



Asia Standard International  
Group Limited



## Interim Report 2021

HKSE Stock Code: 129

# Contents

2	Corporate Information
3	Financial Highlights
4	Management Discussion and Analysis
10	Condensed Consolidated Profit and Loss Account – Unaudited
11	Condensed Consolidated Statement of Comprehensive Income – Unaudited
12	Condensed Consolidated Balance Sheet – Unaudited
14	Condensed Consolidated Statement of Cash Flows – Unaudited
15	Condensed Consolidated Statement of Changes in Equity – Unaudited
16	Notes to the Interim Financial Information
40	Other Information

# 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. Koon Bok Ming, Alan  
Mr. Leung Wai Keung, JP  
Mr. Wong Chi Keung

## Audit Committee

Mr. Koon Bok Ming, Alan (*Chairman*)  
Mr. Leung Wai Keung, JP  
Mr. Wong Chi Keung

## Remuneration Committee

Mr. Wong Chi Keung (*Chairman*)  
Mr. Fung Siu To, Clement  
Mr. Poon Hai  
Mr. Koon Bok Ming, Alan  
Mr. Leung Wai Keung, JP

## 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.asiastandard.com>  
E-mail [asinfo@asiastandard.com](mailto:asinfo@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  
Shanghai Commercial Bank  
Fubon Bank (Hong Kong)  
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  
Suites 4201-03&12,  
42/F, One Island East, Taikoo Place,  
18 Westlands Road,  
Quarry Bay, Hong Kong

## Independent Auditor

PricewaterhouseCoopers  
Certified Public Accountants  
Registered Public Interest  
Entity Auditor  
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		Change
	2021	2020	
<b>Consolidated profit and loss account</b>			
Revenue	1,278	1,262	+1%
Operating profit	292	884	-67%
Profit attributable to shareholders of the Company	147	652	-78%
Earnings per share – basic (HK\$)	0.11	0.49	-78%
	30th September 2021	31st March 2021	Change
<b>Consolidated balance sheet</b>			
Total assets	37,131	42,320	-12%
Net assets	17,613	22,617	-22%
Equity attributable to shareholders of the Company	17,105	21,721	-21%
Net debt	16,346	15,348	+7%

Supplementary information with hotel properties at valuation (note):

Revalued total assets	45,895	51,028	-10%
Revalued net assets	26,377	31,325	-16%
Equity attributable to shareholders of the Company	24,352	28,922	-16%
Gearing – net debt to revalued net assets	62%	49%	+13%

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 were revalued by Vigers Appraisal & Consulting Limited, independent professional valuers, on an open market value basis as at 30th September 2021 and 31st March 2021.

# Management Discussion and Analysis



Development project “Capital Cove” in Tongzhou, Beijing

## RESULTS

The Group recorded a revenue of HK\$1,278 million (2020: HK\$1,262 million) for the first half of the financial year with profit attributable to shareholders of the Company at HK\$147 million (2020: HK\$652 million). While there is a slight increase in revenue, the Group’s provision for expected credit loss on its financial investments increased substantially, following the liquidity crisis facing PRC real estate developers, resulting in the decline of the Group’s profit attributable to shareholders.

## PROPERTIES SALES, DEVELOPMENT AND LEASING

### SALES AND DEVELOPMENT

#### Mainland China

In Tongzhou, Beijing, concreting work of all six blocks of residential towers have been completed and fitting-out works is in progress. Presales have continued progressing and approximately RMB1 billion sales were contracted during the period.

As of 30th September 2021, two-thirds of the residential units were sold, reaching RMB4 billion and profit recognition will begin upon delivery of the residential units which the Group expects to commence in first half of 2022. Sub-structure works for the two commercial towers are in progress as well. The entire joint venture development comprises 2.3 million sq. ft. GFA.

# Management Discussion and Analysis



*Harbourside HQ in Kowloon East*

## Hong Kong

In Jardine's Lookout, sales of the Group's joint venture development, Dukes Place, comprising sixteen residential apartments ranging from 2,850 sq. ft. to over 6,800 sq. ft. continues. During the period, another HK\$400 million were contracted and up to end September 2021, 60% of the units comprising 40% of the saleable area was sold, with total sales amounted to approximately HK\$1.9 billion.

On Po Shan Road, superstructure works of another joint venture residential development is on-going and expected to complete in early 2022. During the interim period, the Group increased its stake by 10% to 50%.

In Hung Shui Kiu, Yuen Long, foundation works are nearly finished for the 520,000 sq. ft. GFA development of which approximately 90% are residential apartments for sale, with the remaining 10% being retail units all with street frontage. Our development is covered under HKSAR's Northern Metropolis Development Strategy, and is among the first district being developed within the zone envisioned to be the most vibrant area where urban

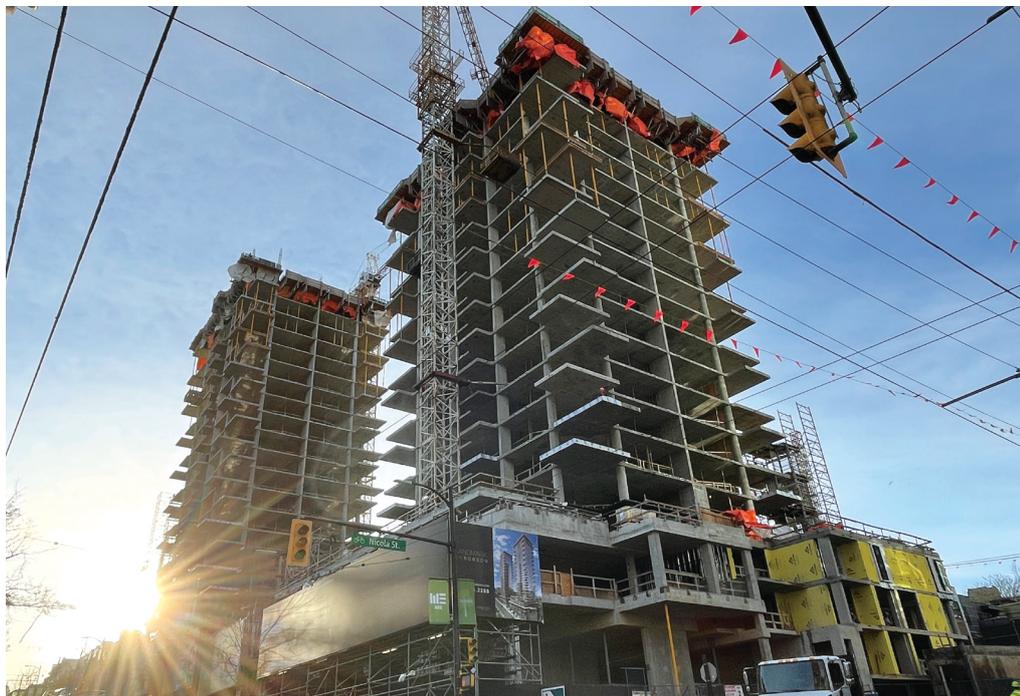
development and major population growth of HKSAR in the next decades will take place. The area will serve as the main hub for the Hong Kong-Shenzhen Western Railway linking Hung Shui Kiu and Qianhai, ensuring a good transport connectivity for an easier flow of goods and people across the bay.

Also covered by the Northern Metropolis plan is our joint venture site in Kwu Tung, which is in the early stage of land exchange application with the government. The site covers an approximate area of 270,000 sq. ft.

In Kowloon East, the 800,000 sq. ft. leasable GFA commercial building, Harbourside HQ, is undergoing a repositioning of tenant mix to enhance the value of this joint venture investment since completion of its renovation in end of last financial year.

During the period, we entered into a joint venture consortium to acquire the Kowloonbay International Trade and Exhibition Centre for HK\$10.5 billion. The acquisition was just completed in November. The building will be redeveloped into Grade-A offices.

## Management Discussion and Analysis



Development project “Landmark on Robson” in Vancouver, Canada

### Canada (development through hotel subsidiary group)

The redevelopment of our Empire Landmark hotel progressed well, superstructure of the “Landmark on Robson” development is under construction and expected to finish by first quarter 2022. This redevelopment, upon completion, will become two residential towers of approximately 400,000 sq. ft. GFA. The Group is currently conducting a new round of presale.

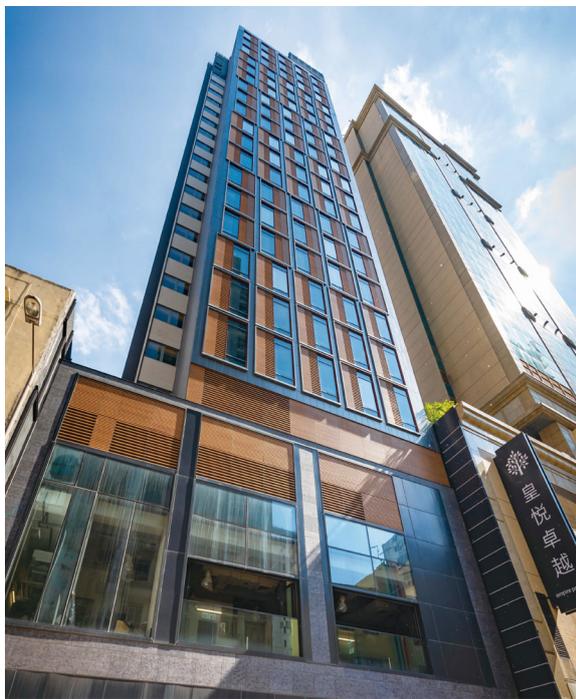
Regarding its joint venture redevelopment of high-end residential complex of approximately 627,000 sq. ft. GFA in Alberni Street, downtown Vancouver, the City has accepted our response to the Prior-to-letter and we are awaiting their confirmation on the issuing of the development permit for the project. Simultaneously, the development team is determining the most efficient method for achieving coordinated construction designs that optimise construction costs, and identifying a suitable location for the sales presentation center.

Another joint venture development that is also located on Alberni Street in downtown Vancouver is in its planning stage for development into premium residential units for sale. The rezoning package has been submitted to the City in early 2020. We have successfully passed the Urban Design Panel in October 2020, which is a prerequisite for the development permit application, and is now considering the Community Amenity Contributions offer, with the aim for setting a public hearing schedule in December 2021.

### LEASING

Leasing income for the period attributable to the Group was HK\$92 million (2020: HK\$108 million). Average occupancies of YF Life Tower in Wanchai and Asia Standard Tower in Central decreased by 6% comparing to same period last year. Hong Kong is still having stringent in-bound quarantine restriction. However, with the gradual control of the city’s epidemic and the relaxation of social distancing measures, the leasing market is showing signs of recovery as compared to last year.

# Management Discussion and Analysis



*Empire Prestige Tsim Sha Tsui*

Net revaluation gain (taking into account our share from the investment property owned by an associated company) of HK\$360 million (2020: loss of HK\$273 million) was recorded.

## HOTEL

Management has always been planning and implementing programme to boost occupancy and revenue. Beginning July, our Empire Hotel Hong Kong and Empire Hotel Kowloon launched long-stay promotions targeting local customers and commencing September, our two hotels in Causeway Bay participated in the Hong Kong government's Designated Quarantine Hotel Scheme.

The performance of hotel and travel segment was better than same period last year with revenue up by 53% to HK\$27 million (2020: HK\$18 million). Hotel management is acutely aware of the challenges that continue as the uncertainty associated with a global resurgence in COVID-19 infections persists, and is continuously implementing revenue enhancement and cost minimisation measures, at the same time deferring non-essential capital expenditures.

## FINANCIAL INVESTMENTS

At 30th September 2021, the Group held financial investments of approximately HK\$9,177 million (31st March 2021: HK\$15,152 million), with HK\$4,225 million (31st March 2021: HK\$6,660 million) held by the listed hotel subsidiary group. The investment portfolio comprised of 95% listed debt securities (predominantly issued by PRC-based real estate companies), 4% listed equity securities and 1% unlisted investments. They are denominated in different currencies with 58% in United States dollar, 38% in Renminbi and 4% in other currencies (mostly Hong Kong dollar).

The portfolio's value decrease was primarily due to the mark to market revaluation loss recognised in investment revaluation reserve plus profit and loss account. Our financial investments experienced a negative impact during the period on the outburst of China Evergrande liquidity crisis, further worsened by the spill-over effect expanding to other names of the sector.

During the period, income from this investment portfolio amounted to HK\$1,153 million (2020: HK\$1,112 million). A net investment loss of HK\$1,086 million (2020: net gain of HK\$44 million) was recorded in the profit and loss account while a net loss of HK\$4,961 million (2020: net gain of HK\$1,806 million) was recognised in investment revaluation reserve account.

At 30th September 2021, an approximate value of HK\$2,470 million (31st March 2021: HK\$3,860 million) of these investments were pledged to banks as collateral for credit facilities granted to the Group.

# Management Discussion and Analysis

## 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 headquarter level. At 30th September 2021, the Group has over HK\$9.7 billion (31st March 2021: HK\$11.7 billion) cash and undrawn banking facilities.

At 30th September 2021, the Group's total assets per book were approximately HK\$37.1 billion (31st March 2021: HK\$42.3 billion), with net assets of HK\$17.6 billion (31st March 2021: HK\$22.6 billion). Adopting market value of hotel properties in operation, the revalued total assets of the Group were HK\$45.9 billion (31st March 2021: HK\$51.0 billion), while the revalued net assets of the Group were HK\$26.4 billion (31st March 2021: HK\$31.3 billion).

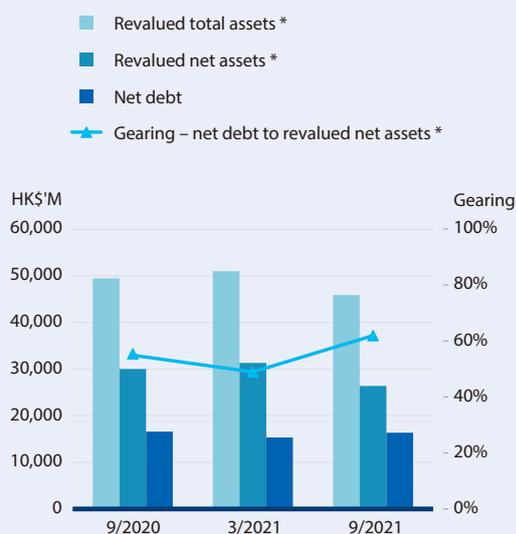
Net debt was HK\$16.3 billion (31st March 2021: HK\$15.3 billion), including HK\$5.9 billion (31st March 2021: HK\$5.1 billion) which belonged to the separately listed hotel subsidiary group. Total interest cost is similar for the two periods while net interest cost through profit and loss account is less than comparative period, mostly due to interest capitalisation of Hung Shui Kiu development commencing second half of last comparative period. At 30th September 2021, the Group's net gearing ratio (net debt to revalued net asset value) is approximately 62% (31st March 2021: 49%). As at 30th September 2021, the Group had net current assets of HK\$7.2 billion (31st March 2021: HK\$10.3 billion) and the HK\$11.0 billion aggregate amount of marketable securities and cash together represented 3.2 times of the HK\$3.5 billion current debt repayable within 12 months.

71% of the debts are secured and majority of the debts are at floating rates. As at 30th September 2021, about 48% of these floating rates debts have been hedged against HIBOR fluctuations by various interest rate swap contracts of approximately HK\$8,660 million in total, with approximately 83% having remaining maturities of between 3 and 4 years, and most of the remaining between 1 and 2 years. The maturities of our debts spread over a period of up to 5 years, with 19% repayable between one to two years and 62% repayable between two to five years. The remaining 19% represent revolving and term loans repayable within 1 year.

Approximately 97% of the Group's borrowings are in Hong Kong dollars and the remaining 3% in United States dollars and Canadian dollars.

As at 30th September 2021, property assets with an aggregate net book value of HK\$20.5 billion (31st March 2021: HK\$19.9 billion) were pledged to secure credit facilities of the Group. HK\$3,038 million (31st March 2021: HK\$2,889 million) guarantees were provided to financial institutions and third parties against outstanding banking and loan facilities of joint ventures.

Revalued total assets\*, revalued net assets\*, net debt and gearing



\* with hotel properties at valuation

# Management Discussion and Analysis

## EMPLOYEES AND REMUNERATION POLICIES

At 30th September 2021, the Group employed approximately 230 (31st March 2021: 230) 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

After almost two years of the coronavirus pandemic, major economies are expected to recover following the increased vaccination rates and thus gradual relaxation of social distancing measures. Though cross-border quarantine policies are yet from entire uplift, governments are working hard to bring the economies back to normal.

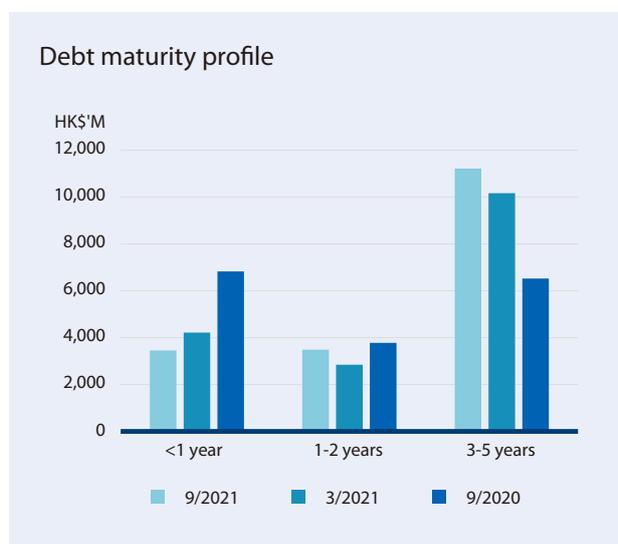
Retail sector benefit from government's consumption stimuli in the short term, so is the hotel operation. The continuous recovery of these sectors and commercial properties markets depends on the business and operating environments, relying very much on the pandemic containment, cross-border traffic and the maintaining of Hong Kong as business hub of the Greater-Bay area in the longer term, which government has been working hard to achieve.

Local property market remains resilient, evidenced by the encouraging first-hand sales from local developers and the recent land sale of harbourfront commercial plot in Central. The Chief Executive also recently announced HKSAR's Northern Metropolis Development Strategy, introducing a new energetic element over the next tens of years which will hugely enhance the value and marketability of our development projects in Hung Shui Kiu and Kwu Tung.

Sales of our Beijing joint venture project continue to perform well. With continuous urbanisation, the mainland property sector is expected to maintain a steady growth under the close monitoring of the central government.

The debt-laden crisis facing mainland property developers is more about liquidity rather than solvency. With their positive problem-solving attitude and strong asset base, many developers are striving to solve the problem by speeding up asset disposals, injection of funds from the major shareholders and appropriate rationalisation of the maturity profiles of their debts. Central government have also extended supportive measures lately.

Management will continue to be financially cautious and prudent to alleviate and mitigate any negative impact in this uncertain economic environment.



## Condensed Consolidated Profit and Loss Account – Unaudited

	Note	Six months ended 30th September	
		2021 HK\$'000	2020 HK\$'000
Interest revenue		1,144,795	1,135,840
Sales of goods and services, leasing and other revenue		133,136	126,597
Total revenue	6	1,277,931	1,262,437
Cost of sales		(36,046)	(33,202)
Gross profit		1,241,885	1,229,235
Selling and administrative expenses		(114,230)	(110,231)
Depreciation		(66,052)	(61,504)
Net investment (loss)/gain	7		
Net realised and unrealised (loss)/gain		(152,822)	38,215
Change in expected credit losses		(933,566)	5,349
Fair value gain/(loss) of investment properties		316,707	(216,831)
Operating profit		291,922	884,233
Net finance costs	9	(182,887)	(219,988)
Share of profits less losses of			
Joint ventures		(45,308)	110,780
Associated companies		42,466	(58,392)
Profit before income tax		106,193	716,633
Income tax credit/(expense)	10	15,086	(12,200)
Profit for the period		121,279	704,433
Attributable to:			
Shareholders of the Company		146,556	651,886
Non-controlling interests		(25,277)	52,547
		121,279	704,433
Earnings per share (HK\$)			
Basic	12	0.11	0.49
Diluted	12	0.11	0.49

## Condensed Consolidated Statement of Comprehensive Income – Unaudited

	Six months ended 30th September	
	2021 HK\$'000	2020 HK\$'000
Profit for the period	121,279	704,433
Other comprehensive (charge)/income		
Items that have been reclassified or may be reclassified subsequently to profit or loss:		
Net fair value (loss)/gain on debt securities at fair value through other comprehensive income	(4,780,102)	1,808,603
Share of net fair value loss on debt securities at fair value through other comprehensive income of joint ventures	(143,489)	–
Cash flow hedges		
– net fair value loss	(1,365)	(144,742)
– deferred tax on derivative financial instruments	225	29,667
Currency translation differences	(1,055)	25,891
Share of currency translation differences of joint ventures	26,163	99,439
Items that will not be reclassified to profit or loss:		
Net fair value loss on equity securities at fair value through other comprehensive income	(181,166)	(2,506)
	(5,080,789)	1,816,352
Total comprehensive (charge)/income for the period	(4,959,510)	2,520,785
Attributable to:		
Shareholders of the Company	(4,576,461)	2,345,817
Non-controlling interests	(383,049)	174,968
	(4,959,510)	2,520,785

## Condensed Consolidated Balance Sheet – Unaudited

	Note	30th September 2021 HK\$'000	31st March 2021 HK\$'000
<b>Non-current assets</b>			
Investment properties	13	9,844,143	9,527,323
Property, plant and equipment	14	4,753,593	4,616,204
Investment in joint ventures and associated companies		4,901,064	4,755,023
Amount due from joint ventures and associated companies		1,928,014	2,126,982
Loan receivables		951	1,052
Financial investments	16	3,736,440	4,361,339
Derivative financial instruments		17,491	26,965
Deferred income tax assets		131,955	125,267
		<b>25,313,651</b>	25,540,155
<b>Current assets</b>			
Properties under development for sale		3,833,440	3,457,801
Completed properties held for sale		3,481	3,481
Hotel and restaurant inventories		18,507	18,546
Trade and other receivables	15	697,259	614,016
Income tax recoverable		2,005	855
Financial investments	16	5,440,809	10,790,816
Bank balances and cash		1,822,148	1,894,684
		<b>11,817,649</b>	16,780,199
<b>Current liabilities</b>			
Trade and other payables	17	182,485	1,231,555
Contract liabilities		224,254	224,843
Amount due to joint ventures		292,370	337,775
Amount due to an associated company		216,150	219,450
Amount due to non-controlling interests		47,906	46,640
Income tax payable		184,078	154,598
Borrowings	18	3,454,494	4,217,947
		<b>4,601,737</b>	6,432,808
<b>Net current assets</b>		<b>7,215,912</b>	10,347,391

## Condensed Consolidated Balance Sheet – Unaudited

	Note	<b>30th September 2021 HK\$'000</b>	31st March 2021 HK\$'000
Non-current liabilities			
Borrowings	18	<b>14,704,919</b>	13,017,132
Convertible notes		<b>8,273</b>	8,015
Derivative financial instruments		<b>103,389</b>	106,607
Lease liabilities		<b>359</b>	843
Deferred income tax liabilities		<b>99,575</b>	137,480
		<b>14,916,515</b>	13,270,077
Net assets		<b>17,613,048</b>	22,617,469
Equity			
Share capital	19	<b>13,197</b>	13,197
Reserves	20	<b>17,091,718</b>	21,707,772
Equity attributable to shareholders of the Company		<b>17,104,915</b>	21,720,969
Non-controlling interests		<b>508,133</b>	896,500
		<b>17,613,048</b>	22,617,469

## Condensed Consolidated Statement of Cash Flows – Unaudited

	Six months ended 30th September	
	2021 HK\$'000	2020 HK\$'000
<b>Cash flows from operating activities</b>		
Net cash (used in)/generated from operation	(807,973)	1,017,885
Net income tax (paid)/refunded	(518)	199
Interest paid	(256,980)	(205,510)
Interest received from bank deposit and other receivables	6,713	26,703
Net cash (used in)/generated from operating activities	(1,058,758)	839,277
<b>Cash flows from investing activities</b>		
Purchase of financial investments	(11,740)	(1,841)
Addition to investment properties	(113)	(2,372)
Addition to property, plant and equipment	(202,657)	(32,397)
Increase in investment in joint ventures	(262,953)	(2,988)
Repayment from/(advance to) joint ventures and associated companies	147,505	(23,370)
Net cash used in investing activities	(329,958)	(62,968)
<b>Cash flows from financing activities</b>		
Drawdown of long term borrowings	3,714,750	9,000
Repayment of long term borrowings	(2,422,033)	(453,050)
Net decrease in short term borrowings	(334,676)	(6,447)
Redemption of medium term notes	–	(250,000)
Contribution from non-controlling interests	1,266	855
Dividend paid	(39,593)	–
Dividend paid to non-controlling interests	(4,676)	–
Coupon to convertible noteholders	(642)	–
Principal elements of lease payments	(1,494)	(1,377)
Net cash generated from/(used in) financing activities	912,902	(701,019)
Net (decrease)/increase in cash and cash equivalents	(475,814)	75,290
Cash and cash equivalents at the beginning of the period	1,814,699	868,936
Changes in exchange rates	(2,093)	6,115
Cash and cash equivalents at the end of the period	1,336,792	950,341
<b>Analysis of the balances of cash and cash equivalents</b>		
Bank balances and cash (excluding restricted bank balances)	1,336,792	950,341

## 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 2020	13,197	18,214,844	18,228,041	622,532	18,850,573
Net fair value gain of financial assets at fair value through other comprehensive income	-	1,687,116	1,687,116	118,981	1,806,097
Cash flow hedges					
– net fair value loss	-	(135,994)	(135,994)	(8,748)	(144,742)
– deferred tax on derivative financial instruments	-	28,094	28,094	1,573	29,667
Currency translation differences	-	114,715	114,715	10,615	125,330
Profit for the period	-	651,886	651,886	52,547	704,433
Total comprehensive income for the period	-	2,345,817	2,345,817	174,968	2,520,785
At 30th September 2020	13,197	20,560,661	20,573,858	797,500	21,371,358
At 31st March 2021	13,197	21,707,772	21,720,969	896,500	22,617,469
Net fair value loss of financial assets at fair value through other comprehensive income	-	(4,748,438)	(4,748,438)	(356,319)	(5,104,757)
Cash flow hedges					
– net fair value loss	-	(1,031)	(1,031)	(334)	(1,365)
– deferred tax on derivative financial instruments	-	170	170	55	225
Currency translation differences	-	26,282	26,282	(1,174)	25,108
Profit/(loss) for the period	-	146,556	146,556	(25,277)	121,279
Total comprehensive charge for the period	-	(4,576,461)	(4,576,461)	(383,049)	(4,959,510)
2021 final dividend	-	(39,593)	(39,593)	(4,676)	(44,269)
Coupon to convertible noteholders	-	-	-	(642)	(642)
Total transactions with owners	-	(39,593)	(39,593)	(5,318)	(44,911)
<b>At 30th September 2021</b>	<b>13,197</b>	<b>17,091,718</b>	<b>17,104,915</b>	<b>508,133</b>	<b>17,613,048</b>

# Notes to the Interim Financial Information

## 1 GENERAL INFORMATION

Asia Standard International Group 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 principal 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 2021 (“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 2021, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

## 3 THE ADOPTION OF NEW HKFRS

The accounting policies 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 2021, except for the adoption of the following new standard and amendments that are effective for the financial year ending 31st March 2022 which is relevant to the Group’s operations and is mandatory for accounting periods beginning on or after 1st January 2021:

Amendments to HKFRS 16	COVID-19-related rent concessions beyond 30 June 2021
Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest rate benchmark reform – phase 2

The adoption of the new standard and amendments to the standards stated above did not have any significant impact to the Group in the current and prior periods.

## 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. The Group’s overall risk management seeks to minimise potential adverse effects on the Group’s financial performance.

The credit risk of the Group mainly arises from financial investments, as well as credit exposures to loans receivables and other receivables.

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 2021.

## 4 FINANCIAL RISK MANAGEMENT (CONTINUED)

### (I) Financial Risk Factors (Continued)

#### Measurement of expected credit losses

The Group adopts a “three-stage” model for impairment based on changes in credit quality since initial recognition, to estimate the expected credit losses.

The key definitions of the three stages are summarised below:

- Stage 1: For financial instruments with no significant increase in credit risk after initial recognition or that have low credit risk at the reporting date, the expected credit losses are recognised at an amount equal to the portions of lifetime expected credit losses that result from default events possible within the next 12 months;
- Stage 2: For financial instruments with significant increase in credit risk since initial recognition, but there is no objective evidence of impairment, lifetime expected credit losses are recognised and interest revenue is calculated on the gross carrying amount of the asset;
- Stage 3: For financial instruments in default at the end of the reporting period, lifetime expected credit losses are recognised and interest revenue is calculated on the net carrying amount of the asset.

#### Significant increase in credit risk

The Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition on an ongoing basis. The Group sufficiently considers reasonable and supportable information, including forward-looking information, which reflects the significant increase in credit risk. The major factors considered include regulatory and business environment, external credit rating, repayment ability, operation capacity, repayment behaviours, etc. The Group compares the risk of a default occurring as at the end of the reporting period with that as at the date of initial recognition of one financial instrument or a portfolio of financial instruments that shares the similar credit risk characteristics. The Group also considers the following factors to determine whether there is significant increase in credit risk:

- Significant change in the financial instrument’s credit rating;
- Breach of contract term, such as a default or delinquency in interest or principal payments;
- The Group, for economic or legal reasons relating to the borrower’s financial difficulty, granting to the borrower a concession that the Group would not otherwise consider;
- Significant changes in the technological, market, economic or legal environment that have an adverse effect on the issuer;
- A significant decline in the market price of debt instrument.

#### Definition of default

The Group considers that loan receivables, trade and other receivables are in default when the counterparty fails to make contractual payments within 90 days of when they fall due. The Group also considers that debt securities are in default when an event of default occurs and is not rectified within the prescribed grace period for remedial action as stipulated in that financial instrument. The Group also consider the financial asset to be in default when it is highly probable that the borrower will enter bankruptcy.

# Notes to the Interim Financial Information

## 4 FINANCIAL RISK MANAGEMENT (CONTINUED)

### (II) Fair Value Estimation

Financial instruments carried at fair value are categorised into 3 levels defined as follows:

- **Financial instruments in level 1**

The fair value of financial instruments traded in active markets (such as trading and 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 (for example, over-the-counter investments) 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 of the significant inputs is not based on observable market data, the instrument is included in level 3.

Level 3 instruments comprise unlisted equity securities and unlisted fund 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 value from financial institutions and other prices observed in recent transactions.

# Notes to the Interim Financial Information

## 4 FINANCIAL RISK MANAGEMENT (CONTINUED)

### (II) Fair Value Estimation (Continued)

The following table presents the Group's financial instruments that are measured at fair value at 30th September 2021 and 31st March 2021.

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
<b>At 30th September 2021</b>			
Assets			
Financial investments			
Financial assets at fair value through profit or loss ("FVPL")	123,705	3,358,875	66,575
Financial assets at fair value through other comprehensive income ("FVOCI")	215,177	5,356,506	56,411
Derivative financial instruments	–	17,491	–
	<b>338,882</b>	<b>8,732,872</b>	<b>122,986</b>
Liabilities			
Derivative financial instruments	–	103,389	–
<b>At 31st March 2021</b>			
Assets			
Financial investments			
Financial assets at FVPL	183,591	3,379,641	52,906
Financial assets at FVOCI	396,332	11,083,332	56,353
Derivative financial instruments	–	26,965	–
	<b>579,923</b>	<b>14,489,938</b>	<b>109,259</b>
Liabilities			
Derivative financial instruments	–	106,607	–

During the six months ended 30th September 2021, there was no transfer between level 1, level 2 and level 3 fair value measurements and there was no change in valuation technique.

# 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 2021.

## 6 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, financial investments, other non-current assets, hotel inventories, properties under development/held for sale, 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
<b>Six months ended 30th September 2021</b>						
Segment revenue	-	88,088	27,327	1,153,460	9,056	1,277,931
Contribution to segment results	(2,658)	69,035	(19,042)	1,145,524	9,004	1,201,863
Depreciation	(3,219)	-	(51,353)	-	(11,480)	(66,052)
Net investment loss	-	-	-	(1,086,388)	-	(1,086,388)
Fair value gain of investment properties	-	316,707	-	-	-	316,707
Share of profits less losses of						
Joint ventures	(45,344)	-	-	-	36	(45,308)
Associated companies	-	42,968	-	-	(502)	42,466
Segment results	(51,221)	428,710	(70,395)	59,136	(2,942)	363,288
Unallocated corporate expenses						(74,208)
Net finance costs						(182,887)
Profit before income tax						106,193
<b>Six months ended 30th September 2020</b>						
Segment revenue	-	104,715	17,819	1,111,863	28,040	1,262,437
Contribution to segment results	(2,006)	83,949	(22,649)	1,109,490	26,181	1,194,965
Depreciation	(2,692)	-	(49,814)	-	(8,998)	(61,504)
Net investment gain	-	-	-	43,564	-	43,564
Fair value loss of investment properties	-	(216,831)	-	-	-	(216,831)
Share of profits less losses of						
Joint ventures	110,952	-	-	-	(172)	110,780
Associated companies	-	(58,059)	-	-	(333)	(58,392)
Segment results	106,254	(190,941)	(72,463)	1,153,054	16,678	1,012,582
Unallocated corporate expenses						(75,961)
Net finance costs						(219,988)
Profit before income tax						716,633

# 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	
<b>As at 30th September 2021</b>							
Assets	9,663,588	11,116,000	2,922,929	9,714,360	88,962	3,625,461	37,131,300
Assets include:							
Joint ventures and associated companies	5,558,762	1,235,746	-	-	34,570	-	6,829,078
Addition to non-current assets for the six months ended 30th September 2021*	260,609	113	135,419	-	62,899	4,915	463,955
Liabilities							
Borrowings	5,022,092	1,775,023	3,566,773	1,461,230	-	6,334,295	18,159,413
Other unallocated liabilities							1,358,839
							19,518,252
<b>As at 31st March 2021</b>							
Assets	9,222,011	10,755,411	2,830,012	15,611,620	81,009	3,820,291	42,320,354
Assets include:							
Joint ventures and associated companies	5,654,350	1,192,778	-	-	34,375	502	6,882,005
Addition to non-current assets for the six months ended 30th September 2020*	2,103	2,373	7,564	-	191	10,628	22,859
Liabilities							
Borrowings	4,615,009	1,788,371	3,609,603	1,731,913	-	5,490,183	17,235,079
Other liabilities							2,467,806
							19,702,885

\* 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	
	2021 HK\$'000	2020 HK\$'000
<b>Revenue</b>		
Hong Kong	136,838	184,126
Overseas	1,141,093	1,078,311
	<b>1,277,931</b>	<b>1,262,437</b>
	30th September 2021 HK\$'000	31st March 2021 HK\$'000
<b>Non-current assets*</b>		
Hong Kong	18,643,091	17,982,787
Overseas	2,783,723	3,042,745
	<b>21,426,814</b>	<b>21,025,532</b>

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

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

	Six months ended 30th September	
	2021 HK\$'000	2020 HK\$'000
Revenue from contracts with customers		
– At a point in time	1,012	2,179
– Over time	37,797	30,328
	<b>38,809</b>	<b>32,507</b>
Other sources	94,327	94,090
	<b>133,136</b>	<b>126,597</b>

# Notes to the Interim Financial Information

## 7 NET INVESTMENT (LOSS)/GAIN

	Six months ended 30th September	
	2021 HK\$'000	2020 HK\$'000
Financial assets at FVPL		
– net unrealised (loss)/gain from market price movements	(264,294)	1,921
– net unrealised exchange gain	78,705	304
– net realised (loss)/gain (note (a))	(8,592)	836
Financial assets at FVOCI		
– net unrealised exchange gain/(loss)	15,095	(4,208)
– net realised gain (note (b))	28,586	39,362
– change in expected credit losses	(933,566)	5,349
Derivative financial instruments		
– net unrealised loss	(2,322)	–
	<b>(1,086,388)</b>	<b>43,564</b>
Notes:		
(a) Net realised (loss)/gain on financial assets at FVPL		
Gross consideration	33,958	10,289
Cost of investments	(38,955)	(9,413)
Total (loss)/gain	(4,997)	876
Less: net unrealised gain recognised in prior years	(3,595)	(40)
Net realised (loss)/gain recognised in current period	(8,592)	836
(b) Net realised gain on financial assets at FVOCI		
Gross consideration	1,550,320	3,676,111
Cost of investments	(1,495,771)	(3,617,891)
Total gain	54,549	58,220
Transfer from investment revaluation reserve	(25,963)	(18,858)
Net realised gain recognised in current period	28,586	39,362

# Notes to the Interim Financial Information

## 7 NET INVESTMENT (LOSS)/GAIN (CONTINUED)

Supplementary information of net investment (loss)/gain on financial assets at FVPL and FVOCI:

During the period, the Group derecognised 6 (2020: 18) debt securities and 5 (2020: 4) equity securities. Listed below are the securities disposed/redeemed/exchanged that contributed to the majority of realised gain/(loss):

	<b>Realised gain/(loss) HK\$'000</b>
<b>Debt Securities</b>	
Golden Wheel Tiandi Holdings Company Limited ("Golden Wheel") 12.95% notes	20,305
Kaisa Group Holdings Limited ("Kaisa") 9.375% notes	5,402
Golden Wheel 14.25% notes	3,540
Others	(661)
<b>Equity securities</b>	
Evergrande Property Services Group Limited ("Evergrande Property")	(12,277)
SOHO China Limited	4,464
Others	(779)
	<b>19,994</b>

Golden Wheel is principally engaged in the property related business in the PRC. Its shares are listed on HKEX (stock code: 1232). At the time of disposal, the notes were rated "B3" by Moody's Investors Service ("Moody's") and were listed on Singapore Stock Exchange ("SGX-ST").

Kaisa is principally engaged in property development, property investment, property management and hotel and catering operation in the PRC. Its shares are listed on HKEX (stock code: 1638). At the time of disposal, the notes were rated "B2" by Moody's and were listed on SGX-ST.

Evergrande Property is principally engaged in providing comprehensive property management services in the PRC. Its shares are listed on HKEX (stock code: 6666).

SOHO China Limited principally engaged in real estate development, property leasing and property management in the PRC. Its shares are listed on HKEX (stock code: 410).

The unrealised (loss)/gain for the period was generated from the fair value changes of financial investments that comprised 73 (2020: 64) securities as at 30th September 2021. Please refer to note 16 for the details.

## Notes to the Interim Financial Information

### 7 NET INVESTMENT (LOSS)/GAIN (CONTINUED)

Summary of net unrealised loss recognised in profit and loss account for the six months ended 30th September:

	<b>Six months ended 30th September</b>	
	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
Equity securities	(50,873)	3,374
Debt securities	(123,033)	(4,060)
Unlisted fund	3,412	(1,297)
	<b>(170,494)</b>	(1,983)

### 8 INCOME AND EXPENSES BY NATURE

	<b>Six months ended 30th September</b>	
	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
<b>Income</b>		
Interest income from financial assets at FVOCI		
– Listed investments	<b>876,303</b>	1,103,271
Interest income from financial assets at FVPL		
– Listed investments	<b>261,011</b>	–
– Unlisted investment	<b>767</b>	5,866
Interest income from financial assets that are measured at amortised cost		
– Amount due from joint ventures	<b>6,024</b>	24,095
– Loan receivables	<b>320</b>	2,155
– Bank deposits	<b>370</b>	453
Dividend income		
– Listed investments	<b>2,334</b>	2,622
<b>Expenses</b>		
Cost of properties and goods sold	<b>553</b>	417
Employee benefit expense, including Directors' emoluments (note (a))	<b>68,504</b>	65,965
Note:		
(a) Employee benefit expense		
Wages and salaries	<b>69,611</b>	66,627
Retirement benefits costs	<b>1,708</b>	1,597
	<b>71,319</b>	68,224
Capitalised under property under development for sale	<b>(2,815)</b>	(2,259)
	<b>68,504</b>	65,965

# Notes to the Interim Financial Information

## 9 NET FINANCE COSTS

	<b>Six months ended 30th September</b>	
	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
Interest expense		
Long term bank loans	(149,171)	(163,642)
Short term bank loans and overdrafts	(2,791)	(19,688)
Medium term notes	–	(756)
Lease liabilities	(35)	(64)
Derivative financial instruments (interest rate swaps)	(39,179)	(12,157)
Amount due to a joint venture	(1,090)	(834)
Interest capitalised	43,180	19,523
	<b>(149,086)</b>	(177,618)
Other incidental borrowing costs	(29,881)	(22,676)
Net foreign exchange (loss)/gain on borrowings	(1,351)	125
Fair value loss on derivative financial instruments (interest rate swaps)		
Cash flow hedge	(2,569)	(19,819)
	<b>(182,887)</b>	(219,988)

## 10 INCOME TAX CREDIT/(EXPENSE)

	<b>Six months ended 30th September</b>	
	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
Current income tax expense		
Hong Kong profits tax	(36,091)	(22,033)
Overseas profits tax	(581)	–
Over/(under) provision in prior years	7,825	(834)
	<b>(28,847)</b>	(22,867)
Deferred income tax credit	43,933	10,667
	<b>15,086</b>	(12,200)

Hong Kong profits tax is provided at the rate of 16.5% (2020: 16.5%) on the estimated assessable profit for the period. Overseas profits tax has been provided on the estimated assessable profit for the period at the tax rates prevailing in the countries in which the Group operates.

# Notes to the Interim Financial Information

## 11 DIVIDEND

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 30th September 2021 (2020: Nil).

## 12 EARNINGS PER SHARE

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

	Six months ended 30th September	
	2021	2020
	HK\$'000	HK\$'000
Profit attributable to shareholders of the Company	146,556	651,886

	Number of shares	
Weighted average number of shares in issue	1,319,782,288	1,319,782,288

The diluted earnings per share is equal to the basic earnings per share since there exist no dilutive potential share during the six months ended 30th September 2021 and 2020.

## 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 2021 and 31st March 2021. 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

	Hotel buildings HK\$'000	Other buildings HK\$'000	Other equipments HK\$'000	Right-of-use assets* HK\$'000	Total HK\$'000
<b>Cost</b>					
At 31st March 2021	1,600,660	504,581	215,102	3,927,337	6,247,680
Currency translation differences	–	–	(175)	(5)	(180)
Additions	3,164	36,182	32,012	132,062	203,420
Disposals	–	–	(166)	(706)	(872)
<b>At 30th September 2021</b>	<b>1,603,824</b>	<b>540,763</b>	<b>246,773</b>	<b>4,058,688</b>	<b>6,450,048</b>
<b>Accumulated depreciation</b>					
At 31st March 2021	763,874	25,200	144,926	697,476	1,631,476
Currency translation differences	–	–	(194)	(7)	(201)
Charge for the period	25,580	2,044	11,681	26,747	66,052
Disposals	–	–	(166)	(706)	(872)
<b>At 30th September 2021</b>	<b>789,454</b>	<b>27,244</b>	<b>156,247</b>	<b>723,510</b>	<b>1,696,455</b>
<b>Net book value</b>					
<b>At 30th September 2021</b>	<b>814,370</b>	<b>513,519</b>	<b>90,526</b>	<b>3,335,178</b>	<b>4,753,593</b>
At 31st March 2021	836,786	479,381	70,176	3,229,861	4,616,204

\* Mainly relates to leasehold land in Hong Kong.

Note:

Supplementary information with hotel properties at valuation:

The hotel properties portfolio in Hong Kong comprised five (31st March 2021: five) hotels. According to the Group's accounting policies, the carrying amount of these hotel properties in Hong Kong were HK\$2,650,778,000 (31st March 2021: HK\$2,697,765,000).

The aggregate open market value, on a highest and best use basis, of these hotel properties in Hong Kong based on valuations conducted by Vigers Appraisal & Consulting Limited ("Vigers"), independent professional valuers, amounted to HK\$11,414,200,000 (31st March 2021: HK\$11,404,900,000), is regarded as level 3 hierarchy for disclosure purpose under HKFRS 13.

Vigers used the discounted cash flow 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 supplementary information with hotel properties at valuation is for readers' information only. It does not constitute a disclosure requirement under HKAS 16 and HKFRS 16.

# Notes to the Interim Financial Information

## 15 TRADE AND OTHER RECEIVABLES

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

Trade receivables of the Group amounted to HK\$38,158,000 (31st March 2021: HK\$33,919,000). 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 loss allowance is as follows:

	<b>30th September 2021 HK\$'000</b>	31st March 2021 HK\$'000
0 month to 6 months	<b>35,488</b>	32,823
7 months to 12 months	<b>2,428</b>	964
More than 12 months	<b>242</b>	132
	<b>38,158</b>	33,919

# Notes to the Interim Financial Information

## 16 FINANCIAL INVESTMENTS

	<b>30th September 2021 HK\$'000</b>	31st March 2021 HK\$'000
<b>Non-current assets</b>		
Equity securities		
– Listed in Hong Kong	215,177	396,332
– Unlisted	56,411	56,353
	<b>271,588</b>	452,685
Debt securities		
– Listed in PRC	2,887,686	3,547,858
– Listed in Singapore	510,591	307,890
	<b>3,398,277</b>	3,855,748
Unlisted fund	66,575	52,906
	<b>3,736,440</b>	4,361,339
<b>Current assets</b>		
Equity securities		
– Listed in Hong Kong	123,705	183,591
Debt securities		
– Listed in Singapore	3,521,820	9,423,121
– Listed in Europe	922,586	921,636
– Listed in PRC	654,395	20,446
– Listed in Hong Kong	208,073	233,276
	<b>5,306,874</b>	10,598,479
Unlisted fund	10,230	8,746
	<b>5,440,809</b>	10,790,816
	<b>9,177,249</b>	15,152,155

# Notes to the Interim Financial Information

## 16 FINANCIAL INVESTMENTS (CONTINUED)

Financial investments are classified in the following categories:

	<b>30th September 2021 HK\$'000</b>	31st March 2021 HK\$'000
<b>Non-current assets</b>		
Financial assets at FVOCI	789,866	938,770
Financial assets at FVPL	2,946,574	3,422,569
	<b>3,736,440</b>	4,361,339
<b>Current assets</b>		
Financial assets at FVOCI	4,838,228	10,597,247
Financial assets at FVPL	602,581	193,569
	<b>5,440,809</b>	10,790,816
	<b>9,177,249</b>	15,152,155

Financial investments are denominated in the following currencies:

United States dollar	5,279,618	10,987,064
Renminbi	3,542,081	3,568,304
Hong Kong dollar	338,882	579,923
Japanese Yen	15,611	15,633
Euro	1,057	1,231
	<b>9,177,249</b>	15,152,155

# Notes to the Interim Financial Information

## 16 FINANCIAL INVESTMENTS (CONTINUED)

Supplementary information of financial investments:

### Equity Securities

As at 30th September 2021, the Group held 24 (31st March 2021: 23) listed equity securities and 1 (31st March 2021: 1) unlisted equity securities. The summary of equity securities portfolio of financial investments as at 30th September 2021 and 31st March 2021 and their corresponding unrealised (loss)/gain and dividend income for the six months ended 30th September 2021 and 2020 are as follows:

	Fair value		Unrealised (loss)/gain		Dividend income	
	30th September 2021 HK\$'000	31st March 2021 HK\$'000	for the six months ended 30th September		for the six months ended 30th September	
			2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
HSBC Holdings PLC ("HSBC")	124,812	138,680	(13,868)	(43,738)	1,662	–
MGM China ("MGM")	90,365	257,651	(167,287)	31,366	–	1,550
Amer Sports Corporation ("Amer Sports")	56,411	56,353	58	(18)	–	–
China Evergrande New Energy Vehicle Group Limited ("Evergrande Vehicle")	2,629	50,315	(47,686)	–	–	–
Others	121,076	133,277	(3,256)	13,258	672	1,072
	<b>395,293</b>	<b>636,276</b>	<b>(232,039)</b>	<b>868</b>	<b>2,334</b>	<b>2,622</b>

HSBC is a global banking and financial services company. It operates across various geographical regions, and its shares are listed on the HKEX (stock code: 5) and London Stock Exchange (stock code: HSBA), with a "A-" rated by S&P Global Ratings ("S&P"). As at 30th September 2021, a total of 0.02% shareholding of HSBC was held by the Group.

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 2021, a total of 0.49% shareholding of MGM was held by the Group.

Amer Sports is an unlisted global sporting goods company headquartered in Finland with internationally recognised brands. It is a subsidiary of Anta Sports Products Limited ("Anta Sports"). Anta Sports is principally engaged in the manufacturing and trading of sporting goods, including footwear, apparel and accessories in the PRC. Its shares are listed on HKEX (stock code: 2020). As at 30th September 2021, a total of 0.24% indirect shareholding of Amer Sports was held by the Group.

Evergrande Vehicle is engaged in technology research and development, production and sales of new energy vehicles, as well as internet plus community health management, international hospitals, and elderly care and rehabilitation in the PRC. Its shares are listed on HKEX (stock code: 708). As at 30th September 2021, a total of 0.01% shareholding of Evergrande Vehicle was held by the Group.

# Notes to the Interim Financial Information

## 16 FINANCIAL INVESTMENTS (CONTINUED)

### Debt Securities

As at 30th September 2021, the Group held 43 (31st March 2021: 37) debt securities, 29 of them are listed in Singapore, 10 in the PRC, 1 in Hong Kong and 3 in Europe. 41 (31st March 2021: 35) 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 and 2 is unlisted, their mark to market valuation approximate 99% (31st March 2021: 99%) of debt securities portfolio.

The summary of debt securities of financial investments as at 30th September 2021 and 31st March 2021 are as follows:

	<b>30th September 2021 HK\$'000</b>	31st March 2021 HK\$'000
Principal amount of notes	<b>16,669,275</b>	16,666,607
Investment cost	<b>15,104,059</b>	15,176,381
Fair value	<b>8,705,151</b>	14,454,227
Coupon	<b>5.9% to 16%</b>	6.58% to 15%
Maturity	<b>Oct 2021 – Feb 2026</b>	Oct 2021 – Feb 2026

As at 30th September 2021, the 43 (2020: 36) debt securities gave rise to a net unrealised fair value loss of HK\$5,676 million for the six months ended 30th September 2021 (2020: gain of HK\$1,740 million). A total of 8 (2020: 10) debt securities have recorded unrealised fair value gain, with the remaining 35 debt securities (2020: 26) that recorded unrealised fair value losses.

As at 30th September 2021, the mark to market valuation of the single largest debt securities represents approximately 2.1% (31st March 2021: 3.9%) of the Group's revalued total assets, and the mark to market valuation of the five largest debt securities held represents approximately 7.4% (31st March 2021: 12.1%). The remaining 38 debt securities represent 11.5% of the Group's revalued total assets, with each of them less than 1%.

# Notes to the Interim Financial Information

## 16 FINANCIAL INVESTMENTS (CONTINUED)

### Debt Securities (Continued)

The five largest debt securities held at 30th September 2021 are as follows:

	Fair value		31st March 2021 HK\$'000	% of the debt securities portfolio	Unrealised gain/(loss) for the six months ended 30th September		Interest income for the six months ended 30th September	
	30th September 2021 HK\$'000	% of the debt securities portfolio			2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
	Pearl River 7.5% notes 1	981,448			11%	907,753	6%	23,496
Pearl River 7.5% notes 2	831,852	10%	773,749	5%	19,513	-	73,626	-
Jiayuan 11.375% notes	653,742	8%	652,945	4%	798	(2,355)	53,913	91,901
Pearl River 6.5% notes	505,117	6%	466,317	3%	11,781	-	46,063	-
Scenery 12% notes	435,403	5%	1,978,416	14%	(1,781,998)	47,769	176,719	126,966

"Pearl River 7.5% notes 1", is issued by Guangdong Pearl River Investment Co., Limited ("Pearl River") and carries fixed coupon rate of 7.5% per annum. It is denominated in Renminbi, matures on 19th February 2026 and has an option for the holders to put for redemption on 19th February 2023. The notes are listed on Shanghai Stock Exchange ("SSE"). As at 30th September 2021, they were rated "AA+" by China Lianhe Credit Rating Co., Limited ("Lianhe"). The Group acquired them through total return swap ("TRS") arranged by Morgan Stanley & Co. International PLC ("Morgan Stanley"), a public limited company incorporated in England and Wales. Pearl River is principally engaged in the development and sale of properties, property investment, hotel operations and other property development related services in the PRC.

"Pearl River 7.5% notes 2", is issued by Pearl River and carries fixed coupon rate of 7.5% per annum. It is denominated in Renminbi, matures on 11th January 2026 and has an option for the holders to put for redemption on 11th January 2023. The notes are listed on SSE. As at 30th September 2021, they were rated "AA+" by Lianhe. The Group acquired them through TRS arranged by Morgan Stanley.

"Jiayuan 11.375% notes", is issued by Jiayuan International Group Limited ("Jiayuan") and carries fixed coupon of 11.375% per annum. It is denominated in US\$ and matures on 2nd May 2022. The notes are listed on the Frankfurt Stock Exchange. As at 30th September 2021, they were rated "B3" by Moody's. Jiayuan is principally engaged in property development and property investment in the PRC. Its shares are listed on HKEX (stock code: 2768).

"Pearl River 6.5% notes", is issued by Pearl River and carries fixed coupon rate of 6.5% per annum. It is denominated in Renminbi, matures on 19th October 2025 and has an option for the holders to put for redemption on 19th October 2022. The notes are listed on SSE. As at 30th September 2021, they were rated "AA+" by Lianhe. The Group acquired them through TRS arranged by Morgan Stanley.

"Scenery 12% notes", is issued by Scenery Journey Limited which is a subsidiary of China Evergrande Group ("Evergrande") and carries fixed coupon of 12% per annum. It is denominated in US\$ and matures on 24th October 2023. The notes are listed on the SGX-ST. As at 30th September 2021, they were rated "C" by Moody's. Evergrande is principally engaged in property development, property investment, property management, property construction, hotel operations, finance business, internet business and health industry business in the PRC. Its shares are listed on HKEX (stock code: 3333).

# 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, lease liabilities, retentions payable of construction costs, interest payables and various accruals. Trade payables amounted to HK\$46,047,000 (31st March 2021: HK\$1,114,426,000).

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

	<b>30th September 2021 HK\$'000</b>	31st March 2021 HK\$'000
0 month to 6 months	45,559	1,113,692
7 months to 12 months	25	192
More than 12 months	463	542
	<b>46,047</b>	<b>1,114,426</b>

## 18 BORROWINGS

	<b>30th September 2021 HK\$'000</b>	31st March 2021 HK\$'000
<b>Current liabilities</b>		
Short term bank loans		
Secured	–	303,325
Unsecured	–	30,000
Current portion of long term bank loans		
Secured	2,207,060	1,938,542
Unsecured	1,247,434	1,946,080
	<b>3,454,494</b>	<b>4,217,947</b>
<b>Non-current liabilities</b>		
Long term bank loans		
Secured	10,725,065	10,496,695
Unsecured	3,979,854	2,520,437
	<b>14,704,919</b>	<b>13,017,132</b>
	<b>18,159,413</b>	<b>17,235,079</b>

## Notes to the Interim Financial Information

### 18 BORROWINGS (CONTINUED)

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:

	<b>30th September 2021 HK\$'000</b>	31st March 2021 HK\$'000
Repayable within one year	3,454,494	3,884,622
Repayable between one and two years	3,486,190	2,847,290
Repayable between two and five years	11,218,729	10,169,842
	<b>18,159,413</b>	16,901,754
Current portion included in current liabilities	<b>(3,454,494)</b>	(3,884,622)
	<b>14,704,919</b>	13,017,132

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

### 19 SHARE CAPITAL

<b>Shares of HK\$0.01 each</b>	<b>Number of shares</b>	<b>Amount HK\$'000</b>
Authorised:		
At 31st March 2021 and 30th September 2021	400,000,000,000	4,000,000
Issued and fully paid:		
At 31st March 2021 and 30th September 2021	1,319,782,288	13,197

# Notes to the Interim Financial Information

## 20 RESERVES

	Share premium	Capital redemption reserve	Contributed surplus	Share option reserve	Property revaluation reserve	Investments revaluation reserve	Hedging reserve	Currency translation reserve	Revenue reserve	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 31st March 2021	2,175,239	44,190	2,782,836	5,217	24,891	(202,901)	(62,722)	11,653	16,929,369	21,707,772
Net fair value loss of financial assets at FVOCI	-	-	-	-	-	(4,748,438)	-	-	-	(4,748,438)
Cash flow hedges										
- net fair value loss	-	-	-	-	-	-	(1,031)	-	-	(1,031)
- deferred tax on derivative financial instruments	-	-	-	-	-	-	170	-	-	170
Currency translation differences	-	-	-	-	-	-	-	26,282	-	26,282
Profit for the period	-	-	-	-	-	-	-	-	146,556	146,556
2021 final dividend	-	-	-	-	-	-	-	-	(39,593)	(39,593)
<b>At 30th September 2021</b>	<b>2,175,239</b>	<b>44,190</b>	<b>2,782,836</b>	<b>5,217</b>	<b>24,891</b>	<b>(4,951,339)</b>	<b>(63,583)</b>	<b>37,935</b>	<b>17,036,332</b>	<b>17,091,718</b>

## 21 COMMITMENTS

Commitments at the balance sheet date are as follows:

	30th September 2021	31st March 2021
	HK\$'000	HK\$'000
Contracted but not provided for		
Investment properties	-	2,315
Property, plant and equipment	58,328	30,640
	58,328	32,955

## 22 FINANCIAL GUARANTEES

	30th September 2021	31st March 2021
	HK\$'000	HK\$'000
Guarantees for the banking and loan facilities of joint ventures	3,037,586	2,888,976

# Notes to the Interim Financial Information

## 23 RELATED PARTY TRANSACTIONS

During the period, the following transactions were carried out with related parties:

	Six months ended 30th September	
	2021 HK\$'000	2020 HK\$'000
Income from/(expense to) subsidiaries of Asia Orient Holdings Limited		
Rental income	1,036	1,036
Building management fee expense	(2,213)	(1,762)
Cleaning expense	(3,137)	(3,209)

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) (2020: 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 2021 are as follow:

	Proforma combined balance sheet HK\$'000	Group's attributable interest HK\$'000
Non-current assets	4,646,438	1,552,169
Current assets	25,001,226	10,248,655
Current liabilities	(7,606,885)	(3,302,807)
Non-current liabilities	(10,828,078)	(3,596,953)
	11,212,701	4,901,064

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 2021.

Pursuant to Rule 13.51(B) of Listing Rules, annual Director's fee for Mr. Koon Bok Ming is increased to HK\$350,000, annual Director's fee for each of Messrs. Leung Wai Keung and Wong Chi Keung is increased to HK\$550,000, a quarter with rateable value of HK\$8,424,000 is provided to Mr. Poon Hai and annual housing benefit of HK\$456,000 is provided to Mr. Poon Yeung, Roderick, all with effect from 1st July 2021.

## Other Information

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

As at 30th September 2021, 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			Percentage of shares in issue (%)
	Personal interest	Corporate interest	Total	
Poon Jing	1,308,884	683,556,392	684,865,276	51.89

Note: By virtue of Mr. Poon Jing's controlling interest (60.61%) 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.

## 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			Total	Percentage of shares in issue (%)
		Personal interest	Family interest	Corporate interest		
Poon Jing	Asia Orient	359,139,472	5,318,799	145,213,900 (Notes)	509,672,171	60.61
	Asia Standard Hotel Group Limited ("Asia Standard Hotel")	152,490	-	1,346,158,049 (Notes)	1,346,310,539	66.71
Poon Hai	Asia Orient	10,444,319	-	-	10,444,319	1.24
Fung Siu To, Clement	Asia Orient	15,440,225	-	-	15,440,225	1.83
	Mark Honour Limited	9	-	-	9	0.01

#### Notes:

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

## Other Information

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

#### (II) Long Positions in Underlying Shares

##### Interests in share options

###### (a) The Company

<b>Director</b>	<b>Outstanding as at 1st April 2021 and 30th September 2021</b>
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\$1.38 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.

###### (b) Associated corporation – Asia Orient

<b>Director</b>	<b>Outstanding as at 1st April 2021 and 30th September 2021</b>
Poon Hai	3,500,000
Poon Yeung, Roderick	3,500,000

##### Notes:

- Options were granted on 11th December 2015 under a share option scheme adopted by Asia Orient on 29th August 2014 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.

## Other Information

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

#### (II) Long Positions in Underlying Shares (Continued)

##### Interests in share options (Continued)

(c) Associated corporation – Asia Standard Hotel

Director	Outstanding as at 1st April 2021 and 30th September 2021
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 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.

#### (III) Long Positions in Underlying Shares and Debentures

##### Interests in convertible notes

Associated corporation – 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 Asia Orient, he is deemed to be interested in the convertible notes ("Notes") held by Asia Orient and its subsidiaries which are convertible into 2,692,316,098 shares of Asia Standard Hotel. The Notes are redeemable at the redemption value of HK\$0.453 per Note. Please refer to the annual report of Asia Standard Hotel for details.

Save as disclosed above, as at 30th September 2021, none of the Directors or Chief Executive 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 are 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.

## Other Information

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 30th September 2021, 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 of the Company

Shareholder	Capacity	Number of shares held	Total	Percentage of shares in issue (%)
Asia Orient (Note 1)	Beneficial owner Interests in controlled corporation	51,705,509 631,850,883	683,556,392	51.79
Asia Orient Holdings (BVI) Limited ("Asia Orient BVI") (Note 1)	Interests in controlled corporation	631,850,883	631,850,883	47.87
Asia Orient Company Limited ("AOCL") (Note 2)	Beneficial owner Interests in controlled corporation	304,361,730 2,459,153	306,820,883	23.24
Kingfisher Inc. and Lipton Investment Limited ("Kingfisher and Lipton") (Note 2)	Interests in controlled corporation	284,376,649	284,376,649	21.54

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 631,850,883 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 2021, 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 adopted by the Company on 27th August 2004 ("2004 Share Option Scheme") was expired on the tenth anniversary of such adoption date. Following the expiry of 2004 Share Option Scheme, no further share option can be granted thereunder but all outstanding share options granted under 2004 Share Option Scheme and yet to be exercised shall remain valid and exercisable. As at 30th September 2021, there were 1,000,000 share options granted under 2004 Share Option Scheme outstanding. Movements of share options granted under 2004 Share Option Scheme during the period are as follows:

<b>Grantee</b>	<b>Outstanding as at 1st April 2021 and 30th September 2021</b>
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.

The Company adopted a share option scheme on 29th August 2014 ("2014 Share Option Scheme"). As at 30th September 2021, there were 7,000,000 share options granted under 2014 Share Option Scheme outstanding. Movements of share options granted under 2014 Share Option Scheme during the period are as follows:

<b>Grantee</b>	<b>Outstanding as at 1st April 2021 and 30th September 2021</b>
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)

#### Subsidiary – 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 2021, 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:

<b>Grantee</b>	<b>Outstanding as at 1st April 2021 and 30th September 2021</b>
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 2021 (2020: Nil).

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

### 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 2021.

## Other Information

### 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 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 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.

### AUDIT COMMITTEE

The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30th September 2021.

On behalf of the Board

**Asia Standard International Group Limited**

**Fung Siu To, Clement**

*Chairman*

Hong Kong, 30th November 2021

