information

## 19 Medium term notes

	30th September 2015 HK\$'000	31st March 2015 HK\$'000
RMB500 million at coupon of 6.5% per annum due April 2018	608,495	624,454
HKD100 million at coupon of 4.8% per annum due July 2019	100,000	100,000
HKD250 million at coupon of 3% above HIBOR per annum due April 2020	250,000	–
	<b>958,495</b>	<b>724,454</b>
Less: deferred issue expenses	<b>(15,465)</b>	<b>(14,434)</b>
	<b>943,030</b>	<b>711,020</b>

The carrying amounts of these notes approximate their fair value.

## 20 Share capital

Shares of HK\$0.01 each	Number of shares	Amount HK\$'000
Authorised:		
At 31st March 2015 and 30th September 2015	400,000,000,000	4,000,000
Issued and fully paid:		
At 31st March 2015 and 30th September 2015	1,271,235,217	12,712

## 21 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	Hedging reserve HK\$'000	Currency translation reserve HK\$'000	Revenue reserve HK\$'000	Total HK\$'000
At 31st March 2015	2,101,557	44,190	16,756	45,376	2,782,836	(37,164)	61,450	9,890,358	14,905,359
Net fair value loss on available-for-sale investments	–	–	–	(17,418)	–	–	–	–	(17,418)
Cash flow hedges:									
– fair value gain	–	–	–	–	–	321	–	–	321
– transfer to finance costs (note 8)	–	–	–	–	–	15,959	–	–	15,959
Currency translation differences	–	–	–	–	–	–	(41,958)	–	(41,958)
Profit for the period	–	–	–	–	–	–	–	391,827	391,827
2015 final dividend	–	–	–	–	–	–	–	(50,849)	(50,849)
Share option expense	–	–	56	–	–	–	–	–	56
<b>At 30th September 2015</b>	<b>2,101,557</b>	<b>44,190</b>	<b>16,812</b>	<b>27,958</b>	<b>2,782,836</b>	<b>(20,884)</b>	<b>19,492</b>	<b>10,231,336</b>	<b>15,203,297</b>

# Notes to the Interim Financial Information

## 22 Capital commitments

Capital commitments at the balance sheet date are as follows:

	30th September 2015 HK\$'000	31st March 2015 HK\$'000
Contracted but not provided for		
Investment properties	29,579	1,697
Property, plant and equipment	206,556	276,327
Joint ventures	139,954	349,694
Authorised but not contracted for		
Investment properties	101,948	109,614
Property, plant and equipment	112,114	120,227
	<b>590,151</b>	<b>857,559</b>

## 23 Financial guarantees

	30th September 2015 HK\$'000	31st March 2015 HK\$'000
Guarantees for the banking and loan facilities of joint ventures	881,471	616,956

## 24 Related party transactions

During the period, no other significant transactions have been entered into except for interest income of HK\$5,835,000 (2014: HK\$5,505,000) from joint ventures.

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) (2014: Nil).

## Other Information

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

As at 30th September 2015, 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	1,246,979	651,225,593	652,472,572	51.32

Note:

By virtue of Mr. Poon Jing's controlling interest (50.05%) in Asia Orient Holdings Limited ("Asia Orient"), he 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	261,967,964	5,092,530	139,036,265 (Notes)	406,096,759	50.05
	Asia Standard Hotel Group Limited ("Asia Standard Hotel")	50,830	–	1,150,365,205 (Notes)	1,150,416,035	73.25
Poon Hai	Asia Orient	10,000,000	–	–	10,000,000	1.23
Fung Siu To, Clement	Asia Orient	14,783,374	–	–	14,783,374	1.82
	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:

- By virtue of Mr. Poon Jing's controlling interest in the Asia Orient, he is deemed to be interested in the shares of Asia Standard Hotel held by Asia Orient and the Company.
- 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 corporations.

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

##### Interest in share options

###### (a) Associated corporation

– Asia Orient

Director	Outstanding as at 1st April 2015 and 30th September 2015
Fung Siu To, Clement	2,126,301
Lim Yin Cheng	2,126,301
Lun Pui Kan	2,126,301
Kwan Po Lam, Phileas	2,126,301

Notes:

- Options were granted on 29th March 2007 under a share option scheme adopted by Asia Orient on 11th November 2002 and exercisable during the period from 29th March 2007 to 28th March 2017 at exercise price of HK\$1.4315 (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.

###### (b) Associated corporation

– Asia Standard Hotel

Director	Date of grant	Exercise price (HK\$)	Exercise period	Outstanding as at 1st April 2015 and 30th September 2015
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

Notes:

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 2015, 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 2015, 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 and underlying shares of the Company

Shareholders	Capacity	Number of shares held	Total	Percentage (%)
Asia Orient (Note 1)	Beneficial owner	49,259,945		
	Interests in controlled corporation	601,965,648	651,225,593	51.22
Asia Orient Holdings (BVI) Limited ("Asia Orient BVI") (Note 1)	Interests in controlled corporation	601,965,648	601,965,648	47.35
Asia Orient Company Limited ("AOCL") (Note 2)	Beneficial owner	289,966,042		
	Interests in controlled corporation	2,342,843	292,308,885	22.99
Kingfisher Inc. and Lipton Investment Limited ("Kingfisher and Lipton") (Note 2)	Interests in controlled corporation	270,926,230	270,926,230	21.31
Dalton Investments LLC	Investment manager	151,625,988	151,625,988	11.93

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 601,965,648 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 2015, 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 schemes

#### The Company

The share option scheme of the Company adopted by the Company on 27th August 2004 (the “2004 Share Option Scheme”) was expired on the tenth anniversary of such adoption date. Following the expiry of the 2004 Share Option Scheme, no further share option can be granted thereunder but all outstanding share options granted under the 2004 Share Option Scheme and yet to be exercised shall remain valid and exercisable. As at 30th September 2015, there were 1,000,000 share options granted under the 2004 Share Option Scheme outstanding. Movements of share options granted under the 2004 Share Option Scheme during the period are as follows:

Grantee	Date of grant	Exercise price (HK\$)	Exercise period	Outstanding as at 1st April 2015 and 30th September 2015
Other employee	13th March 2014	2.00	10th March 2017 to 12th March 2024	1,000,000

Note:

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

The Company adopted a new share option scheme on 29th August 2014 (the “2014 Share Option Scheme”). No share option has been granted under the 2014 Share Option Scheme since its adoption.

#### 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 2015, 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 2015 and 30th September 2015
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	2nd April 2007	1.300	2nd April 2007 to 1st April 2017	8,000,000
Employees	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	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 (the “Board”) does not recommend the payment of an interim dividend for the six months ended 30th September 2015 (2014: 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.

### 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 2015.

### Corporate governance code

During the period, the Company has complied with the code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Listing Rules, except the following deviations:

1. Code Provision A.4.1 of the CG Code provides 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;
2. Code Provision A.5.1 of the 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 assessing the independence of Independent Non-executive Directors, reviewing the structure, diversity, 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; and
3. Code Provision A.6.7 of the CG Code provides that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Leung Wai Keung, an independent non-executive director, was unable to attend the annual general meeting of the company held on 2nd September 2015 due to his other engagement at the relevant time.

### Audit committee

The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30th September 2015.

On behalf of the Board  
**Asia Standard International Group Limited**  
**Fung Siu To, Clement**  
*Chairman*

Hong Kong, 30th November 2015



