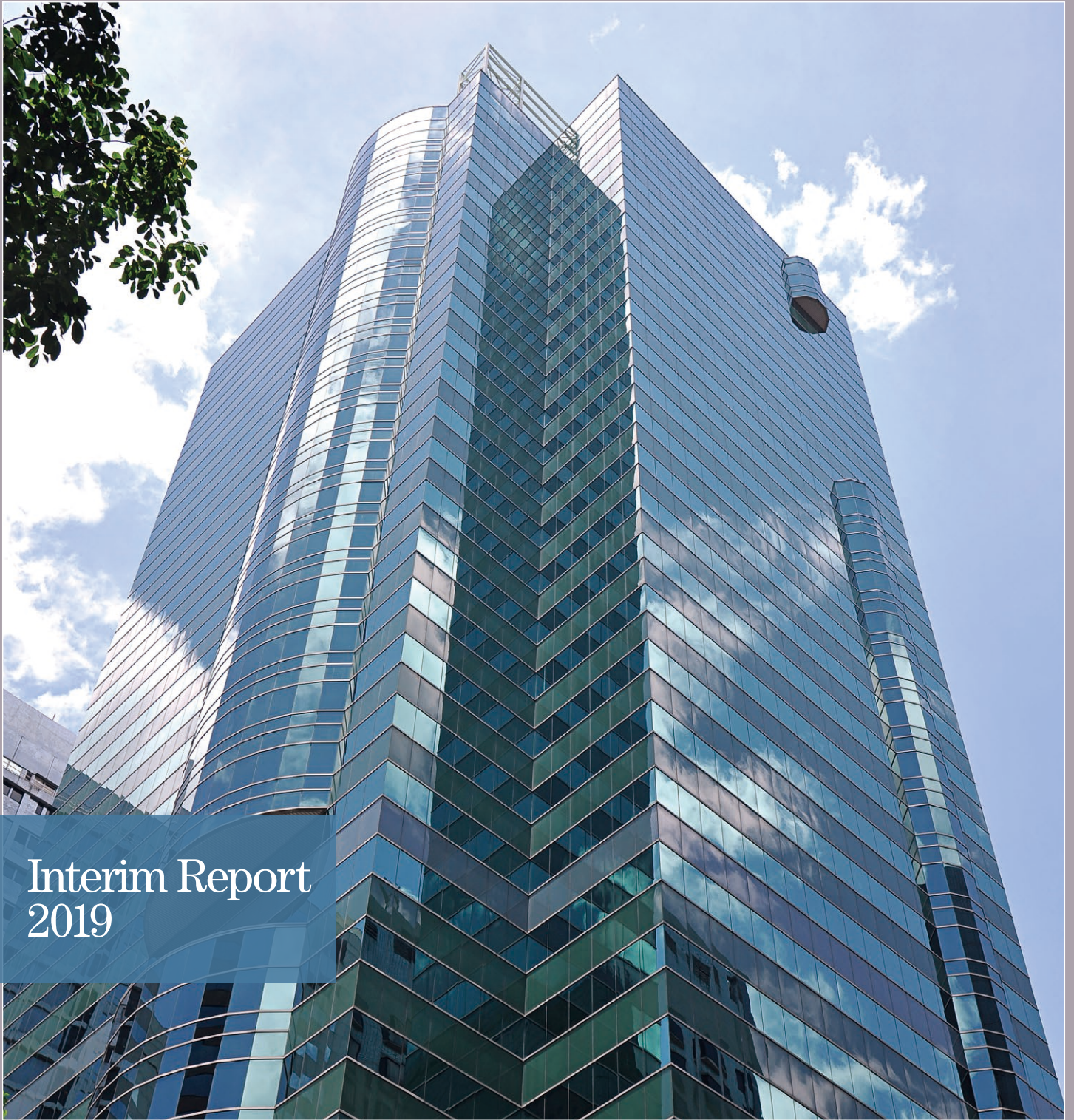




Asia Orient Holdings Limited



Interim Report
2019

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Corporate Information

DIRECTORS

Executive

Mr. Fung Siu To, Clement (*Chairman*)

Mr. Poon Jing (*Managing Director
and Chief Executive*)

Mr. Poon Hai

Mr. Poon Yeung, Roderick

Mr. Lun Pui Kan

Mr. Kwan Po Lam, Phileas

Independent Non-executive

Mr. Cheung Kwok Wah

Mr. Hung Yat Ming

Mr. Wong Chi Keung

AUDIT COMMITTEE

Mr. Hung Yat Ming (*Chairman*)

Mr. Cheung Kwok Wah

Mr. Wong Chi Keung

REMUNERATION COMMITTEE

Mr. Wong Chi Keung (*Chairman*)

Mr. Fung Siu To, Clement

Mr. Hung Yat Ming

AUTHORISED REPRESENTATIVES

Mr. Fung Siu To, Clement

Mr. Lun Pui Kan

COMPANY SECRETARY

Mr. Tung Kwok Lui

REGISTERED OFFICE

Victoria Place,
5th Floor,
31 Victoria Street,
Hamilton HM 10,
Bermuda

PRINCIPAL OFFICE IN HONG KONG

30th Floor, YF Life Tower,
33 Lockhart Road,
Wanchai,
Hong Kong

Telephone 2866 3336

Facsimile 2866 3772

Website <http://www.asiaorient.com.hk>

E-mail aoinfo@asiastandard.com

PRINCIPAL BANKERS

HSBC

Bank of China (Hong Kong)

Industrial and Commercial Bank of
China (Asia)

Hang Seng Bank

United Overseas Bank

Chiyu Banking Corporation

The Bank of East Asia

Chong Hing Bank

Dah Sing Bank

Fubon Bank (Hong Kong)

Shanghai Commercial Bank

UBS

Bank of Singapore

Bank Morgan Stanley

Credit Suisse AG

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

INDEPENDENT AUDITOR

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

SHARE REGISTRAR IN BERMUDA

MUFG Fund Services (Bermuda) Limited
4th Floor North,
Cedar House,
41 Cedar Avenue,
Hamilton HM 12,
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		
	2019	2018	Change
Consolidated profit and loss account			
Revenue	1,382	1,140	+21%
Operating profit	1,112	1,132	-2%
Profit attributable to shareholders of the Company	422	509	-17%
Earnings per share - basic (HK\$)	0.50	0.61	-18%

	30th September	31st March	Change
	2019	2019	
Consolidated balance sheet			
Total assets	43,060	43,673	-1%
Net assets	24,734	24,830	-
Equity attributable to shareholders of the Company	13,057	13,097	-
Net debt	15,573	16,390	-5%

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

Revalued total assets	49,159	49,694	-1%
Revalued net assets	31,379	31,401	-
Equity attributable to shareholders of the Company	16,104	16,110	-
Gearing - net debt to revalued net assets	50%	52%	-2%

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 these hotel properties and excluding the corresponding deferred income tax on Hong Kong properties as Hong Kong tax jurisdiction does not include capital gain tax.

The hotel properties in operation were revalued by Vigers Appraisal & Consulting Limited, independent professional valuers, on an open market value basis as at 30th September 2019 and 31st March 2019.

Management Discussion and Analysis



Development project (北京•東灣) in Tongzhou, Beijing

RESULTS

The Group's revenue for the six months amounted to HK\$1,382 million (2018: HK\$1,140 million), with profit attributable to shareholders of the Company at HK\$422 million (2018: HK\$509 million). The increase in revenue is due to higher investment income through reinvestment of received coupons and further investment in debt securities. This was offset by a much-reduced revaluation surplus from investment properties, resulting in a decrease in profit attributable to shareholders.

Through Asia Standard International group, its 51.8% owned listed subsidiary, the Group continued its main business of property development, sales and leasing operation.

PROPERTIES SALES, DEVELOPMENT AND LEASING

SALES AND DEVELOPMENT

The Group's various development projects in Hong Kong, mainland China and Canada progressed satisfactorily during the period.

Mainland China

In Tongzhou, Beijing, sub-structure works for the residential towers of our 2.3 million sq. ft. GFA joint venture residential and commercial development has been completed shortly after interim period end. Presale for phase I of the residential units commenced in mid-July 2019 and is well received, contracted more than RMB700 million sales up to end of the interim period under review.

In Qingpu, Shanghai, sales of the last phase of Queen's Gate, a high-end joint venture villas and apartments development, also began in mid-July 2019. Up to end of the interim period, close to 55% of the remaining units were sold, contracting about RMB550 million.

Management Discussion and Analysis



Landmark on Robson, Vancouver

Hong Kong

In Jardine's Lookout, the Group continued sales and marketing efforts of its ultra-luxurious joint venture residential development, Dukes Place, comprising 16 elegantly designed units. Fitting out of various show flats and garden villa were completed, that of penthouse is under progress and scheduled to complete by first quarter 2020.

On Po Shan Road, foundation works of another luxurious joint venture residential development had completed and superstructure works will commence shortly.

In Hung Shui Kiu Yuen Long, provisional basic terms of land exchange for the commercial and residential development were concluded, the process is now in the course of land premium negotiation. The development will provide approximately 520,000 sq. ft. of GFA. Another residential development at Lam Tei light-rail station nearby is in the early stage of land exchange application with the government and, the development when completed will provide about 67,000 sq. ft. of GFA.

In Kowloon Bay, the commercial building Octa Tower of approximately 800,000 sq. ft. marketable GFA, is undergoing repositioning. Common areas are being renovated and completion is expected by mid-2020. Sizable corporations are being targeted as anchor tenant.

Canada (development through hotel subsidiary group)

Demolition of our Empire Landmark Hotel is substantially completed, shoring and excavation work will follow shortly, redeveloping the hotel into an approximately 400,000 sq. ft. GFA mixed-use development with two residential towers ("Landmark on Robson") upon completion. Since the launch of presale in January 2018, the development had achieved a contracted sales of CAD140 million up to 30th September 2019.

Approval for land re-zoning of joint venture redevelopment of another high-end residential complex of approximate 627,000 sq. ft. GFA in Alberni Street, downtown Vancouver was granted in September 2018 during a public hearing. Development permit application was submitted in December 2018 with Urban Design Panel approving the application in April 2019. Prior to Letter was received from local city council in June 2019, and we are expecting the ultimate development and building permits from the local authority.

Another joint venture development that is also located at Alberni Street in downtown Vancouver is in the planning stage for development into premium residential units for sale. The rezoning resubmission package is scheduled to be submitted to the City in early 2020.

Management Discussion and Analysis



The all-new Prestige Club Lounge in **Empire Hotel Kowloon**

LEASING

Leasing income of MassMutual Tower (renamed to YF Life Tower on 1 June 2019), 33 Lockhart Road in Wanchai and Asia Standard Tower in Queen's Road Central had slightly increased compared to same period last year. Occupancies of both office tower remained high at above 95% for both periods.

Overall leasing income attributable to Asia Standard International increased by 3% from HK\$117 million to HK\$120 million. Net revaluation gain (taking into account our share of revaluation loss (2018: gain) from the investment property owned by an associated company) of HK\$54 million (2018: HK\$669 million) was recorded.

HOTEL

During the period, overnight stay visitors to Hong Kong decreased by 14% to approximately 12 million. Mainland visitors dominated this segment with 69% share, and their arrival decreased slightly by less than 1% from same period last year. Total hotel rooms in Hong Kong are approximately 83,100 rooms, an increase of 4% over same period last year.

Revenue arising from the hotel and travel segment for the period amounted to HK\$220 million (2018: HK\$260 million). Average occupancies for our hotels in Hong Kong were approximately 80% (2018: 95%) while average room rates decreased 17%. Overall, contribution to segment results before depreciation decreased from HK\$82 million to HK\$44 million, being impacted by the local political event.

Management Discussion and Analysis

FINANCIAL INVESTMENTS

At 30th September 2019, the Group held financial investments of approximately HK\$16,629 million (31st March 2019: HK\$17,609 million), with HK\$14,679 million (31st March 2019: HK\$15,601 million) held by the two listed subsidiary group. The investment portfolio comprised of 94% listed debt securities (mostly issued by PRC-based real estate companies), 4% by listed equity securities and 2% unlisted funds and securities. They are denominated in different currencies with 95% in United States dollar, 3% in Hong Kong dollar and 2% in other currencies.

The portfolio's decrease was due to net disposal of HK\$233 million and a mark-to-market valuation net loss of HK\$747 million, of which a net investment loss of HK\$88 million was charged to profit and loss while the remaining HK\$659 million were recognized in the investment reserve account. The net investment loss comprised net fair value losses of listed equity securities, exchange losses and provisions for expected credit loss, compensated by realised gain upon partial disposal/redemption of

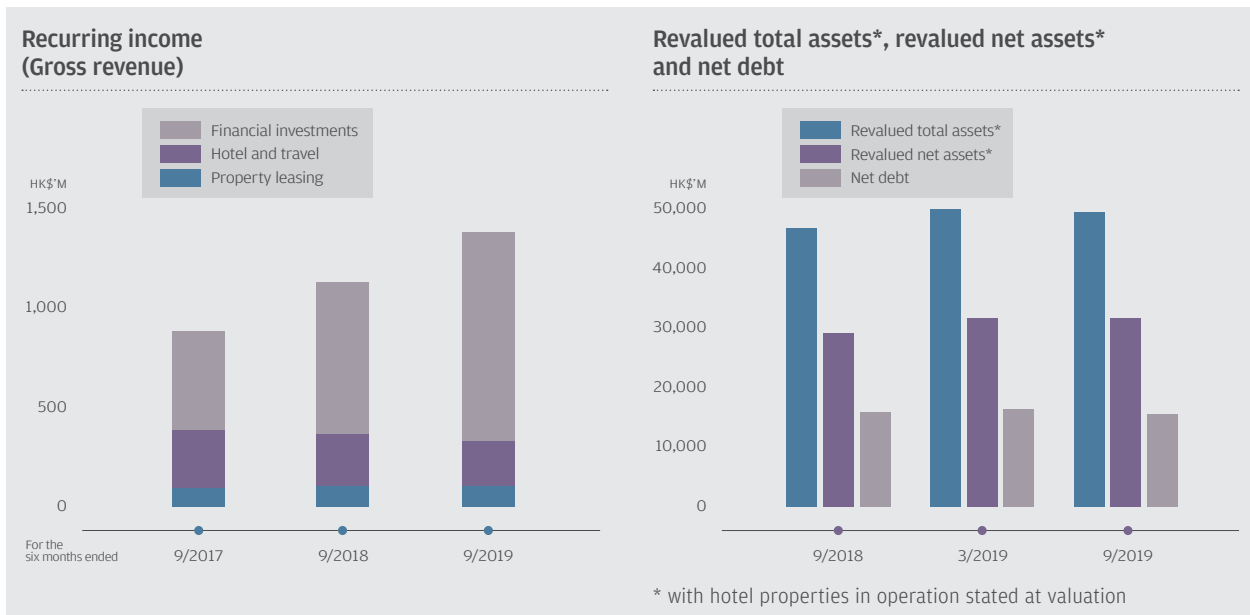
the securities. The drop in market price is mainly due to a higher interest rate environment during the interim period, the market correction following uncertainties over the Sino-US trade conflict, the increased yield of new issuance, and the various austerity measures over the PRC property market.

Income from this investment portfolio amounted to HK\$1,043 million (2018: HK\$761 million). The increase resulted from further investment in debt securities.

At 30th September 2019, an approximate value of HK\$2,910 million (31st March 2019: HK\$2,120 million) of these investments were pledged to banks as collateral for credit facilities granted to the Group.

FINANCIAL REVIEW

At 30th September 2019, the Group had over HK\$9.3 billion (31st March 2019: HK\$7.7 billion) cash and undrawn banking facilities. The financing and treasury activities of our three listed groups are independently administered.



Management Discussion and Analysis

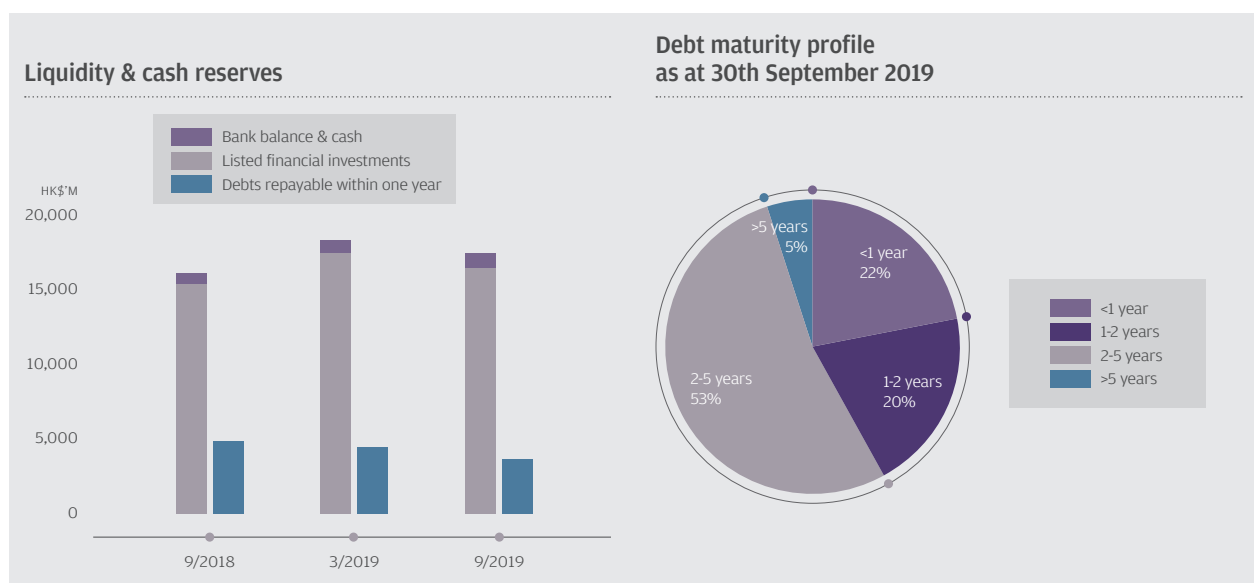
At 30th September 2019, the Group's total assets were approximately HK\$43.1 billion (31st March 2019: HK\$43.7 billion), the net assets were HK\$24.7 billion (31st March 2019: HK\$24.8 billion). Adopting market value of hotel properties in operation, the revalued total assets were HK\$49.2 billion (31st March 2019: HK\$49.7 billion), a decrease of 1%, and the revalued net assets were HK\$31.4 billion (31st March 2019: HK\$31.4 billion), approximately the same.

Net debt was HK\$15.6 billion (31st March 2019: HK\$16.4 billion), of which HK\$0.6 billion (31st March 2019: HK\$0.7 billion) was attributable to the parent group. Total interest cost increased as a result of increased borrowings together with market interest rate hikes. Currently, the Group's gearing ratio (net debt to revalued net asset value) is approximately 50% (31st March 2019: 52%). As at 30th September 2019, the Group had net current assets of HK\$14.7 billion (31st March 2019: HK\$14.7 billion) and the HK\$17.6 billion aggregate amount of marketable securities and cash together represented 4.8 times of the HK\$3.7 billion current debt repayable within 12 months.

63% of the debts are secured and 99% of the debts are at floating rates. The maturities of our debts spread over a long period of up to 7 years, with 5% repayable after 5 years and 73% repayable between one to five years. The remaining 22% comprise medium term notes, overdraft, revolving and short-term loans and are repayable within 1 year.

About 99% of the Group's borrowings are in Hong Kong dollar and the remaining 1% in Canadian dollar.

As at 30th September 2019, property assets with an aggregate net book value of HK\$19.9 billion (31st March 2019: HK\$20.0 billion) were pledged to secure banking facilities of the Group. HK\$2,801 million (31st March 2019: HK\$2,733 million) guarantees were provided to financial institutions and third parties against outstanding loans of joint ventures.



EMPLOYEES AND REMUNERATION POLICIES

At 30th September 2019, the Group employed approximately 450 (31st March 2019: 470) 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

Hong Kong's economy was suddenly adversely impacted by local political event since the second half of the interim period, technically, economic recession is declared following two consecutive seasons of negative growth. The impact is already evidenced in our hotel operation performance and also in the retail segment. Local government instituted various measures to lessen the negative impact, including support towards the small and medium-sized enterprises, and tourism. At the same time, existing mortgage constraints on first time home purchasers is relaxed.

The property sales of our Beijing and Shanghai joint venture projects is satisfactory and encouraging, with the stabilisation of mainland property market, we expect the performance would be maintained for the remaining half of the financial year.

Financial markets continue to be volatile, especially amongst the environment of trade disputes between various territories with the United States and the political tension brought by the United States administration. The Sino-US trade negotiation has always been uncertain but is currently inclining towards reaching an agreement. Our investment in fixed income securities continues to be a strong pillar in providing a stable income stream and liquidity and enables us to capitalise on any other investment and development opportunities should they arise.

The Group have successfully repositioned its tenant mix and improved the rental performance following the upgrading and renovating of the Wanchai headquarter commercial asset. However, the leasing segment is exposing to the negative impact from the local political event, especially the retail portion.

Management exert tremendous cautious and prudent to alleviate and mitigate any negative impact in this restless environment.

Report on Review of Interim Financial Information

**To the Board of Directors of
Asia Orient Holdings Limited**

(incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 11 to 42, which comprises the condensed consolidated balance sheet of Asia Orient Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30th September 2019 and the related condensed consolidated profit and loss account, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows 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 of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 28th November 2019

Condensed Consolidated Profit and Loss Account – Unaudited

	<i>Note</i>	Six months ended 30th September	
		2019 HK\$'000	2018 HK\$'000
Sales of goods and services, leasing and other revenue		376,249	401,224
Interest revenue		1,005,538	738,854
Total revenue	6	1,381,787	1,140,078
Cost of sales		(149,603)	(157,434)
Gross profit		1,232,184	982,644
Selling and administrative expenses		(138,045)	(132,580)
Depreciation		(110,907)	(98,483)
Net investment gain/(loss)	7	35,695	(246,629)
Fair value gain of investment properties		93,185	627,176
Operating profit		1,112,112	1,132,128
Net finance costs	9	(322,056)	(245,983)
Share of profits less losses of			
Joint ventures		(1,491)	26,768
Associated companies		(34,998)	48,877
Profit before income tax		753,567	961,790
Income tax expense	10	(7,527)	(12,505)
Profit for the period		746,040	949,285
Attributable to:			
Shareholders of the Company		422,474	509,498
Non-controlling interests		323,566	439,787
		746,040	949,285
Earnings per share (HK\$)			
Basic	12	0.50	0.61
Diluted	12	0.50	0.60

Condensed Consolidated Statement of Comprehensive Income – Unaudited

	Six months ended 30th September	
	2019 HK\$'000	2018 HK\$'000
Profit for the period	746,040	949,285
Other comprehensive (charge)/income		
Items that have been reclassified or may be reclassified subsequently to profit or loss:		
Net fair value loss on debt securities at fair value through other comprehensive income	(638,100)	(1,294,431)
Cash flow hedges		
- fair value gain	-	1,796
- transfer to finance costs	-	(3,660)
- realised loss	-	(446)
Currency translation differences	2,262	223
Share of currency translation differences of joint ventures	(84,163)	(152,169)
Items that will not be reclassified to profit or loss:		
Net fair value loss on equity securities at fair value through other comprehensive income		
- net fair value loss	(85,694)	(178,266)
- realised gain	186	-
	(805,509)	(1,626,953)
Total comprehensive charge for the period	(59,469)	(677,668)
Attributable to:		
Shareholders of the Company	(24,503)	(404,902)
Non-controlling interests	(34,966)	(272,766)
	(59,469)	(677,668)

Condensed Consolidated Balance Sheet – Unaudited

		30th September 2019 HK\$'000	31st March 2019 HK\$'000
	<i>Note</i>		
Non-current assets			
Investment properties	<i>13</i>	9,892,764	9,778,075
Property, plant and equipment	<i>14</i>	7,534,519	7,617,072
Joint ventures and associated companies		5,552,482	5,472,275
Loan receivables		1,327	1,411
Financial investments	<i>16</i>	545,410	642,508
Deferred income tax assets		73,196	60,731
		23,599,698	23,572,072
Current assets			
Properties under development for sale		1,749,322	1,749,208
Completed properties held for sale		3,680	3,680
Hotel and restaurant inventories		20,718	21,615
Trade and other receivables	<i>15</i>	647,374	555,609
Income tax recoverable		5,015	3,553
Financial investments	<i>16</i>	16,083,257	16,966,629
Bank balances and cash		951,331	800,303
		19,460,697	20,100,597
Current liabilities			
Trade and other payables	<i>17</i>	237,682	186,568
Contract liabilities		198,712	199,405
Amount due to joint ventures		277,472	199,855
Amount due to an associated company		224,400	224,400
Amount due to non-controlling interests		43,764	39,225
Medium term notes	<i>19</i>	249,488	99,820
Income tax payable		88,827	70,214
Borrowings	<i>18</i>	3,408,122	4,361,162
		4,728,467	5,380,649
Net current assets		14,732,230	14,719,948

Condensed Consolidated Balance Sheet - Unaudited

		30th September 2019 HK\$'000	31st March 2019 HK\$'000
	<i>Note</i>		
Non-current liabilities			
Long term borrowings	<i>18</i>	12,866,517	12,480,033
Medium term notes	<i>19</i>	-	249,035
Lease liabilities		3,349	-
Deferred income tax liabilities		728,012	732,794
		13,597,878	13,461,862
Net assets			
		24,734,050	24,830,158
Equity			
Share capital	<i>20</i>	84,087	84,087
Reserves	<i>21</i>	12,972,832	13,012,471
Equity attributable to shareholders of the Company			
		13,056,919	13,096,558
Non-controlling interests		11,677,131	11,733,600
		24,734,050	24,830,158

Condensed Consolidated Statement of Cash Flows – Unaudited

	Six months ended 30th September	
	2019 HK\$'000	2018 HK\$'000
Cash flows from operating activities		
Net cash generated from/(used in) operation	1,521,708	(3,030,541)
Net income tax paid	(4,307)	(2,727)
Net interest paid	(346,620)	(248,187)
Interest received from bank deposit and other receivables	10,574	71,910
Net cash generated from/(used in) operating activities	1,181,355	(3,209,545)
Cash flows from investing activities		
Net purchase of financial investments	-	(82,960)
Addition to investment properties	(21,504)	(3,546)
Addition to property, plant and equipment	(22,444)	(44,113)
Repayment of loan by a joint venture partner	-	280,000
Increase in investments in joint ventures	(11,541)	(79,613)
Advance to joint ventures and associated companies	(192,549)	(526,994)
Dividend received from an associated company	80,850	-
Net cash used in investing activities	(167,188)	(457,226)
Cash flows from financing activities		
Net redemption of medium term notes	(100,000)	(319,528)
Drawdown of long term borrowings	1,368,571	2,752,000
Repayment of long term borrowings	(319,850)	(1,118,666)
Net (decrease)/increase in short term borrowings	(1,611,403)	1,865,100
Dividend paid	(15,136)	(20,181)
Dividend paid to non-controlling interests	(40,310)	(44,197)
Coupon to convertible noteholders	(575)	-
Contribution from non-controlling interests	4,539	38,670
Net cash (used in)/generated from financing activities	(714,164)	3,153,198
Net increase/(decrease) in cash and cash equivalents	300,003	(513,573)
Cash and cash equivalents at the beginning of the period	605,357	847,437
Changes in exchange rates	(1,563)	(220)
Cash and cash equivalents at the end of the period	903,797	333,644
Analysis of the balances of cash and cash equivalents		
Bank balances and cash (excluding restricted bank balances)	903,797	333,644

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 2018	84,087	12,446,722	12,530,809	11,237,192	23,768,001
Net fair value loss on financial assets at fair value through other comprehensive income	-	(834,741)	(834,741)	(637,956)	(1,472,697)
Cash flow hedges					
- fair value gain	-	930	930	866	1,796
- transfer to finance costs	-	(1,895)	(1,895)	(1,765)	(3,660)
- realised loss	-	(353)	(353)	(93)	(446)
Currency translation differences	-	(78,341)	(78,341)	(73,605)	(151,946)
Profit for the period	-	509,498	509,498	439,787	949,285
Total comprehensive charge for the period	-	(404,902)	(404,902)	(272,766)	(677,668)
Dividends paid and total transaction with owners	-	(20,181)	(20,181)	(23,480)	(43,661)
	-	(425,083)	(425,083)	(296,246)	(721,329)
At 30th September 2018	84,087	12,021,639	12,105,726	10,940,946	23,046,672
At 31st March 2019	84,087	13,012,471	13,096,558	11,733,600	24,830,158
Net fair value loss on financial assets at fair value through other comprehensive income					
- net fair value loss	-	(403,939)	(403,939)	(319,855)	(723,794)
- realised gain	-	96	96	90	186
Currency translation differences	-	(43,134)	(43,134)	(38,767)	(81,901)
Profit for the period	-	422,474	422,474	323,566	746,040
Total comprehensive charge for the period	-	(24,503)	(24,503)	(34,966)	(59,469)
Dividends paid and total transaction with owners	-	(15,136)	(15,136)	(21,503)	(36,639)
	-	(39,639)	(39,639)	(56,469)	(96,108)
At 30th September 2019	84,087	12,972,832	13,056,919	11,677,131	24,734,050

Notes to the Interim financial information

1 GENERAL INFORMATION

Asia Orient Holdings Limited (the “Company”) is a limited liability company incorporated in Bermuda and is listed on The Stock Exchange of Hong Kong Limited (“HKEX”). The address of its registered office is 30th Floor, YF Life Tower, 33 Lockhart Road, Wanchai, Hong Kong.

2 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information for the six months ended 30th September 2019 (“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 2019, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

3 THE ADOPTION OF NEW HKFRS

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 2019, except for the adoption of the following new standard that is effective for the financial year ending 31st March 2020 which is relevant to the Group’s operations and is mandatory for accounting periods beginning on or after 1st January 2019:

HKFRS 16 LEASES

The adoption of HKFRS 16 from 1st April 2019 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transitional provisions in HKFRS 16, comparative figures have not been restated.

Effect on adoption of HKFRS 16 are as follows:

	HK\$’000
Operating lease commitments disclosed as at 1st April 2019	6,332
Discounted using the lessee’s incremental borrowing rate at the date of initial application	3,753
Less: short-term leases recognised on a straight-line basis as expense	(1,827)
Lease liabilities recognised as at 1st April 2019	1,926
Of which are:	
Current - included in trade and other payables	1,098
Non-current - as lease liabilities	828
	1,926

Notes to the Interim financial information

3 THE ADOPTION OF NEW HKFRS (Continued)

HKFRS 16 LEASES (Continued)

The associated right-of-use assets for leases were measured on a modified retrospective basis as if the new rules had always been applied. Other right-of-use assets were measured at amounts equal to the lease liabilities, adjusted by the amounts of any prepaid or accrued lease payments relating to the leases recognised in the financial statements at 31st March 2019.

Upon the adoption of HKFRS 16, the Group reclassified the leasehold land in Hong Kong to right-of-use assets for presentation purpose.

The change in accounting policy affected the following items in the condensed consolidated balance sheet at 1st April 2019:

Condensed consolidated balance sheet (extract)

	Effect of adoption of HKFRS 16			As adjusted HK\$'000
	As previously reported HK\$'000	Reclassification HK\$'000	Recognition of lease HK\$'000	
Assets				
Property, plant and equipment				
Leasehold land in Hong Kong	5,781,934	(5,781,934)	-	-
Right-of-use assets	-	5,781,934	1,926	5,783,860
Liabilities				
Current - trade and other payables	186,568	-	1,098	187,666
Non-current - lease liabilities	-	-	828	828

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- use of a single discount rate for a portfolio of leases with reasonably similar characteristics
- accounting for operating leases with a remaining lease term of less than 12 months at 1st April 2019 as short-term leases, and
- exclusion of initial direct costs for the measurement of right-of-use assets at the date of initial application

There are no other standards or interpretations effective for financial period beginning on 1st April 2019 that would have a material impact to the Group.

Notes to the Interim financial information

4 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 2019.

The Interim Financial Information does not include other 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 2019.

(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).

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

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
At 30th September 2019			
Assets			
Financial assets at fair value through other comprehensive income ("FVOCI")	412,246	15,686,481	46,214
Financial assets at fair value through profit or loss ("FVPL")	282,289	114,487	86,950
	694,535	15,800,968	133,164
At 31st March 2019			
Assets			
Financial assets at FVOCI	527,871	15,697,029	42,867
Financial assets at FVPL	1,126,672	62,064	152,634
	1,654,543	15,759,093	195,501

Notes to the Interim financial information

4 FINANCIAL RISK MANAGEMENT (Continued)

(II) FAIR VALUE ESTIMATION (Continued)

During the six months ended 30th September 2019, there was no transfer between level 1, level 2 and level 3 fair value measurements except the carrying amount of HK\$80,864,000 financial investment at level 3 was reclassified to level 2 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 listed equity 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 investments and derivatives) is determined by using latest available transaction price or valuation techniques. Judgements as to whether there is an active market may include, but not restricted to, consideration of factors such as the magnitude and frequency of trading activities, the availability of prices and the size of bid/ask spreads. 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.

Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

- Financial instruments in level 3
If one or more the significant inputs is not based on observable market data, the instruments are included in level 3.

Level 3 instruments comprised unlisted equity securities which are not traded in an active market. Fair values of these instruments have been determined using appropriate valuation techniques with references including quoted prices and asset-based values from financial institutions and other prices observed in recent transactions.

Notes to the Interim financial information

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31st March 2019.

6 SEGMENT INFORMATION

The Group is principally engaged in property management, development and investment, hotel, travel operation and securities investments. Revenue includes revenue from property management, 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, financial investments, other non-current assets, hotel inventories, properties under development/held for sale and trade and other receivables. Segment liabilities comprise mainly borrowings, trade and other payables and contract liabilities.

Notes to the Interim financial information

6 SEGMENT INFORMATION (Continued)

	Property sales HK\$'000	Property leasing HK\$'000	Hotel and travel HK\$'000	Financial Investments HK\$'000	Others HK\$'000	Total HK\$'000
Six months ended 30th September 2019						
Segment revenue	-	107,278	219,807	1,042,629	12,073	1,381,787
Contribution to segment results	(3,302)	93,624	44,301	1,040,317	7,989	1,182,929
Depreciation	(9,270)	-	(93,461)	-	(8,176)	(110,907)
Net investment gain	-	-	-	35,695	-	35,695
Fair value gain of investment properties	-	93,185	-	-	-	93,185
Share of profits less losses of						
Joint ventures	(1,957)	-	-	-	466	(1,491)
Associated companies	-	(33,704)	-	-	(1,294)	(34,998)
Segment results	(14,529)	153,105	(49,160)	1,076,012	(1,015)	1,164,413
Unallocated corporate expenses						(88,790)
Net finance costs						(322,056)
Profit before income tax						753,567
Six months ended 30th September 2018						
Segment revenue	-	103,555	260,268	761,053	15,202	1,140,078
Contribution to segment results	(13,043)	89,898	81,647	759,284	10,521	928,307
Depreciation	-	-	(87,929)	-	(10,554)	(98,483)
Net investment loss	-	-	-	(246,629)	-	(246,629)
Fair value gain of investment properties	-	627,176	-	-	-	627,176
Share of profits less losses of						
Joint ventures	21,785	-	-	-	4,983	26,768
Associated companies	-	48,961	-	-	(84)	48,877
Segment results	8,742	766,035	(6,282)	512,655	4,866	1,286,016
Unallocated corporate expenses						(78,243)
Net finance costs						(245,983)
Profit before income tax						961,790

Notes to the Interim financial information

6 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	
At 30th September 2019							
Assets	5,907,781	11,315,127	6,320,867	17,146,500	227,101	2,143,019	43,060,395
Assets include:							
Joint ventures and associated companies	4,122,521	1,381,026	-	-	46,194	2,741	5,552,482
Addition to non-current assets for the six months ended 30th September 2019*	12,047	21,504	3,597	-	1,814	15,543	54,505
Liabilities							
Borrowings	3,185,391	1,025,865	3,588,840	1,831,018	-	6,643,525	16,274,639
Other liabilities							2,051,706
							18,326,345
At 31st March 2019							
Assets	5,879,004	11,316,795	6,402,363	18,044,330	214,608	1,815,569	43,672,669
Assets include:							
Joint ventures and associated companies	3,938,947	1,495,579	-	-	34,668	3,081	5,472,275
Addition to non-current assets for the six months ended 30th September 2018*	204,851	3,546	39,912	-	8,312	-	256,621
Liabilities							
Borrowings	3,216,658	1,049,841	3,407,533	1,897,949	-	7,269,214	16,841,195
Other liabilities							2,001,316
							18,842,511

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

Notes to the Interim financial information

6 SEGMENT INFORMATION (Continued)

	Six months ended 30th September	
	2019 HK\$'000	2018 HK\$'000
Revenue		
Hong Kong	363,271	384,921
Overseas	1,018,516	755,157
	1,381,787	1,140,078
	30th September 2019 HK\$'000	31st March 2019 HK\$'000
Non-current assets*		
Hong Kong	20,192,881	20,084,470
Overseas	2,786,884	2,782,952
	22,979,765	22,867,422

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

Note:

Sales of goods and services, leasing and other revenue can be further analysed into:

	Six months ended 30th September	
	2019 HK\$'000	2018 HK\$'000
Revenue from contracts with customers		
- At a point in time	15,052	21,125
- Over time	218,620	252,777
	233,672	273,902
Other sources	142,577	127,322
	376,249	401,224

Notes to the Interim financial information

7 NET INVESTMENT GAIN/(LOSS)

	Six months ended 30th September	
	2019 HK\$'000	2018 HK\$'000
Financial assets at FVPL		
- net unrealised (loss)/gain from market price movements	(59,945)	22,249
- net unrealised exchange loss	(15,755)	(27,283)
- net realised gain/(loss) (note (a))	91,426	(8,284)
Financial assets at FVOCI		
- net unrealised exchange loss	(11,781)	(39,964)
- net realised gain (note (b))	18,780	9,381
- change in expected credit losses and other credit impairment charge	12,970	(204,454)
Derivative financial instruments		
- net realised gain	-	1,726
	35,695	(246,629)

Notes:

(a) Net realised gain/(loss) on financial assets at FVPL		
Gross consideration	907,892	331,542
Cost of investments	(474,938)	(486,127)
Total gain/(loss)	432,954	(154,585)
(Less)/add: net unrealised (gain)/loss recognised in prior years	(341,528)	146,301
Net realised gain/(loss) recognised in current period	91,426	(8,284)
(b) Net realised gain on financial assets at FVOCI		
Gross consideration	2,479,540	541,161
Cost of investments	(2,451,231)	(527,411)
Total gain	28,309	13,750
Transfer from investment revaluation reserve	(9,529)	(4,369)
Net realised gain recognised in current period	18,780	9,381

Notes to the Interim financial information

7 NET INVESTMENT GAIN/(LOSS) (Continued)

Supplementary information of net investment gain/(loss) on financial investments:

During the period, the Group derecognised of 7 (2018: 5) debt securities and 4 (2018: 5) equity securities. Listed below are the securities disposed/redeemed/exchanged that contributed to the majority of realised gain:

	Realised gain/(loss) HK\$'000
Debt Securities	
Jiayuan International Group Ltd (“Jiayuan”) 12% notes	8,691
Ronshine China Holdings Ltd (“Ronshine”) 11.25% notes	5,043
Xinyuan Real Estate Co., Ltd (“Xinyuan”) 9.875% notes	4,752
Fantasia Holdings Group Company Ltd (“Fantasia”) 12% notes	(2,250)
Kaisa Group Holdings Limited (“Kaisa”) 7.25% notes	1,766
Others	778
Equity securities	
Citigroup Inc. (“Citigroup”)	89,610
Others	1,816
	110,206

Jiayuan is principally engaged in property development and property investment in the PRC. Its shares are listed on HKEX (stock code: 2768). The notes were derecognised when exchange for new notes. The notes derecognised were rated “Caa2” by Moody’s Investors Service (“Moody’s”) at the time of exchange and were listed on HKEX. The new notes are rated “B3” by Moody’s subsequently and are listed on HKEX.

Ronshine is principally engaged in property development business in the PRC. Its shares are listed on HKEX (stock code: 3301). The notes derecognised were rated “B2” by Moody’s and were listed in Singapore Stock Exchange (“SGX-ST”).

Xinyuan is principally engaged in property development, property investment and the provision of property management services in the PRC. Its shares are listed on the New York Stock Exchange (“NYSE”) (stock code: XIN). The notes derecognised were rated “B-” by Standard & Poor’s Rating Services (“S&P”) and were listed in SGX-ST.

Fantasia is principally engaged in property development, property investment, property agency services, property operation services and hotel operations in the PRC. Its shares are listed on HKEX (stock code: 1777). The notes derecognised were rated “B3” by Moody’s and were listed in SGX-ST.

Notes to the Interim financial information

7 NET INVESTMENT GAIN/(LOSS) (Continued)

Kaisa is principally engaged in the property development, property investment, property management and hotel and catering operations in the PRC. Its shares are listed on HKEX (stock code: 1638). The notes derecognised were not rated and were listed on SGX-ST.

Citigroup is a global bank that provides financial services, and its shares are listed on the NYSE (stock code: C) with a “BBB+” rated by S&P.

The unrealised (loss)/gain for the period was generated from the fair value changes of financial investments that comprised 60 (2018: 47) securities as at 30th September 2019. Please refer to note 16 for the details.

Summary of unrealised loss for the six months ended 30th September:

	Six months ended 30th September	
	2019 HK\$'000	2018 HK\$'000
Equity securities	(44,748)	(4,106)
Debt securities	(11,649)	(35,269)
Unlisted fund	(31,084)	(5,623)
	(87,481)	(44,998)

Notes to the Interim financial information

8 INCOME AND EXPENSES BY NATURE

	Six months ended 30th September	
	2019 HK\$'000	2018 HK\$'000
Income		
Interest income from financial assets at FVOCI/FVPL		
- Listed investments	992,618	701,067
- Unlisted investments	2,345	2,034
Interest income from financial assets that are measured at amortised cost		
- Loan receivables	9,122	9,810
- Bank deposits	1,453	1,335
Dividend income		
- Listed investments	37,455	27,299
Expenses		
Cost of properties and goods sold	3,340	6,009
Employee benefit expense, including Director's emoluments (note (a))	104,479	104,264

Notes:

(a) Employee benefit expense		
Wages and salaries	103,843	102,878
Retirement benefit costs	2,820	2,963
	106,663	105,841
Capitalised under property under development for sale	(2,184)	(1,577)
	104,479	104,264

Notes to the Interim financial information

9 NET FINANCE COSTS

	Six months ended 30th September	
	2019 HK\$'000	2018 HK\$'000
Interest expenses		
Long term bank loans	(273,372)	(215,600)
Short term bank loans and overdrafts	(24,064)	(12,790)
Medium term notes	(7,651)	(9,201)
Lease liabilities	(61)	-
Interest income from derivative financial instruments	-	740
Interest capitalised under properties under development	21,142	13,793
	(284,006)	(223,058)
Other incidental borrowing costs	(38,747)	(23,880)
Net foreign exchange gain/(loss) on borrowings	697	(2,705)
Fair value gain on derivative financial instruments		
Cash flow hedge, transfer from reserve	-	3,660
	(322,056)	(245,983)

Notes to the Interim financial information

10 INCOME TAX EXPENSE

	Six months ended 30th September	
	2019 HK\$'000	2018 HK\$'000
Current income tax expense		
Hong Kong profits tax	(13,321)	(21,700)
Overseas profits tax	-	(1,387)
Under provision in prior years	(8,137)	(102)
	(21,458)	(23,189)
Deferred income tax credit	13,931	10,684
	(7,527)	(12,505)

Hong Kong profits tax is provided at the rate of 16.5% (2018: 16.5%) on the estimated assessable profit for the period. Overseas profits tax has been calculated on the estimated assessable profit for the period at the tax rates prevailing in the countries in which the Group operates.

11 DIVIDEND

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 30th September 2019 (2018: Nil).

Notes to the Interim financial information

12 EARNINGS PER SHARE

The calculation of earnings per share is based on profit attributable to shareholders of the Company and divided by the weighted average number of shares.

The calculation of basic and diluted earnings per share for the six months ended 30th September is based on the following:

	Six months ended 30th September	
	2019 HK\$'000	2018 HK\$'000
Profit attributable to shareholders of the Company for calculation of basic earnings per share	422,474	509,498
Effect of dilutive potential shares: A portion of share options of the subsidiaries assumed to be exercised	(105)	(689)
Profit attributable to shareholders of the Company for calculation of diluted earnings per share	422,369	508,809
	Number of shares	
Weighted average number of shares for calculation of basic earnings per share	840,873,996	840,873,996
Effect of dilutive potential shares: A portion of share options of the Company assumed to be exercised	111,573	1,594,889
Weighted average number of shares for calculation of diluted earnings per share	840,985,569	842,468,885

13 INVESTMENT PROPERTIES

Investment properties were revalued by Prudential Surveyors (Hong Kong) Limited, independent professional valuers, on an open market value basis as at 30th September 2019 and 31st March 2019. 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.

Notes to the Interim financial information

14 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land in Hong Kong HK\$'000	Hotel buildings HK\$'000	Other buildings HK\$'000	Other equipments HK\$'000	Right-of- use assets * HK\$'000	Total HK\$'000
Cost						
At 31st March 2019	6,838,586	2,228,082	354,358	192,982	-	9,614,008
Adoption of HKFRS 16	(6,838,586)	-	-	-	6,840,512	1,926
Currency translation differences	-	-	-	328	11	339
Additions	-	8,377	10,063	3,021	4,812	26,273
Disposals	-	(53)	-	(14)	-	(67)
At 30th September 2019	-	2,236,406	364,421	196,317	6,845,335	9,642,479
Accumulated depreciation						
At 31st March 2019	1,056,652	816,617	20,389	103,278	-	1,996,936
Adoption of HKFRS 16	(1,056,652)	-	-	-	1,056,652	-
Currency translation differences	-	-	-	171	2	173
Charge for the period	-	36,554	2,358	16,864	55,131	110,907
Disposals	-	(49)	-	(7)	-	(56)
At 30th September 2019	-	853,122	22,747	120,306	1,111,785	2,107,960
Net book value						
At 30th September 2019	-	1,383,284	341,674	76,011	5,733,550	7,534,519
At 31st March 2019	5,781,934	1,411,465	333,969	89,704	-	7,617,072

* Mainly relates to leasehold land in Hong Kong

Note:

Supplementary information with hotel properties in operation at valuation:

The hotel properties portfolio comprised five (31st March 2019: five) hotels. According to the Group's accounting policies, the carrying amount of these hotel properties were HK\$6,098,510,000 (31st March 2019: HK\$6,276,424,000).

The aggregate open market value, on a highest and best use basis, of these hotel properties based on valuations conducted by Vigers Appraisal & Consulting Limited ("Vigers"), independent professional valuers, amounted to HK\$12,294,400,000 (31st March 2019: HK\$12,297,900,000), is regarded as level 3 hierarchy for disclosure purpose under HKFRS 13.

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 direct comparison method was also used as a check on the valuation arrived at from DCF method.

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

Notes to the Interim financial information

15 TRADE AND OTHER RECEIVABLES

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

Trade receivables of the Group amounted to HK\$40,575,000 (31st March 2019: HK\$58,237,000). 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 evaluation of customers are performed periodically.

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

	30th September 2019 HK\$'000	31st March 2019 HK\$'000
0 month to 6 months	37,635	55,677
7 months to 12 months	2,512	1,588
More than 12 months	428	972
	40,575	58,237

Notes to the Interim financial information

16 FINANCIAL INVESTMENTS

	30th September 2019 HK\$'000	31st March 2019 HK\$'000
Non-current assets		
Equity securities		
- Listed in Hong Kong	412,246	527,871
- Unlisted	46,214	42,867
Unlisted fund	86,950	71,770
	545,410	642,508
Current assets		
Equity securities		
- Listed in the USA	2,500	784,841
- Listed in Europe	204,301	252,610
- Listed in Hong Kong	75,488	89,221
	282,289	1,126,672
Debt securities		
- Listed in Singapore	13,988,034	14,277,867
- Listed in Europe	1,377,396	1,174,864
- Listed in Hong Kong	322,705	245,784
- Unlisted	51,401	51,479
	15,739,536	15,749,994
Unlisted fund	61,432	89,963
	16,083,257	16,966,629
	16,628,667	17,609,137

Notes to the Interim financial information

16 FINANCIAL INVESTMENTS (Continued)

Financial investments are classified in the following categories:

	30th September 2019 HK\$'000	31st March 2019 HK\$'000
Non-current assets		
Financial assets at FVOCI	458,460	570,738
Financial assets at FVPL	86,950	71,770
	545,410	642,508
Current assets		
Financial assets at FVOCI	15,686,482	15,697,029
Financial assets at FVPL	396,775	1,269,600
	16,083,257	16,966,629
	16,628,667	17,609,137
Financial investments are denominated in the following currencies:		
United States dollar	15,814,936	16,630,943
Hong Kong dollar	539,135	668,571
Sterling	256,729	308,137
Japanese yen	16,212	-
Euro	1,655	1,486
	16,628,667	17,609,137

Notes to the Interim financial information

16 FINANCIAL INVESTMENTS (Continued)

Supplementary information of financial investments:

EQUITY SECURITIES

As at 30th September 2019, the Group held 22 (31st March 2019: 25) listed equity securities and 1 (31st March 2019: 1) unlisted equity securities. The summary of equity securities portfolio of financial investments as at 30th September 2019 and 31st March 2019 and their corresponding unrealised (loss)/gain and dividend income for the six months ended 30th September 2019 and 2018 are as follows:

	Market value		Unrealised (loss)/gain for the six months ended		Dividend income for the six months ended	
	30th September 2019 HK\$'000	31st March 2019 HK\$'000	30th September 2019 HK\$'000	2018 HK\$'000	30th September 2019 HK\$'000	2018 HK\$'000
MGM China ("MGM")	228,152	333,109	(78,416)	(159,251)	2,390	3,266
HSBC Holdings PLC ("HSBC")	184,094	194,762	(10,668)	(19,050)	4,782	4,785
Lloyds Banking Group ("Lloyds")	109,617	133,300	(23,682)	(22,623)	6,782	8,756
Royal Bank of Scotland ("RBS")	94,684	119,311	(24,627)	(14,223)	11,804	-
Citigroup Inc. ("Citigroup")	-	781,642	-	50,844	9,794	7,858
Others	124,202	135,287	(373)	(22,675)	1,903	2,634
	740,749	1,697,411	(137,766)	(186,978)	37,455	27,299

MGM is a company principally engaged in development and operation of casino game and related hotel and resort facilities in Macau, and its shares are listed on HKEX (stock code: 2282). As at 30th September 2019, a total of 0.5% shareholding of MGM was held by the Group.

HSBC is a banking and financial services company. It operates across various geographical regions, and its shares are listed on HKEX (stock code: 5) with an "A" rated by S&P. As at 30th September 2019, a total of 0.02% shareholding of HSBC was held by the Group.

Lloyds is a global bank that provides financial services, and its shares are listed on London Stock Exchange ("LSE") (stock code: LLOY) with a "BBB+" rated by S&P. As at 30th September 2019, a total of 0.03% shareholding of Lloyds was held by the Group.

RBS is a global bank that provides financial services, and its shares are listed on LSE (stock code: RBS) with a "BBB" rated by S&P. As at 30th September 2019, a total of 0.04% shareholding of RBS was held by the Group.

Citigroup is a global bank that provides financial services, and its shares are listed on NYSE (stock code: C) with a "BBB+" rated by S&P.

Notes to the Interim financial information

16 FINANCIAL INVESTMENTS (Continued)

DEBT SECURITIES

As at 30th September 2019, the Group held 31 (31st March 2019: 28) debt securities, 22 of them are listed in Singapore, 3 in Hong Kong, 3 in Europe and 3 is unlisted. Approximately 99% (31st March 2019: 99%) of the mark to market valuation comprising 28 (31st March 2019: 26) debt securities were issued by PRC-based real estate companies, the shares of which are all listed in Hong Kong with the exception of 1 that is listed in the United States.

The summary of debt securities portfolio of financial investments as at 30th September 2019 and 31st March 2019 and their corresponding unrealised loss and interest income for the six months ended 30th September 2019 and 2018 are as follows:

	30th September 2019 HK\$'000	31st March 2019 HK\$'000
Principal amount of notes	17,695,972	17,103,090
Investment cost	17,238,718	16,650,598
Market value	15,739,536	15,749,994
Coupon	7% to 15.5%	7.75% to 15.5%
Maturity	up to Jun 2025	up to Jun 2025
Rating	NR to B	NR to B

	For the six months ended 30th September	
	2019 HK\$'000	2018 HK\$'000
Interest income	994,963	727,709
Unrealised loss		
- to profit and loss account	(11,767)	(35,269)
- to other comprehensive income	(573,682)	(1,465,036)

Notes to the Interim financial information

16 FINANCIAL INVESTMENTS (Continued)

DEBT SECURITIES (Continued)

As at 30th September 2019, the 31 (30th September 2018: 19) debt securities gave rise to a net unrealised fair value loss of HK\$585 million for the six months ended 30th September 2019 (2018: HK\$1,500 million). A total of 7 (2018: 2) debt securities have recorded unrealised fair value gain, with the remaining 24 debt securities (2018: 17) that recorded unrealised fair value loss.

As at 30th September 2019, the mark to market valuation of the largest single debt securities within the Group's financial investments represent approximately 9.7% (31st March 2019: 10.0%) of the Group's revalued total assets, and the mark to market valuation of the five largest debt securities held represents approximately 19.2% (31st March 2019: 19.6%). The remaining 26 debt securities represent 12.8% of the Group's revalued total assets, with each of them less than 2.1%.

The five largest debt securities held at 30th September 2019 are as follows:

	Market value				Unrealised (loss)/gain		Interest income	
	30th	% of the	31st	% of the	for the six months ended		for the six months ended	
	September	debt	March	debt	30th September		30th September	
	2019	securities	2019	securities	2019	2018	2019	2018
HK\$'000	portfolio	HK\$'000	portfolio	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Kaisa 9.375% notes	4,743,920	30%	4,945,726	31%	(201,807)	(831,076)	273,295	251,164
Jiayuan 11.375% notes	1,234,488	8%	-	-	(13,057)	-	52,588	-
Modern Land 15.5% notes	1,189,080	8%	1,224,600	8%	(35,520)	-	85,570	-
Ronshine 11.25% notes	1,162,551	7%	1,248,225	8%	(2,658)	-	62,925	-
Mingfa 11% notes	1,096,083	7%	1,092,296	7%	3,787	(39,734)	60,413	60,356

"Kaisa 9.375% notes", issued by Kaisa and carries fixed coupon rate of 9.375% per annum. It is denominated in United States dollar ("US\$") and matures on 30th June 2024. The notes are rated "B2" by Moody's and listed on SGX-ST. Kaisa is principally engaged in the property development, property investment, property management and hotel and catering operations in the PRC. Its shares are listed on HKEX (stock code: 1638).

"Jiayuan 11.375% notes", issued by Jiayuan and carries fixed coupon of 11.375% per annum. It is denominated in US\$, listed on Frankfurt Stock Exchange and matures on 2nd May 2022. The notes are rated "B3" by Moody's subsequently in October 2019. Jiayuan is principally engaged in property development and property investment in the PRC. Its shares are listed on HKEX (stock code: 2768).

"Modern Land 15.5% notes", issued by Modern Land (China) Co., Limited ("Modern Land") and carries fixed coupon of 15.5% per annum. It is denominated in US\$ and matures on 2nd July 2020. The notes are rated "B3" by Moody's and listed on the SGX-ST. Modern Land principally engaged in real estate development, property development, hotel operation, project management, real estate agency services in the PRC. Its shares are listed on HKEX (stock code: 1107).

Notes to the Interim financial information

16 FINANCIAL INVESTMENTS (Continued)

DEBT SECURITIES (Continued)

“Ronshine 11.25% notes”, issued by Ronshine and carries fixed coupon of 11.25% per annum. It is denominated in US\$ and matures on 22nd August 2021. The notes are rated “B2” by Moody’s and listed on SGX-ST. Ronshine is principally engaged in property development business in the PRC. Its shares are listed on HKEX (stock code: 3301).

“Mingfa 11% notes”, issued by Mingfa Group (International) Company Limited (“Mingfa”) and carries fixed coupon of 11% per annum. It is denominated in US\$ and matures on 18th May 2020. The notes are not rated and listed on SGX-ST. Mingfa is principally engaged in property development, property investment and hotel operation in the PRC. Its shares are listed on HKEX (stock code: 846).

17 TRADE AND OTHER PAYABLES

Trade and other payables of the Group include trade payables, rental and management fee deposits, contract liabilities, retentions payable of construction costs, interest payable and various accruals. Trade payables of the Group amounted to HK\$46,738,000 (31st March 2019: HK\$22,744,000).

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

	30th September 2019 HK\$'000	31st March 2019 HK\$'000
0 month to 6 months	46,054	21,950
7 months to 12 months	27	206
More than 12 months	657	588
	46,738	22,744

Notes to the Interim financial information

18 BORROWINGS

	30th September 2019 HK\$'000	31st March 2019 HK\$'000
Current liabilities		
Short term bank loans		
Secured	653,081	1,713,181
Unsecured	177,975	729,825
Current portion of long term bank loans		
Secured	1,412,515	1,141,870
Unsecured	1,164,551	776,286
	3,408,122	4,361,162
Non-current liabilities		
Long term bank loans		
Secured	8,316,550	8,038,349
Unsecured	4,549,967	4,441,684
	12,866,517	12,480,033
	16,274,639	16,841,195

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:

	30th September 2019 HK\$'000	31st March 2019 HK\$'000
Repayable within one year	2,577,066	1,918,156
Repayable between one and two years	3,231,120	2,878,358
Repayable between two and five years	8,835,597	8,771,875
Repayable after five years	799,800	829,800
	15,443,583	14,398,189
Current portion included in current liabilities	(2,577,066)	(1,918,156)
	12,866,517	12,480,033

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 2019 HK\$'000	31st March 2019 HK\$'000
Included in non-current liabilities		
HKD100 million at coupon of 4.8% per annum due July 2019	-	100,000
HKD250 million at coupon of 3% above HIBOR per annum due April 2020	250,000	250,000
	250,000	350,000
Less: deferred issue expenses	(512)	(1,145)
	249,488	348,855
Included in current liabilities	(249,488)	(99,820)
	-	249,035

The carrying amounts of these notes approximate their fair values.

20 SHARE CAPITAL

Shares of HK\$0.1 each	Number of shares	Amount HK\$'000
Authorised:		
At 31st March 2019 and 30th September 2019	3,000,000,000	300,000
Issued and fully paid:		
At 31st March 2019 and 30th September 2019	840,873,996	84,087

Notes to the Interim financial information

21 RESERVES

	Share premium HK\$'000	Capital reserve HK\$'000	Contributed surplus HK\$'000	Share option reserve HK\$'000	Property revaluation reserve HK\$'000	Investment revaluation reserve HK\$'000	Currency translation reserve HK\$'000	Revenue reserve HK\$'000	Total HK\$'000
At 31st March 2019	2,257,745	398,021	60,257	4,111	19,657	(210,468)	(58,053)	10,541,201	13,012,471
Financial assets at FVOCI									
- net fair value loss	-	-	-	-	-	(403,939)	-	-	(403,939)
- realised gain	-	-	-	-	-	(775)	-	871	96
Currency translation differences	-	-	-	-	-	-	(43,134)	-	(43,134)
Profit for the period	-	-	-	-	-	-	-	422,474	422,474
2019 final dividend	-	-	-	-	-	-	-	(15,136)	(15,136)
At 30th September 2019	2,257,745	398,021	60,257	4,111	19,657	(615,182)	(101,187)	10,949,410	12,972,832

22 CAPITAL COMMITMENTS

Capital commitments at the balance sheet date are as follows:

	30th September 2019 HK\$'000	31st March 2019 HK\$'000
Contracted but not provided for		
- Investment properties	2,434	14,538
- Property, plant and equipment	64,548	4,430
- Contribution to a joint venture	115,600	-
	182,582	18,968

23 FINANCIAL GUARANTEES

	30th September 2019 HK\$'000	31st March 2019 HK\$'000
Guarantees for the bank and other loans of joint ventures	2,801,344	2,732,795

24 RELATED PARTY TRANSACTIONS

During the period, no significant transactions have been carried out with related parties.

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) (2018: Nil).

Other information

Pursuant to Rule 13.22 of the Listing Rules, a proforma combined balance sheet of affiliated companies with financial assistance from the Group and the Group's attributable interest in those affiliated companies as at 30th September 2019 are as follow:

	Proforma combined balance sheet	Group's attributable interest
	HK\$'000	HK\$'000
Non-current assets	12,531,725	3,649,736
Current assets	10,027,210	4,432,188
Current liabilities	(4,589,396)	(1,322,364)
Non-current liabilities	(8,435,447)	(2,775,511)
	9,534,092	3,984,049

The proforma combined balance sheet of the affiliated companies is prepared by combining their balance sheet, after making adjustments to conform with the Group's significant accounting policies and re-grouping into significant classification in the balance sheet as at 30th September 2019.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30th September 2019, 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 Part XV of the Securities and Futures Ordinance (the "SFO")), which (a) were 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 were taken or deemed to have under such provisions of the SFO); or (b) were recorded in the register required to be kept by the Company 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			Total	Percentage of shares in issue (%)
	Personal interest	Corporate interest	Family interest		
Poon Jing	273,607,688	145,213,900	5,318,799	424,140,387	50.44
Fung Siu To, Clement	15,440,225	-	-	15,440,225	1.83
Poon Hai	10,444,319	-	-	10,444,319	1.24

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

Director	Associated corporation	Number of shares held			Percentage of shares in issue (%)
		Personal interest	Corporate interest	Total	
Poon Jing	Asia Standard International Group Limited ("Asia Standard")	1,308,884	683,556,392 (Notes)	684,865,276	51.89
	Asia Standard Hotel Group Limited ("Asia Standard Hotel")	152,490	1,346,158,049 (Notes)	1,346,310,539	66.71
Fung Siu To, Clement	Mark Honour Limited	9	-	9	0.01

Notes:

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

(II) LONG POSITIONS IN UNDERLYING SHARES

Interests in share options

(a) The Company

Director	Outstanding as at 1st April 2019 and 30th September 2019
Poon Hai	3,500,000
Poon Yeung, Roderick	3,500,000

Notes:

- Options were granted on 11th December 2015 under 2014 Share Option Scheme (as described under the heading "Share Option Schemes") and exercisable during the period from 11th December 2015 to 10th December 2025 at an exercise price of HK\$1.42 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.

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 corporations - Asia Standard

Director	Outstanding as at 1st April 2019 and 30th September 2019
Poon Hai	3,500,000
Poon Yeung, Roderick	3,500,000

Notes:

- Options were granted on 11th December 2015 under 2014 Asia Standard Share Option Scheme (as described under the heading "Share Option Schemes") and exercisable during the period from 11th December 2015 to 10th December 2025 at an exercise price of HK\$1.38 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.

(c) Associated corporations - Asia Standard Hotel

Director	Outstanding as at 1st April 2019 and 30th September 2019
Poon Hai	14,400,000
Poon Yeung, Roderick	14,400,000

Notes:

- Options were granted on 11th December 2015 under 2006 Asia Standard Hotel Share Option Scheme (as described under the heading "Share Option Schemes") and exercisable during the period from 11th December 2015 to 10th December 2025 at an exercise price of HK\$0.343 (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.

Other information

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

(III) LONG POSITIONS IN UNDERLYING SHARES AND DEBENTURES

Interests in convertible notes

Associated corporations - Asia Standard Hotel

Director	Nature of interest	Amount of convertible note held (HK\$)	Number of underlying shares held
Poon Jing	Corporate	1,219,619,192	2,692,316,098

Note: By virtue of Mr. Poon Jing's controlling interest in the Company, he is deemed to be interested in the convertible notes (the "ASH Convertible Notes") held by the Company and its subsidiaries which are convertible into 2,692,316,098 shares of Asia Standard Hotel. The ASH Convertible Notes are redeemable at the redemption value of HK\$0.453 per convertible note. Please refer to the Interim Report of Asia Standard Hotel for details.

Save as disclosed above, as at 30th September 2019, 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 Part XV of the SFO) which (a) were 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 were taken or deemed to have under such provisions of the SFO); or (b) were recorded in the register required to be kept by the Company 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 2019, 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 of the Company.

LONG POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

Shareholder	Capacity	Number of shares held	Percentage (%)
Heston Holdings Limited ("Heston") (Note 1)	Beneficial owner	50,429,573	5.99
Teddington Holdings Limited ("Teddington") (Note 1)	Beneficial owner	60,624,439	7.20
Dalton Investments LLC ("Dalton") (Note 2)	Investment manager	165,906,485	19.73
Clearwater Insurance Company ("Clearwater Insurance") (Note 2)	Trustee	48,341,035	5.74
Daswani Rajkumar Murlidhar	Beneficial owner	53,910,548	6.41

Notes:

1. Mr. Poon Jing, his family interest and the companies wholly owned by him namely Teddington, Heston and Full Speed Investments Limited together hold 424,140,387 shares. The interest of Teddington and Heston duplicate the interest of Mr. Poon Jing disclosed under the heading "Directors' and Chief Executive's interests and short positions in shares, underlying shares and debentures".
2. Dalton is the investment manager for Clearwater Insurance. The interest of Clearwater Insurance in the shares duplicates the interest of Dalton disclosed above.

Save as disclosed above, as at 30th September 2019, the Directors were not aware of any other persons (other than the Directors and Chief Executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which were required to be recorded in the register required to be kept by the Company under Section 336 of the SFO.

Other information

SHARE OPTION SCHEMES

THE COMPANY

The share option scheme of the Company was adopted by the Company on 29th August 2014. As at 30th September 2019, there were 7,000,000 share options outstanding. Movements of share options of the Company during the period are as follows:

Grantee	Outstanding as at 1st April 2019 and 30th September 2019
Directors	7,000,000

Notes:

- Options were granted on 11th December 2015 and exercisable during the period from 11th December 2015 to 10th December 2025 at an exercise price of HK\$1.42 per share.
- During the period, no option was granted, exercised, cancelled or lapsed.

SUBSIDIARIES – ASIA STANDARD

The share option scheme of Asia Standard adopted by Asia Standard on 27th August 2004 (“2004 Asia Standard Share Option Scheme”) was expired on the tenth anniversary of such adoption date. Following the expiry of 2004 Asia Standard Share Option Scheme, no further share option can be granted thereunder but all outstanding share options granted under 2004 Asia Standard Share Option Scheme and yet to be exercised shall remain valid and exercisable. As at 30th September 2019, there were 1,000,000 share options granted under 2004 Asia Standard Share Option Scheme outstanding. Movements of share options granted under 2004 Asia Standard Share Option Scheme during the period are as follows:

Grantee	Outstanding as at 1st April 2019 and 30th September 2019
Employee	1,000,000

Notes:

- Options were granted on 13th March 2014 and exercisable during the period from 10th March 2017 to 12th March 2024 at an exercise price of HK\$2.00 per share.
- During the period, no option was exercised, cancelled or lapsed.

SHARE OPTION SCHEMES (Continued)

SUBSIDIARIES – ASIA STANDARD (Continued)

Asia Standard adopted a share option scheme on 29th August 2014 (“2014 Asia Standard Share Option Scheme”). As at 30th September 2019, there were 7,000,000 share options granted under 2014 Asia Standard Share Option Scheme outstanding. Movements of share options granted under 2014 Asia Standard Share Option Scheme during the period are as follows:

Grantee	Outstanding as at 1st April 2019 and 30th September 2019
Directors	7,000,000

Notes:

- Options were granted on 11th December 2015 and exercisable during the period from 11th December 2015 to 10th December 2025 at an exercise price of HK\$1.38 per share.
- During the period, no option was granted, exercised, cancelled or lapsed.

Other information

SHARE OPTION SCHEMES (Continued)

SUBSIDIARIES – ASIA STANDARD HOTEL

The share option scheme of Asia Standard Hotel adopted by Asia Standard Hotel on 28th August 2006 (“2006 Asia Standard Hotel Share Option Scheme”) was expired on the tenth anniversary of such adoption date. Following the expiry of 2006 Asia Standard Hotel Share Option Scheme, no further share option can be granted thereunder but all outstanding share options granted under 2006 Asia Standard Hotel Share Option Scheme and yet to be exercised shall remain valid and exercisable. As at 30th September 2019, there were 28,800,000 share options granted under 2006 Asia Standard Hotel Share Option Scheme outstanding. Movements of the share options granted under 2006 Asia Standard Hotel Share Option Scheme during the period are as follows:

Grantee	Outstanding as at 1st April 2019 and 30th September 2019
Directors	28,800,000

Notes:

- Options were granted on 11th December 2015 and exercisable during the period from 11th December 2015 to 10th December 2025 at an exercise price of HK\$0.343 (as adjusted) per share.
- During the period, no option was exercised, cancelled or lapsed.

Asia Standard Hotel adopted a share option scheme on 8th September 2016 and its scheme limit was refreshed on 30th August 2017 (“2016 Asia Standard Hotel Share Option Scheme”). No share option has been granted under 2016 Asia Standard Hotel Share Option Scheme since its adoption.

INTERIM DIVIDEND

The Board of Directors (the “Board”) does not recommend the payment of an interim dividend for the six months ended 30th September 2019 (2018: 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 2019.

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; and
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 from time to time and at any time appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office until the next following annual general meeting of the Company and shall then eligible for re-election at the meeting.

Other information

AUDIT COMMITTEE

The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30th September 2019.

On behalf of the Board

Asia Orient Holdings Limited

Fung Siu To, Clement

Chairman

Hong Kong, 28th November 2019

