



## Interim Report 2021

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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. Wong Chi Keung  
Mr. Cheung Kwok Wah  
Mr. Leung Wai Keung, *JP*

## Audit Committee

Mr. Wong Chi Keung (*Chairman*)  
Mr. Cheung Kwok Wah  
Mr. Leung Wai Keung, *JP*

## Remuneration Committee

Mr. Wong Chi Keung (*Chairman*)  
Mr. Fung Siu To, Clement  
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.asiaorient.com.hk>  
E-mail [aoinfo@asiastandard.com](mailto:aoinfo@asiastandard.com)

## Principal Bankers

HSBC  
Bank of China (Hong Kong)  
Hang Seng Bank  
United Overseas Bank  
Industrial and Commercial Bank of China (Asia)  
DBS Bank (Hong Kong)  
The Bank of East Asia  
Chiyu Banking Corporation  
Shanghai Commercial Bank  
Dah Sing Bank  
Fubon Bank (Hong Kong)  
CMB Wing Lung Bank  
Chong Hing Bank  
UBS  
Bank of Singapore  
Bank Morgan Stanley  
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		Change
	30th September 2021	2020	
<b>Consolidated profit and loss account</b>			
Revenue	1,430	1,404	+2%
Operating profit	235	984	-76%
Profit attributable to shareholders of the Company	44	459	-91%
Earnings per share – basic (HK\$)	0.05	0.55	-91%
	30th September 2021	31st March 2021	Change
<b>Consolidated balance sheet</b>			
Total assets	42,384	48,565	-13%
Net assets	21,692	27,448	-21%
Equity attributable to shareholders of the Company	11,485	14,677	-22%
Net debt	16,579	15,819	+5%

Supplementary information with hotel properties at valuation (note):

Revalued total assets	48,004	54,091	-11%
Revalued net assets	27,831	33,499	-17%
Equity attributable to shareholders of the Company	14,300	17,452	-18%
Gearing – net debt to revalued net assets	60%	47%	+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 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



Sales and Experience Center of **Tongzhou** project "Capital Cove"

## RESULTS

The Group recorded a revenue of HK\$1,430 million (2020: HK\$1,404 million) for the first half of the financial year with profit attributable to shareholders of the Company at HK\$44 million (2020: HK\$459 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 faced by 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



*Dukes Place in Jardine's Lookout*

## 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

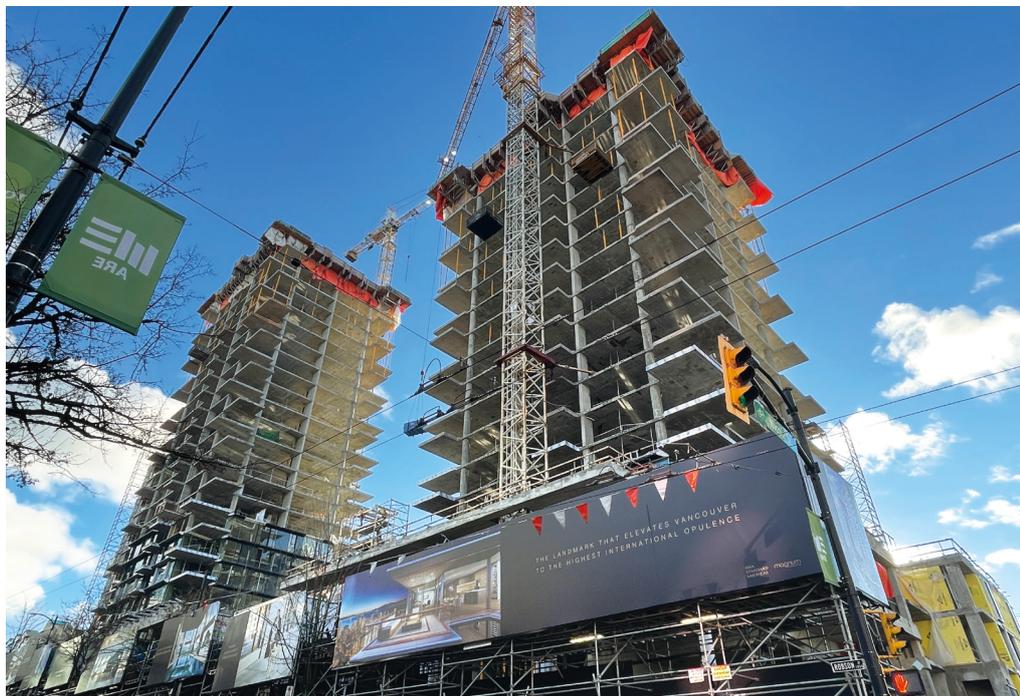
envisioned to be the most vibrant area where urban development and major population growth of HKSAR in the next decades will take place. The area will serve as the main hub for the Hong Kong-Shenzhen Western Railway linking Hung Shui Kiu and Qianhai, ensuring a good transport connectivity for an easier 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 Hotel Hong Kong*

Net revaluation gain (taking into account our share from the investment property owned by an associated company) of HK\$358 million (2020: loss of HK\$272 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\$10,538 million (31st March 2021: HK\$17,502 million), with HK\$9,177 million (31st March 2021: HK\$15,152 million) held by the two listed subsidiary groups. The investment portfolio comprised of 94% listed debt securities (predominantly issued by PRC-based real estate companies), 3% listed equity securities and 3% unlisted investments. They are denominated in different currencies with 56% in United States dollar, 40% 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\$1,305 million (2020: HK\$1,253 million). A net investment loss of HK\$1,250 million (2020: net gain of HK\$44 million) was recorded in the profit and loss account while a net loss of HK\$5,657 million (2020: net gain of HK\$2,062 million) was recognised in investment revaluation reserve account.

At 30th September 2021, an approximate value of HK\$2,690 million (31st March 2021: HK\$4,070 million) of these investments were pledged to banks as collateral for credit facilities granted to the Group.

# Management Discussion and Analysis

## FINANCIAL REVIEW

At 30th September 2021, the Group has over HK\$10.0 billion (31st March 2021: HK\$12.1 billion) cash and undrawn banking facilities. The financing and treasury activities of our three listed groups are independently administered.

At 30th September 2021, the Group's total assets per book were approximately HK\$42.4 billion (31st March 2021: HK\$48.6 billion), with net assets of HK\$21.7 billion (31st March 2021: HK\$27.4 billion). Adopting market value of hotel properties in operation, the revalued total assets of the Group were HK\$48.0 billion (31st March 2021: HK\$54.1 billion), while the revalued net assets of the Group were HK\$27.8 billion (31st March 2021: HK\$33.5 billion).

Net debt was HK\$16.6 billion (31st March 2021: HK\$15.8 billion), of which HK\$0.2 billion (31st March 2021: HK\$0.5 billion) was attributable to the parent 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 the 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 60% (31st March 2021: 47%). As at 30th September 2021, the Group had net current assets of HK\$8.2 billion (31st March 2021: HK\$11.8 billion) and the HK\$12.7 billion aggregate amount of marketable securities and cash together represented 3.3 times of the HK\$3.9 billion current debt repayable within 12 months.

70% 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\$8,760 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 18% repayable between one to two years and 61% repayable between two to five years. The remaining 21% 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\$24.1 billion (31st March 2021: HK\$23.5 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 stated at valuation

# Management Discussion and Analysis

## EMPLOYEES AND REMUNERATION POLICIES

At 30th September 2021, the Group employed approximately 330 (31st March 2021: 330) 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.

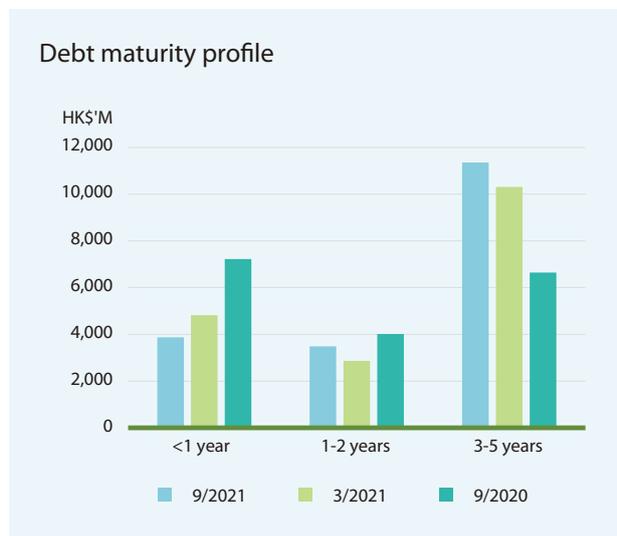
Retail sector benefit from government's consumption stimuli in the short term, so is the hotel operation. The continuous recovery of these sectors and commercial properties markets depends on the business and operating environments, relying very much on the pandemic containment, cross-border traffic 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		1,291,395	1,277,032
Sales of goods and services, leasing and other revenue		138,479	126,830
Total revenue	6	1,429,874	1,403,862
Cost of sales		(35,171)	(31,366)
Gross profit		1,394,703	1,372,496
Selling and administrative expenses		(120,022)	(116,670)
Depreciation		(104,852)	(100,294)
Net investment (loss)/gain	7		
Net realised and unrealised (loss)/gain		(197,086)	36,680
Change in expected credit losses		(1,052,444)	7,478
Fair value gain/(loss) of investment properties		314,944	(216,043)
Operating profit		235,243	983,647
Net finance costs	9	(190,159)	(231,153)
Share of profits less losses of			
Joint ventures		(45,308)	110,780
Associated companies		42,466	(58,392)
Profit before income tax		42,242	804,882
Income tax credit/(expense)	10	34,001	(6,974)
Profit for the period		76,243	797,908
Attributable to:			
Shareholders of the Company		43,624	458,519
Non-controlling interests		32,619	339,389
		76,243	797,908
Earnings per share (HK\$)			
Basic	12	0.05	0.55
Diluted	12	0.05	0.55

## Condensed Consolidated Statement of Comprehensive Income – Unaudited

	<b>Six months ended</b>	
	<b>30th September</b>	
	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
Profit for the period	<b>76,243</b>	797,908
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	<b>(5,475,628)</b>	2,065,004
Share of net fair value loss on debt securities at fair value through other comprehensive income of joint ventures	<b>(143,489)</b>	–
Cash flow hedges		
– net fair value loss	<b>(3,402)</b>	(145,483)
– deferred tax on derivative financial instruments	<b>562</b>	29,667
Currency translation differences	<b>(1,055)</b>	25,891
Share of currency translation differences of joint ventures	<b>26,163</b>	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	<b>(181,166)</b>	(2,506)
	<b>(5,778,015)</b>	2,072,012
Total comprehensive (charge)/income for the period	<b>(5,701,772)</b>	2,869,920
Attributable to:		
Shareholders of the Company	<b>(3,162,097)</b>	1,612,500
Non-controlling interests	<b>(2,539,675)</b>	1,257,420
	<b>(5,701,772)</b>	2,869,920

## Condensed Consolidated Balance Sheet – Unaudited

	Note	30th September 2021 HK\$'000	31st March 2021 HK\$'000
<b>Non-current assets</b>			
Investment properties	13	9,769,145	9,454,087
Property, plant and equipment	14	8,112,406	8,013,671
Investment in joint ventures and associated companies		4,937,922	4,791,881
Amount due from joint ventures and associated companies		1,928,014	2,126,982
Loan receivables		951	1,052
Financial investments	16	4,222,753	5,175,585
Derivative financial instruments		17,491	26,965
Deferred income tax assets		142,926	127,894
		<b>29,131,608</b>	<b>29,718,117</b>
<b>Current assets</b>			
Properties under development for sale		3,999,030	3,623,391
Completed properties held for sale		3,680	3,680
Hotel and restaurant inventories		18,507	18,546
Trade and other receivables	15	774,361	698,696
Income tax recoverable		2,005	855
Financial investments	16	6,314,834	12,326,746
Bank balances and cash		2,140,035	2,174,641
		<b>13,252,452</b>	<b>18,846,555</b>
<b>Current liabilities</b>			
Trade and other payables	17	194,209	1,274,840
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		208,478	174,798
Borrowings	18	3,873,803	4,817,052
		<b>5,057,170</b>	<b>7,095,398</b>
<b>Net current assets</b>		<b>8,195,282</b>	<b>11,751,157</b>
<b>Non-current liabilities</b>			
Long term borrowings	18	14,844,796	13,176,979
Derivative financial instruments		105,450	106,631
Lease liabilities		359	843
Deferred income tax liabilities		684,188	737,201
		<b>15,634,793</b>	<b>14,021,654</b>
<b>Net assets</b>		<b>21,692,097</b>	<b>27,447,620</b>

## Condensed Consolidated Balance Sheet – Unaudited (Continued)

	Note	30th September 2021 HK\$'000	31st March 2021 HK\$'000
Equity			
Share capital	19	84,087	84,087
Reserves	20	11,400,645	14,593,013
Equity attributable to shareholders of the Company		11,484,732	14,677,100
Non-controlling interests		10,207,365	12,770,520
		21,692,097	27,447,620

## 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	(537,353)	1,110,161
Net income tax (paid)/refunded	(518)	199
Net interest paid	(264,275)	(216,802)
Interest received from bank deposit and other receivables	6,751	26,709
Net cash (used in)/generated from operating activities	(795,395)	920,267
<b>Cash flows from investing activities</b>		
Net purchase of financial investments	(11,740)	(1,841)
Addition to investment properties	(113)	(2,372)
Addition to property, plant and equipment	(202,804)	(32,408)
Increase in investments 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	(330,105)	(62,979)
<b>Cash flows from financing activities</b>		
Redemption of medium term notes	–	(250,000)
Drawdown of long term borrowings	3,714,750	9,000
Repayment of long term borrowings	(2,622,033)	(453,050)
Net decrease in short term borrowings	(334,676)	(6,447)
Dividend paid	(30,271)	–
Dividend paid to non-controlling interests	(44,911)	–
Contribution from non-controlling interests	1,266	855
Principal element of lease payments	(1,494)	(1,377)
Net cash generated from/(used in) financing activities	682,631	(701,019)
Net (decrease)/increase in cash and cash equivalents	(442,869)	156,269
Cash and cash equivalents at the beginning of the period	2,088,489	949,281
Changes in exchange rates	(2,093)	6,115
Cash and cash equivalents at the end of the period	1,643,527	1,111,665
<b>Analysis of the balances of cash and cash equivalents</b>		
Bank balances and cash (excluding restricted bank balances)	1,643,527	1,111,665

## 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	84,087	12,145,593	12,229,680	10,896,706	23,126,386
Financial assets at fair value through other comprehensive income					
– net fair value gain	–	1,150,940	1,150,940	911,558	2,062,498
Cash flow hedges					
– fair value loss	–	(72,701)	(72,701)	(72,782)	(145,483)
– deferred tax on derivative financial instruments	–	14,825	14,825	14,842	29,667
Currency translation differences	–	60,917	60,917	64,413	125,330
Profit for the period	–	458,519	458,519	339,389	797,908
Total comprehensive income for the period	–	1,612,500	1,612,500	1,257,420	2,869,920
At 30th September 2020	84,087	13,758,093	13,842,180	12,154,126	25,996,306
At 31st March 2021	<b>84,087</b>	<b>14,593,013</b>	<b>14,677,100</b>	<b>12,770,520</b>	<b>27,447,620</b>
Financial assets at fair value through other comprehensive income					
– net fair value loss	–	(3,216,974)	(3,216,974)	(2,583,309)	(5,800,283)
Cash flow hedges					
– fair value loss	–	(2,629)	(2,629)	(773)	(3,402)
– deferred tax on derivative financial instruments	–	434	434	128	562
Currency translation differences	–	13,448	13,448	11,660	25,108
Profit for the period	–	43,624	43,624	32,619	76,243
Total comprehensive charge for the period	–	(3,162,097)	(3,162,097)	(2,539,675)	(5,701,772)
Dividends paid and total transaction with owners	–	(30,271)	(30,271)	(23,480)	(53,751)
	–	(3,192,368)	(3,192,368)	(2,563,155)	(5,755,523)
At 31st September 2021	<b>84,087</b>	<b>11,400,645</b>	<b>11,484,732</b>	<b>10,207,365</b>	<b>21,692,097</b>

# 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 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.

# Notes to the Interim Financial Information

## 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 portion 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.

- 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 of the significant inputs is not based on observable market data, the instruments are included in level 3.

Level 3 instruments comprise unlisted equity securities and unlisted funds 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

## 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	3,956,634	201,528
Financial assets at fair value through other comprehensive income ("FVOCI")	215,177	5,984,132	56,411
Derivative financial instruments	–	17,491	–
	<b>338,882</b>	<b>9,958,257</b>	<b>257,939</b>
Liabilities			
Derivative financial instruments	–	105,450	–
<b>At 31st March 2021</b>			
Assets			
Financial investments			
Financial assets at FVPL	183,591	4,078,410	131,234
Financial assets at FVOCI	396,332	12,656,411	56,353
Derivative financial instruments	–	26,965	–
	<b>579,923</b>	<b>16,761,786</b>	<b>187,587</b>
Liabilities			
Derivative financial instruments	–	106,631	–

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 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
<b>Six months ended 30th September 2021</b>						
Segment revenue	–	87,052	27,327	1,305,060	10,435	1,429,874
Contribution to segment results	(2,658)	73,344	(19,042)	1,297,195	5,911	1,354,750
Depreciation	(3,219)	–	(88,799)	–	(12,834)	(104,852)
Net investment loss	–	–	–	(1,249,530)	–	(1,249,530)
Fair value gain of investment properties	–	314,944	–	–	–	314,944
Share of profits less losses of						
Joint ventures	(45,344)	–	–	–	36	(45,308)
Associated companies	–	42,968	–	–	(502)	42,466
Segment results	(51,221)	431,256	(107,841)	47,665	(7,389)	312,470
Unallocated corporate expenses						(80,069)
Net finance costs						(190,159)
Profit before income tax						42,242
<b>Six months ended 30th September 2020</b>						
Segment revenue	–	103,679	17,819	1,253,050	29,314	1,403,862
Contribution to segment results	(2,006)	88,331	(22,649)	1,250,109	23,874	1,337,659
Depreciation	(2,692)	–	(87,260)	–	(10,342)	(100,294)
Net investment gain	–	–	–	44,158	–	44,158
Fair value loss of investment properties	–	(216,043)	–	–	–	(216,043)
Share of profits less losses of						
Joint ventures	110,952	–	–	–	(172)	110,780
Associated companies	–	(58,059)	–	–	(333)	(58,392)
Segment results	106,254	(185,771)	(109,909)	1,294,267	13,027	1,117,868
Unallocated corporate expenses						(81,833)
Net finance costs						(231,153)
Profit before income tax						804,882

# 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>At 30th September 2021</b>							
Assets	9,866,235	11,041,002	6,066,270	11,167,188	238,525	4,004,840	42,384,060
Assets include:							
Joint ventures and associated companies	5,595,620	1,235,746	-	-	34,570	-	6,865,936
Addition to non-current assets for the six months ended 30th September 2021*	260,609	113	135,419	-	63,047	4,915	464,103
Liabilities							
Borrowings	5,022,092	1,775,023	3,566,773	2,020,416	-	6,334,295	18,718,599
Other unallocated liabilities							1,973,364
							20,691,963
<b>At 31st March 2021</b>							
Assets	9,424,658	10,682,175	6,010,798	18,047,001	231,495	4,168,545	48,564,672
Assets include:							
Joint ventures and associated companies	5,691,208	1,192,778	-	-	34,375	502	6,918,863
Addition to non-current assets for the six months ended 30th September 2020*	2,103	2,373	7,564	-	202	10,628	22,870
Liabilities							
Borrowings	4,615,009	1,788,371	3,609,603	2,490,865	-	5,490,183	17,994,031
Other unallocated liabilities							3,123,021
							21,117,052

\* 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	138,881	186,045
Overseas	1,290,993	1,217,817
	<b>1,429,874</b>	<b>1,403,862</b>
	30th September 2021 HK\$'000	
	31st March 2021 HK\$'000	
<b>Non-current assets*</b>		
Hong Kong	21,869,533	21,249,645
Overseas	2,877,954	3,136,976
	<b>24,747,487</b>	<b>24,386,621</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	44,176	31,597
	<b>45,188</b>	<b>33,776</b>
Other sources	93,291	93,054
	<b>138,479</b>	<b>126,830</b>

# Notes to the Interim Financial Information

## 7 NET INVESTMENT (LOSS)/GAIN

	<b>Six months ended</b>	
	<b>30th September</b>	
	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
Financial assets at FVPL		
– net unrealised (loss)/gain from market price movements	<b>(322,222)</b>	1,924
– net unrealised exchange gain	<b>90,858</b>	2,744
– net realised (loss)/gain (note (a))	<b>(8,592)</b>	836
Financial assets at FVOCI		
– net unrealised exchange gain/(loss)	<b>17,299</b>	(4,700)
– net realised gain (note (b))	<b>27,893</b>	35,876
– change in expected credit losses	<b>(1,052,444)</b>	7,478
Derivative financial instrument		
– net unrealised loss	<b>(2,322)</b>	–
	<b>(1,249,530)</b>	44,158
Notes:		
(a) Net realised (loss)/gain on financial assets at FVPL		
Gross consideration	<b>33,958</b>	10,289
Cost of investments	<b>(38,955)</b>	(9,413)
	<b>(4,997)</b>	876
Less: net unrealised gain recognised in prior years	<b>(3,595)</b>	(40)
	<b>(8,592)</b>	836
(b) Net realised gain on financial assets at FVOCI		
Gross consideration	<b>2,019,174</b>	4,410,910
Cost of investments	<b>(1,962,923)</b>	(4,353,704)
	<b>56,251</b>	57,206
Transfer from investment revaluation reserve	<b>(28,358)</b>	(21,330)
	<b>27,893</b>	35,876

# Notes to the Interim Financial Information

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

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

During the period, the Group derecognised 7 (2020: 20) 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):

	Realised gain/(loss) HK\$'000
<b>Debt Securities</b>	
Golden Wheel Tiandi Holdings Company Limited ("Golden Wheel") 12.95% notes	20,824
Kaisa Group Holdings Limited ("Kaisa") 9.375% notes	5,081
Golden Wheel 14.25% notes	8,099
Jiayuan International Group Limited ("Jiayuan") 12% notes	(5,450)
Others	(661)
<b>Equity securities</b>	
Evergrande Property Services Group Limited ("Evergrande Property")	(12,277)
SOHO China Limited	4,464
Others	(779)
	19,301

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.

Jiayuan is principally engaged in property development and property investment in the PRC. Its shares are listed on HKEX (stock code: 2768). At the time of disposal, the notes were rated "B3" 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 78 (2020: 70) 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 unrealised (loss)/gain to 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	(50,872)	3,374
Debt securities	(223,230)	(4,543)
Unlisted funds	60,037	1,137
	<b>(214,065)</b>	(32)

## 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>989,585</b>	1,244,458
Interest income from financial assets at FVPL		
– Listed investments	<b>294,291</b>	–
– Unlisted investments	<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>408</b>	458
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 Director's emoluments (note (a))	<b>75,851</b>	72,090
Note:		
(a) Employee benefit expense		
Wages and salaries	<b>76,801</b>	72,578
Retirement benefit costs	<b>1,865</b>	1,771
	<b>78,666</b>	74,349
Capitalised under property under development for sale	<b>(2,815)</b>	(2,259)
	<b>75,851</b>	72,090

# 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	<b>(154,710)</b>	(171,980)
Short term bank loans and overdrafts	<b>(4,036)</b>	(22,036)
Medium term notes	<b>–</b>	(756)
Lease liabilities	<b>(35)</b>	(64)
Amount due to a joint venture	<b>(1,090)</b>	(834)
Derivative financial instruments (interest rate swaps)	<b>(39,527)</b>	(12,239)
Interest capitalised	<b>43,180</b>	19,523
	<b>(156,218)</b>	(188,386)
Other incidental borrowing costs	<b>(30,021)</b>	(23,073)
Net foreign exchange (loss)/gain on borrowings	<b>(1,351)</b>	125
Fair value loss on derivative financial instruments (interest rate swaps)		
Cash flow hedge	<b>(2,569)</b>	(19,819)
	<b>(190,159)</b>	(231,153)

## 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	<b>(40,291)</b>	(22,033)
Overseas profits tax	<b>(581)</b>	–
Over/(under) provision in prior years	<b>7,825</b>	(834)
	<b>(33,047)</b>	(22,867)
Deferred income tax credit	<b>67,048</b>	15,893
	<b>34,001</b>	(6,974)

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 shares in issue.

	Six months ended 30th September	
	2021 HK\$'000	2020 HK\$'000
Profit attributable to shareholders of the Company	43,624	458,519

	Number of shares	
	2021	2020
Weighted average number of shares in issue	840,873,996	840,873,996

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	2,255,235	522,929	219,442	7,430,856	10,428,462
Currency translation differences	–	–	(175)	(5)	(180)
Additions	3,164	36,182	32,158	132,062	203,566
Disposals	–	–	(166)	(706)	(872)
<b>At 30th September 2021</b>	<b>2,258,399</b>	<b>559,111</b>	<b>251,259</b>	<b>7,562,207</b>	<b>10,630,976</b>
<b>Accumulated depreciation</b>					
At 31st March 2021	960,040	28,951	150,240	1,275,560	2,414,791
Currency translation differences	–	–	(194)	(7)	(201)
Charge for the period	35,243	2,329	11,797	55,483	104,852
Disposals	–	–	(166)	(706)	(872)
<b>At 30th September 2021</b>	<b>995,283</b>	<b>31,280</b>	<b>161,677</b>	<b>1,330,330</b>	<b>2,518,570</b>
<b>Net book value</b>					
<b>At 30th September 2021</b>	<b>1,263,116</b>	<b>527,831</b>	<b>89,582</b>	<b>6,231,877</b>	<b>8,112,406</b>
At 31st March 2021	1,295,195	493,978	69,202	6,155,296	8,013,671

\* 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\$5,794,118,000 (31st March 2021: HK\$5,878,551,000).

The aggregate open market value, on a highest and best use basis, of the five (31st March 2021: five) 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 completed 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, prepayments, utility and other deposits.

Trade receivables of the Group amounted to approximately HK\$38,165,000 (31st March 2021: HK\$33,936,000). 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.

An 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	35,495	32,840
7 months to 12 months	2,428	964
More than 12 months	242	132
	<b>38,165</b>	<b>33,936</b>

# 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 the PRC	3,182,037	4,283,776
– Listed in Singapore	567,600	307,890
	<b>3,749,637</b>	4,591,666
Unlisted funds	201,528	131,234
	<b>4,222,753</b>	5,175,585
<b>Current assets</b>		
Equity securities		
– Listed in Hong Kong	123,705	183,591
Debt securities		
– Listed in Singapore	4,059,351	10,958,965
– Listed in the PRC	990,815	20,446
– Listed in Europe	922,660	921,722
– Listed in Hong Kong	208,073	233,276
	<b>6,180,899</b>	12,134,409
Unlisted funds	10,230	8,746
	<b>6,314,834</b>	12,326,746
<b>Total financial investments</b>	<b>10,537,587</b>	17,502,331

# 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	846,874	976,005
Financial assets at FVPL	3,375,879	4,199,580
	<b>4,222,753</b>	5,175,585
<b>Current assets</b>		
Financial assets at FVOCI	5,408,846	12,133,091
Financial assets at FVPL	905,988	193,655
	<b>6,314,834</b>	12,326,746
<b>Total financial investments</b>	<b>10,537,587</b>	17,502,331

Financial investments are denominated in the following currencies:

United States dollar	5,874,158	12,583,673
Renminbi	4,172,852	4,243,456
Hong Kong dollar	338,882	579,923
Sterling	134,953	78,328
Japanese yen	15,611	15,633
Euro	1,131	1,318
	<b>10,537,587</b>	17,502,331

# 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 Ltd ("Evergrande Vehicle")	2,629	50,315	(47,686)	–	–	–
Others	121,076	133,277	(3,256)	13,258	672	1,072
	395,293	636,276	(232,039)	868	2,334	2,622

HSBC is a global banking and financial services company. It operates across various geographical regions, and its shares are listed on 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 the 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 48 (31st March 2021: 42) debt securities, 34 of them are listed in Singapore, 10 in the PRC, 3 in Europe and 1 in Hong Kong. 46 (31st March 2021: 40) 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 portfolio 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>19,099,451</b>	19,218,758
Investment cost	<b>17,299,356</b>	17,519,671
Fair value	<b>9,930,536</b>	16,726,075
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 48 (2020: 41) debt securities gave rise to a net unrealised fair value loss of HK\$6,583 million for the six months ended 30th September 2021 (2020: gain of HK\$1,931 million). A total of 8 (2020: 29) debt securities have recorded unrealised fair value gain, with the remaining 40 debt securities (2020: 12) that recorded unrealised fair value loss.

As at 30th September 2021, the mark to market valuation of the single largest debt securities represent approximately 2.1% (31st March 2021: 4.0%) of the Group's revalued total assets, and the mark to market valuation of the five largest debt securities held represents approximately 7.6% (31st March 2021: 13.1%). The remaining 43 debt securities represent 13.2% 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				Unrealised gain/(loss)		Interest income	
	30th	% of the	31st	% of the	for the six months		for the six months	
	September	debt	March	debt	ended 30th September		ended 30th September	
2021	securities	2021	securities	2021	2020	2021	2020	
HK\$'000	portfolio	HK\$'000	portfolio	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Pearl River 7.5% notes 1	1,006,976	10%	931,283	6%	24,105	-	92,058	-
Pearl River 7.5% notes 2	831,852	8%	773,749	4%	19,513	-	73,626	-
Jiayuan 11.375% notes	653,742	6%	652,945	4%	798	(2,858)	53,913	115,409
Guangzhou R&F 6.8% notes	639,468	6%	740,621	4%	(101,153)	-	28,954	-
Peral River 6.5% notes	505,117	5%	466,317	3%	11,781	-	46,063	-

"Pearl River 7.5% notes 1", 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", 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", 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).

"Guangzhou R&F 6.8% notes", issued by Guangzhou R&F Properties Co., Limited ("R&F") and carries fixed coupon rate of 6.8% per annum. It is denominated in Renminbi, matures on 16th May 2022. The notes are listed on SSE. As at 30th September 2021, they were not rated. The Group acquired them through TRS arranged by Morgan Stanley, a public limited company incorporated in England and Wales. R&F is principally engaged in property development, property investment and hotel operations in the PRC.

"Pearl River 6.5% notes", 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.

# 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 of the Group amounted to approximately HK\$47,048,000 (31st March 2021: HK\$1,143,835,000).

An aging analysis of trade payables is as follows:

	<b>30th September 2021 HK\$'000</b>	31st March 2021 HK\$'000
0 month to 6 months	46,560	1,143,101
7 months to 12 months	25	192
More than 12 months	463	542
	<b>47,048</b>	<b>1,143,835</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	2,326,398	2,057,851
Unsecured	1,547,405	2,425,876
	<b>3,873,803</b>	<b>4,817,052</b>
<b>Non-current liabilities</b>		
Long term bank loans		
Secured	10,725,065	10,496,695
Unsecured	4,119,731	2,680,284
	<b>14,844,796</b>	<b>13,176,979</b>
	<b>18,718,599</b>	<b>17,994,031</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	3,873,803	4,483,727
Repayable between one and two years	3,486,190	2,867,290
Repayable between two and five years	11,358,606	10,309,689
	<b>18,718,599</b>	17,660,706
Current portion included in current liabilities	<b>(3,873,803)</b>	(4,483,727)
	<b>14,844,796</b>	13,176,979

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

### 19 SHARE CAPITAL

Shares of HK\$0.1 each	Number of shares	Amount HK\$'000
Authorised:		
At 31st March 2021 and 30th September 2021	3,000,000,000	300,000
Issued and fully paid:		
At 31st March 2021 and 30th September 2021	840,873,996	84,087

# Notes to the Interim Financial Information

## 20 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	Hedging reserve HK\$'000	Currency translation reserve HK\$'000	Revenue reserve HK\$'000	Total HK\$'000
At 31st March 2021	2,257,745	398,021	60,257	4,111	31,167	(205,594)	(33,076)	(23,513)	12,103,895	14,593,013
Financial assets at FVOCI										
– net fair value loss	-	-	-	-	-	(3,216,974)	-	-	-	(3,216,974)
Cashflow hedges										
– fair value loss	-	-	-	-	-	-	(2,629)	-	-	(2,629)
– deferred tax on derivative financial instruments	-	-	-	-	-	-	434	-	-	434
Currency translation differences	-	-	-	-	-	-	-	13,448	-	13,448
Profit for the period	-	-	-	-	-	-	-	-	43,624	43,624
2021 final dividend	-	-	-	-	-	-	-	-	(30,271)	(30,271)
<b>At 30th September 2021</b>	<b>2,257,745</b>	<b>398,021</b>	<b>60,257</b>	<b>4,111</b>	<b>31,167</b>	<b>(3,422,568)</b>	<b>(35,271)</b>	<b>(10,065)</b>	<b>12,117,248</b>	<b>11,400,645</b>

## 21 COMMITMENTS

Commitments at the balance sheet date are as follows:

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

# Notes to the Interim Financial Information

## 22 FINANCIAL GUARANTEES

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

## 23 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 (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:

	<b>Proforma combined balance sheet</b> HK\$'000	<b>Group's attributable interest</b> HK\$'000
Non-current assets	4,646,438	1,494,796
Current assets	25,001,226	10,342,886
Current liabilities	(7,606,885)	(3,302,807)
Non-current liabilities	(10,828,078)	(3,596,953)
	<b>11,212,701</b>	<b>4,937,922</b>

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. Cheung Kwok Wah is increased to HK\$400,000, annual Director's fee for each of Messrs. Leung Wai Keung and Wong Chi Keung is increased to HK\$850,000, 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 THE 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			Total	Percentage of shares in issue (%)
	Personal interest	Corporate interest	Family interest		
Poon Jing	359,139,472	145,213,900	5,318,799	509,672,171	60.61
Fung Siu To, Clement	15,440,225	–	–	15,440,225	1.83
Poon Hai	10,444,319	–	–	10,444,319	1.24

##### (b) Associated corporations

Director	Associated corporation	Number of shares held		Total	Percentage of shares in issue (%)
		Personal interest	Corporate interest		
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.

## Other Information

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE 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\$1.42 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.

###### (b) *Associated corporation – Asia Standard*

<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 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.

## Other Information

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE 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 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.

#### (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 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 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 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.

## Other Information

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE 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 and Underlying Shares of the Company

Shareholder	Capacity	Number of shares held	Percentage of shares in issue (%)
Teddington Holdings Limited ("Teddington") (Note)	Beneficial owner	60,624,439	7.20
Daswani Rajkumar Murlidhar	Beneficial owner	53,910,548	6.41
Heston Holdings Limited ("Heston") (Note)	Beneficial owner	50,429,573	5.99

Note: Mr. Poon Jing, his family interest and the companies wholly owned by him, namely Teddington, Heston and Full Speed Investments Limited together hold 509,672,171 shares. The interests 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 the Shares, Underlying Shares and Debentures".

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 was adopted by the Company on 29th August 2014 ("2014 Share Option Scheme"). As at 30th September 2021, there were 7,000,000 share options outstanding. Movements of share options of the Company 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\$1.42 per share.
- During the period, no option was granted, exercised, cancelled or lapsed.

#### Subsidiary – 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 2021, 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:

<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.

## Other Information

### SHARE OPTION SCHEMES (CONTINUED)

#### Subsidiary – Asia Standard (Continued)

Asia Standard adopted a share option scheme on 29th August 2014 (“2014 Asia Standard Share Option Scheme”). As at 30th September 2021, 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:

<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.

#### 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.

## Other Information

### INTERIM DIVIDEND

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

### 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 from time to time and at any 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 hold office until the next following annual general meeting of the Company and shall then be 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 2021.

On behalf of the Board

**Asia Orient Holdings Limited**

**Fung Siu To, Clement**

*Chairman*

Hong Kong, 30th November 2021

