



Interim Report
2023

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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

Nomination Committee

Mr. Fung Siu To, Clement (*Chairman*)
Mr. Wong Chi Keung
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,
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Facsimile 2866 3772
Website <http://www.asiaorient.com.hk>
E-mail aoinfo@asiastandard.com

Principal Bankers

HSBC
Bank of China (Hong Kong)
Chong Hing Bank
Hang Seng Bank
United Overseas Bank
The Bank of East Asia
DBS Bank (Hong Kong)
Bank of Communications
Shanghai Commercial Bank
Dah Sing Bank
Industrial and Commercial Bank of China (Asia)
Huaxia Bank
Chiyu Banking Corporation
Fubon Bank (Hong Kong)
CMB Wing Lung Bank
UBS
Bank of Singapore
Bank Morgan Stanley
Bank Julius Baer

Legal Advisers

Stephenson Harwood
18th Floor, United Centre,
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Hong Kong

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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,
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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

	Six months ended 30th September 2023		2022	Change
(In HK\$ million, except otherwise indicated)				
Consolidated profit and loss account				
Revenue	1,000	1,202		-17%
Loss attributable to shareholders of the Company	(619)	(37)		+16 times
Loss per share – basic (HK\$)	(0.74)	(0.04)		+17 times
	30th September 2023	31st March 2023	Change	
Consolidated balance sheet				
Total assets	40,503	42,680		-5%
Net assets	20,925	23,956		-13%
Equity attributable to shareholders of the Company	10,961	12,655		-13%
Net debt	16,133	15,547		+4%
Supplementary information with hotel properties at valuation (note):				
Revalued total assets	48,233	49,632		-3%
Revalued net assets	29,150	31,408		-7%
Equity attributable to shareholders of the Company	14,732	16,072		-8%
Gearing – net debt to revalued net assets	55%	50%		
<p>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.</p> <p>The hotel properties were revalued by Vigers Appraisal & Consulting Limited, independent professional valuers, on an open market value basis as at 30th September 2023 and 31st March 2023.</p>				

Management Discussion and Analysis



Development project “Capital Cove” in Tongzhou Beijing

RESULTS

The Group recorded a revenue of HK\$1,000 million (2022: HK\$1,202 million) for the first half of the financial year. While there is a substantial increase in the revenue from the hotel operations, it was more than offset by the decrease in interest revenue from investment in debt securities.

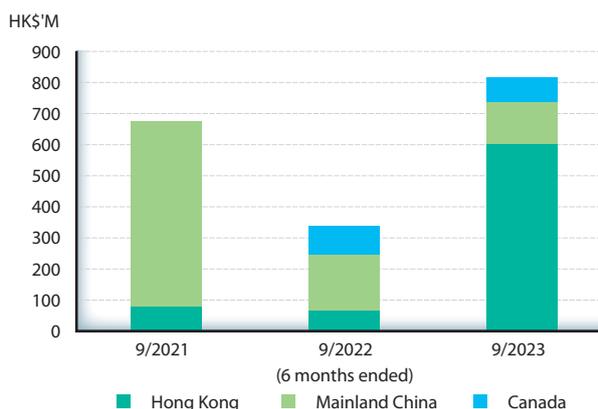
During the period, loss attributable to shareholders of the Company was HK\$619 million (2022: HK\$37 million). The change is mainly attributable to (i) decrease in investment revenue as mentioned above; (ii) further provision for expected credit losses on investment in financial assets; and (iii) higher share of profits recognised from property development joint ventures in last period.

PROPERTIES SALES, DEVELOPMENT AND LEASING

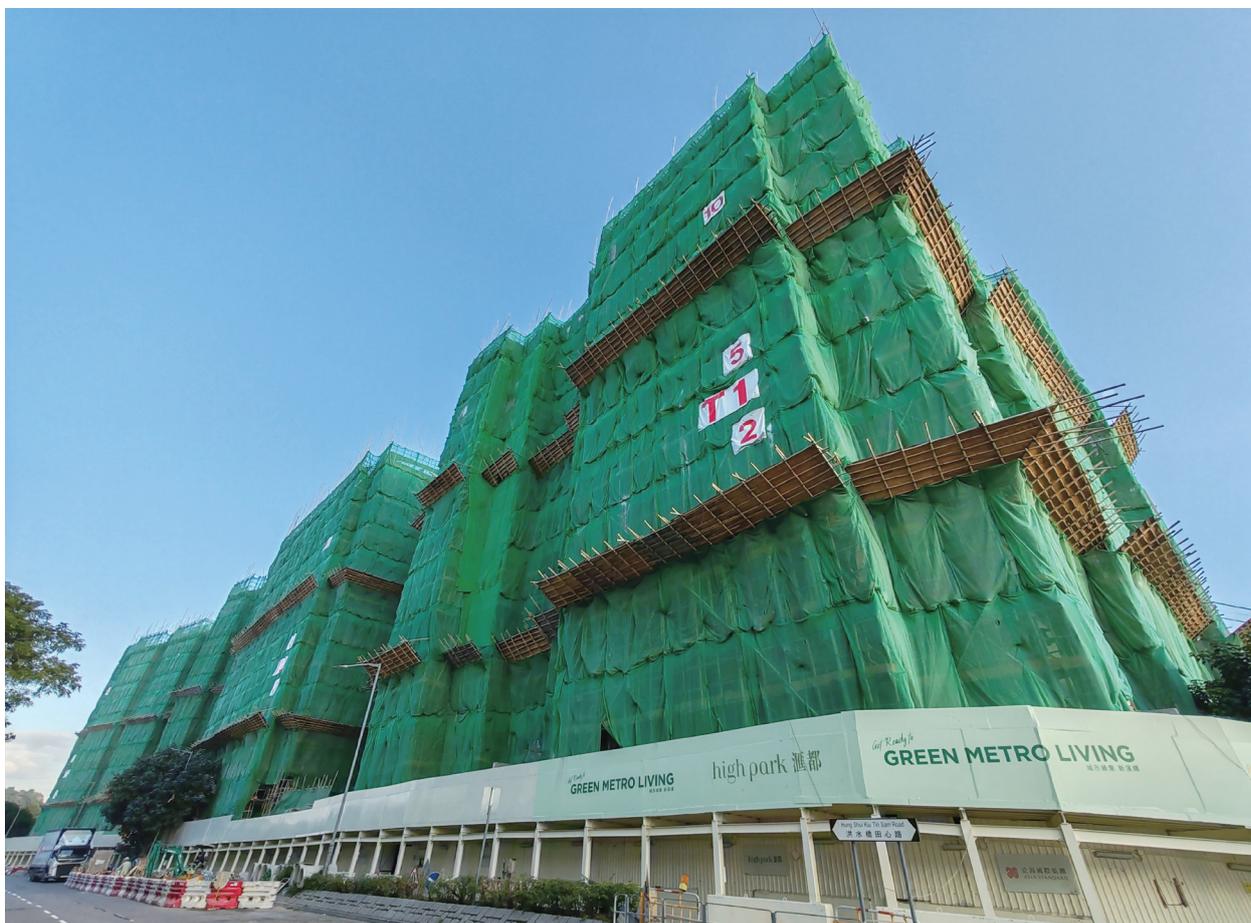
SALES AND DEVELOPMENT

The Group at present has 5 development projects launched on the market for sale with attributable GFA of approximately 1.9 million sq. ft., spanning across Hong Kong, Beijing and Vancouver. Attributable contracted sales achieved during the period amount to approximately HK\$830 million. At the same time, it also has attributable GFA of approximately 1.4 million sq. ft. in its development pipeline at planning and land exchange stage in Hong Kong and Vancouver.

Property sales – attributable contracted sales



Management Discussion and Analysis



Residential development project "High Park" in Hung Shui Kiu

Mainland China

In Tongzhou, Beijing, the construction of the residential portion of our 50% owned joint venture development, Capital Cove, has been completed. This 2,360,000 sq. ft. GFA development comprises 964 residential apartments and two commercial towers. Up to 30th September 2023, approximately 80% of the residential units were sold and had achieved a total contracted sales of approximately RMB5.0 billion, with about 97% sold units delivered. Sub-structure works for the two commercial towers have recently been completed.

Hong Kong

Our Group's residential development, High Park, neighbouring the Hung Shui Kiu light-rail station, was launched for presale in mid-July and contracted HK\$410 million sales up to 30th September 2023 for Phase I of this project. All the five towers were topped out, fittings and finishings are in progress, with expected completion around mid-2024. The Hung Shui Kiu New Development Area is positioned as the high-end professional services

and logistics hub under the Northern Metropolis Development Strategy and will serve as the main hub for the Hong Kong-Shenzhen Western Railway linking Hung Shui Kiu and Qianhai, ensuring efficient transport connectivity of the Greater Bay Area.

On Po Shan Road, sales of the 50% joint venture residential development High Peak were launched, comprising 16 flats of saleable area ranging from 3,770 sq. ft. to 7,260 sq. ft.. The development is completed and several show flats decoration were in progress. During the period, a standard unit was sold and completion took place after the interim period, profit will be accounted for in the full year result.

In Dukes Place, the Group's 20% joint venture project in Jardine's Lookout, a triplex garden unit sold for HK\$290 million was recognised during the period. As at 30th September 2023, 75% of the units were sold, with cumulative total sales amounted to approximately HK\$2.5 billion.

Management Discussion and Analysis



Luxurious residential development "High Peak" at Po Shan Road, Mid-level West, Hong Kong Island

In the Northern Metropolis, our joint venture residential development site in Kwu Tung is in the process of land exchange application with the government. The site covers an area of approximately 320,000 sq. ft. with a total developable GFA of approximately 1.2 million sq. ft..

In Lam Tei, Tuen Mun, the Group's residential project is also in land exchange application with the government. The developable GFA has increased to approximately 83,700 sq. ft..

Canada (development through hotel subsidiary group)

The redevelopment of our Empire Landmark hotel in Vancouver is progressing well. Superstructure of the "Landmark on Robson" development has been topped out in May 2022 and internal fitting-out is ongoing. This 400,000 sq. ft. GFA redevelopment is

targeted to be completed in the first half of 2024. The development has two 30-plus storeys residential towers comprising 236 residential units over a three-storeys podium of retail and office space of about 50,000 sq. ft., and a four-level underground parking facility. Up to 30th September 2023, approximately CAD230 million of sales were contracted.

The Group's two joint venture residential development on Alberni Street, downtown Vancouver, are in active discussion with the local city's planning department.

LEASING

Leasing income for the period was HK\$64 million (2022: HK\$78 million). Net revaluation gain (taking into account our share from the investment property owned by an associated company) of HK\$162 million (2022: HK\$68 million) was recorded.

Management Discussion and Analysis



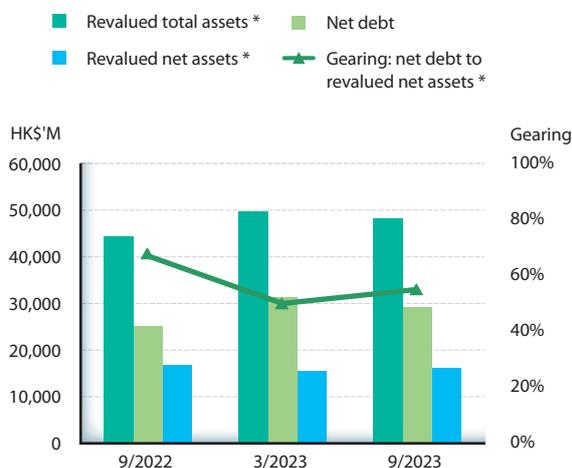
Development project "Landmark On Robson" in Vancouver

HOTEL

According to HKSAR's statistics, 19 million arrivals were recorded in April to September 2023, substantially up from 240,000 in the same period last year, with 80% from mainland, following the full re-opening of border with the mainland and the uplift of all anti-epidemic measures towards the end of last financial year.

Our hotel sector recorded an increase in revenue by 140% to HK\$174 million (2022: HK\$72 million), and brought significant increase in profit contribution to the Group. Average occupancy of the Group's hotels surged to 80% (2022: 50%) for the six months interim period, with room rates also rising significantly.

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



* with hotel properties at valuation

FINANCIAL INVESTMENTS

At 30th September 2023, the Group held financial investments of approximately HK\$6,084 million (31st March 2023: HK\$8,780 million), with HK\$5,396 million (31st March 2023: HK\$7,656 million) held by the two listed subsidiary groups. The investment portfolio comprised of 84% listed debt securities (predominantly issued by PRC-based real estate companies), 8% listed equity securities and 8% unlisted investments. They are denominated in different currencies with 61% in United States dollar, 31% in Renminbi and 8% in other currencies (mostly Hong Kong dollar).

During the period, income from this investment portfolio amounted to HK\$742 million (2022: HK\$1,023 million), the decrease is mainly resulted from disposal/redemption of some debt securities after the last interim period. A net investment loss of HK\$1,782 million (2022: HK\$1,063 million), which mainly include further provision for expected credit loss, was recorded in the profit and loss account, while a net fair value loss of HK\$1,713 million (2022: HK\$1,759 million) was recognised in investment revaluation reserve account.

Management Discussion and Analysis

The PRC government continued to roll out supportive policies to the real estate sector. The Group actively participates in the liabilities management negotiation with various developers through maturity extension coupled with principal amortisation, reduction of coupon rates and charging collateral as credit enhancement.

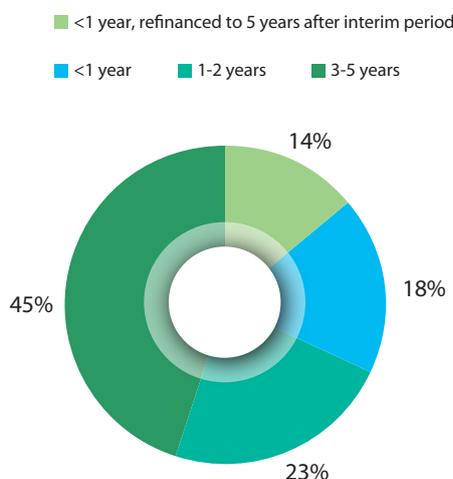
At 30th September 2023, none (31st March 2023: none) of these investments were pledged to banks as collateral for credit facilities granted to the Group.

FINANCIAL REVIEW

The financing and treasury activities of our three listed groups are independently administered. At 30th September 2023, the Group has over HK\$7.0 billion (31st March 2023: HK\$7.7 billion) cash and undrawn banking facilities.

At 30th September 2023, the Group's total assets were approximately HK\$40.5 billion (31st March 2023: HK\$42.7 billion), with net assets of HK\$20.9 billion (31st March 2023: HK\$24.0 billion). Adopting market value of hotel properties in operation, the revalued total assets of the Group were HK\$48.2 billion (31st March 2023: HK\$49.6 billion), while the revalued net assets of the Group were HK\$29.1 billion (31st March 2023: HK\$31.4 billion).

Debt maturity profile as at 30th September 2023



Excluding the two listed subsidiary groups, the parent group was at a net cash position of HK\$57 million (31st March 2023: net debt of HK\$24 million). On a consolidated basis, net debt was HK\$16.1 billion (31st March 2023: HK\$15.5 billion). Total finance cost is approximately 75% more than last year, mostly due to substantial market interest rate increment, the effect of which was much alleviated by our hedging efforts. At 30th September 2023, the Group's gearing ratio (net debt to revalued net asset value) is approximately 55% (31st March 2023: 50%).

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

All the debts are at floating rates, which escalated since last year following US interest rate hikes to curb inflationary pressures. As at 30th September 2023, about 45% of these debts have been hedged against HIBOR fluctuations by various interest rate swap contracts of approximately HK\$7,810 million in total, fixing at average rate of approximately 1%, with remaining maturities averaging about 1.7 years. As at 30th September 2023, a fair value gain of HK\$469 million was recorded on these interest rate swap contracts. The maturities of our debts spread over a period of up to 4.75 years, with 23% repayable between one to two years and 45% repayable between two to five years. The remaining 32% (reduced to 18% after post-period end refinancing) represent term loans repayable within 1 year. Subsequent to interim period end, HK\$2,480 million of loan maturing within one year was refinanced with a new 5-years term loan.

As at 30th September 2023, 76% of the debts are secured. Property assets with an aggregate net book value of HK\$26.2 billion (31st March 2023: HK\$26.4 billion) were pledged to secure credit facilities of the Group. HK\$2,959 million (31st March 2023: HK\$3,347 million) guarantees were provided to financial institutions and third parties against outstanding banking and loan facilities of joint ventures.

Management Discussion and Analysis

EMPLOYEES AND REMUNERATION POLICIES

At 30th September 2023, the Group employed approximately 320 (31st March 2023: 340) employees. The remuneration packages including basic salary, annual bonus, share options, retirement and other benefits are commensurate with their job nature and level of experience.

FUTURE PROSPECT

The global economy is experiencing the impact of heightened interest rate. To counter the negative impact on the local property market, Hong Kong government relaxed the mortgage ratios and reduced punitive stamp duty previously imposed against the then overheated local residential property market. These measures target to reduce the burden and increase the willingness of new property buyers.

Our Chief Executive continues to emphasise and propel HKSAR's Northern Metropolis Development Strategy, stressing the infrastructure-led approach in transforming this area to become the new engine for Hong Kong's future growth. Recently, the Chief Executive also announced the encouraging number of applications under various talent admission schemes to alleviate the manpower shortage in view of the upcoming economic development, thus creating demand in the local residential property market.

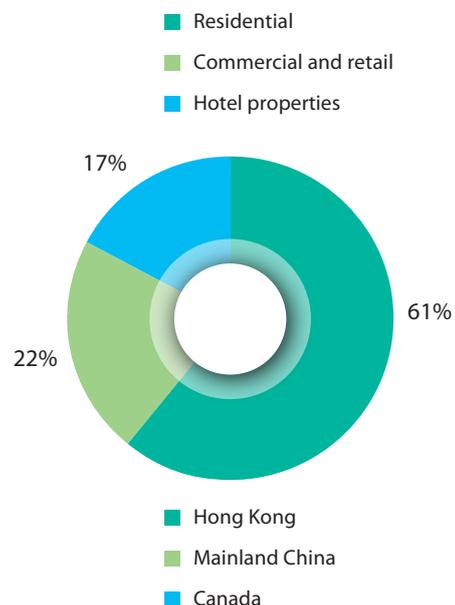
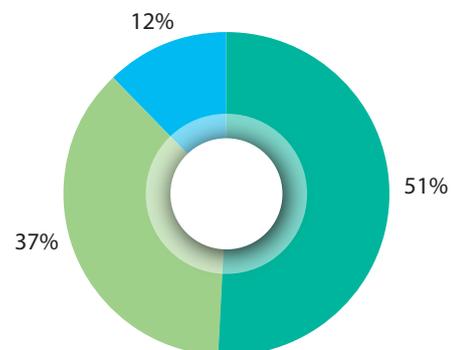
With increasing visitors' arrivals, hotel operation recovers strongly with promising outlook. Our Tourism Board, through Pilot Scheme for Characteristics Local Tourism Events, is also encouraging the trade to develop signature tourism products to showcase the Hong Kong's diversified cultural landscape. On the other side, government has been promulgating Hong Kong's development of "Eight Centres" to provide impetus for sustaining competitiveness and economic growth, thus bringing inflow of visitors and businessmen into the city.

In mainland China, central government continues to alleviate the liquidity issues facing the property developers, including the uplifting of purchase restrictions, lowering of mortgage rate, thus expanding the market through demand-side management. With the policies to stabilise property market, we expect homebuyers' confidence in the real estate sector would be restored, and the affected developers would come out the crisis through liabilities management and accelerated asset sale.

Benefitting from the Group's hedging effort in prior years, we are still enjoying the low interest cost brought by the interest rate swaps, alleviating the Group from associated finance cost burden.

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

Property portfolio attributable gross floor area



Condensed Consolidated Profit and Loss Account – Unaudited

	Note	Six months ended 30th September	
		2023 HK\$'000	2022 HK\$'000
Interest revenue		750,709	1,016,163
Sales of goods and services, leasing and other revenue		249,729	186,064
Total revenue	6	1,000,438	1,202,227
Cost of sales		(75,470)	(50,994)
Gross profit		924,968	1,151,233
Selling and administrative expenses		(134,009)	(151,486)
Depreciation		(107,392)	(115,331)
Net investment loss	7		
Net realised and unrealised loss		(324,811)	(398,602)
Change in expected credit losses		(1,457,208)	(664,481)
Fair value gain of investment properties		175,363	81,095
Operating loss		(923,089)	(97,572)
Net finance costs	9	(271,844)	(155,764)
Share of profits less losses of			
Joint ventures		32,389	180,704
Associated companies		(3,103)	(13,082)
Loss before income tax		(1,165,647)	(85,714)
Income tax credit	10	33,906	33,138
Loss for the period		(1,131,741)	(52,576)
Attributable to:			
Shareholders of the Company		(618,645)	(37,333)
Non-controlling interests		(513,096)	(15,243)
		(1,131,741)	(52,576)
Loss per share (HK\$)			
Basic	12	(0.74)	(0.04)
Diluted	12	(0.74)	(0.04)

Condensed Consolidated Statement of Comprehensive Income – Unaudited

	Six months ended	
	30th September	
	2023	2022
	HK\$'000	HK\$'000
Loss for the period	(1,131,741)	(52,576)
Other comprehensive charge		
Items that have been reclassified or may be reclassified subsequently to profit or loss:		
Debt securities at fair value through other comprehensive income		
– net fair value loss and other net movements	(1,885,321)	(1,695,731)
– release of reserve upon derecognition	135,715	(24,872)
Share of net fair value (loss)/gain on debt securities at fair value through other comprehensive income of joint ventures	(114,524)	16,216
Cash flow hedges		
– net fair value gain	33,108	247,961
– deferred tax on derivative financial instruments	(5,463)	(40,914)
Currency translation differences	(20,006)	(102,532)
Share of currency translation differences of joint ventures	(79,420)	(193,382)
Items that will not be reclassified to profit or loss:		
Net fair value gain/(loss) on equity securities at fair value through other comprehensive income	36,675	(38,072)
	(1,899,236)	(1,831,326)
Total comprehensive charge for the period	(3,030,977)	(1,883,902)
Attributable to:		
Shareholders of the Company	(1,694,355)	(1,023,609)
Non-controlling interests	(1,336,622)	(860,293)
	(3,030,977)	(1,883,902)

Condensed Consolidated Balance Sheet – Unaudited

	Note	30th September 2023 HK\$'000	31st March 2023 HK\$'000
Non-current assets			
Investment properties	13	10,935,872	10,760,246
Property, plant and equipment	14	7,810,787	7,914,098
Investment in joint ventures and associated companies		4,352,696	4,596,844
Amount due from joint ventures and associated companies		2,708,771	2,393,487
Financial investments	16	1,613,409	1,832,378
Derivative financial instruments		386,752	348,192
Deferred income tax assets		135,770	155,400
		27,944,057	28,000,645
Current assets			
Properties under development for sale		5,731,095	5,173,226
Completed properties held for sale		3,680	3,680
Hotel and restaurant inventories		27,757	27,949
Trade and other receivables	15	891,024	1,222,427
Income tax recoverable		201	173
Financial investments	16	4,470,392	6,948,024
Derivative financial instruments		82,220	83,874
Bank balances and cash			
– restricted		231,083	188,932
– unrestricted		1,121,471	1,031,027
		12,558,923	14,679,312
Current liabilities			
Trade and other payables	17	228,707	193,926
Contract liabilities		328,361	265,241
Amount due to joint ventures		351,811	297,425
Amount due to an associated company		187,110	193,050
Amount due to non-controlling interests		54,085	52,949
Income tax payable		172,758	174,012
Borrowings	18	5,633,321	3,901,632
		6,956,153	5,078,235
Net current assets		5,602,770	9,601,077
Non-current liabilities			
Borrowings	18	11,851,620	12,865,355
Deferred income tax liabilities		770,385	780,568
		12,622,005	13,645,923
Net assets		20,924,822	23,955,799

Condensed Consolidated Balance Sheet – Unaudited

	Note	30th September 2023 HK\$'000	31st March 2023 HK\$'000
Equity			
Share capital	19	84,087	84,087
Reserves	20	10,876,793	12,571,147
Equity attributable to shareholders of the Company		10,960,880	12,655,234
Non-controlling interests		9,963,942	11,300,565
		20,924,822	23,955,799

Condensed Consolidated Statement of Cash Flows – Unaudited

	Six months ended	
	30th September	
	2023	2022
	HK\$'000	HK\$'000
Cash flows from operating activities		
Net cash (used in)/generated from operation	(111,284)	27,649
Net income tax paid	(700)	(2,289)
Net interest paid	(499,890)	(255,478)
Interest received	148,529	9,393
Net cash used in operating activities	(463,345)	(220,725)
Cash flows from investing activities		
Addition of financial investments	(4,871)	(9,383)
Addition to investment properties	(263)	(207)
Addition to property, plant and equipment	(13,622)	(32,840)
Disposal of a subsidiary	(379)	–
Return of/(further) investments in joint ventures	125,689	(5,851)
Advance to joint ventures and associated companies	(273,002)	(150,392)
Net cash used in investing activities	(166,448)	(198,673)
Cash flows from financing activities		
Drawdown of long term borrowings	2,035,366	1,578,300
Repayment of long term borrowings	(1,333,800)	(1,598,200)
Net increase in short term borrowings	31,000	469,420
Contribution from non-controlling interests	1,137	1,830
Lease payments	(4,186)	(4,751)
Net cash generated from financing activities	729,517	446,599
Net increase in cash and cash equivalents	99,724	27,201
Cash and cash equivalents at the beginning of the period	1,031,027	881,517
Changes in exchange rates	(9,280)	(21,747)
Cash and cash equivalents at the end of the period	1,121,471	886,971
Analysis of the balances of cash and cash equivalents		
Bank balances and cash (excluding restricted bank balances)	1,121,471	886,971

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 2022	84,087	10,393,005	10,477,092	9,573,491	20,050,583
Financial assets at fair value through other comprehensive income					
– net fair value loss and other net movements	–	(942,743)	(942,743)	(774,844)	(1,717,587)
– release of reserve upon derecognition	–	(5,914)	(5,914)	(18,958)	(24,872)
Cash flow hedges					
– net fair value gain	–	124,831	124,831	123,130	247,961
– deferred tax on derivative financial instruments	–	(20,597)	(20,597)	(20,317)	(40,914)
Currency translation differences	–	(141,853)	(141,853)	(154,061)	(295,914)
Loss for the period	–	(37,333)	(37,333)	(15,243)	(52,576)
Total comprehensive charge for the period	–	(1,023,609)	(1,023,609)	(860,293)	(1,883,902)
At 30th September 2022	84,087	9,369,396	9,453,483	8,713,198	18,166,681
At 31st March 2023	84,087	12,571,147	12,655,234	11,300,565	23,955,799
Financial assets at fair value through other comprehensive income					
– net fair value loss and other net movements	–	(1,106,904)	(1,106,904)	(856,266)	(1,963,170)
– release of reserve upon derecognition	–	66,699	66,699	69,016	135,715
Cash flow hedges					
– net fair value gain	–	16,809	16,809	16,299	33,108
– deferred tax on derivative financial instruments	–	(2,774)	(2,774)	(2,689)	(5,463)
Currency translation differences	–	(49,540)	(49,540)	(49,886)	(99,426)
Loss for the period	–	(618,645)	(618,645)	(513,096)	(1,131,741)
Total comprehensive charge for the period	–	(1,694,355)	(1,694,355)	(1,336,622)	(3,030,977)
At 30th September 2023	84,087	10,876,792	10,960,879	9,963,943	20,924,822

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 2023 (“Interim Financial Information”) has been prepared in accordance with Hong Kong Accounting Standards (“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 2023, 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 2023, except for the adoption of the following amendments to standards that are effective for the financial year ending 31st March 2024 which is relevant to the Group’s operations and is mandatory for accounting periods beginning on or after 1st January 2023:

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

The adoption of the amendments to the standards stated above did not have 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 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 2023.

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

Notes to the Interim Financial Information

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(I) Financial risk factors (Continued)

The Group adopts a “three-stage” model for impairment based on changes in credit quality since initial recognition, to estimate the expected credit losses (“ECL”) for financial assets measured at amortised cost (except for trade receivables, which applies simplified approach) and debt securities at fair value through other comprehensive income (“FVOCI”) other than those that are classified as purchased or originated credit-impaired (“POCI”) and financial guarantee contracts.

The key definition 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 ECL are recognised at an amount equal to the portion of lifetime ECL 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 ECL 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 ECL are recognised and interest revenue is calculated on the net carrying amount of the assets.

POCI are financial assets that are credit-impaired on initial recognition. This might occur, for example, in a situation in which there was a substantial modification of a distressed asset that resulted in the derecognition of the original financial asset. In such a case, it may be possible for the modification to result in a new financial asset which is credit-impaired at initial recognition.

Notes to the Interim Financial Information

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(I) Financial risk factors (Continued)

The Group is subject to credit risk exposure according to their relevant credit risk classification.

Gross carrying amount	Simplified approach HK\$'000	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	POCI HK\$'000
At 30th September 2023					
Bank balances and cash					
Unrestricted	-	1,121,471	-	-	-
Restricted	-	231,083	-	-	-
Amount due from joint ventures and associated companies	-	2,708,771	-	-	-
Loan receivables	-	18,165	-	6,722	-
Trade and other receivables excluding interest receivables	49,349	53,648	-	-	-
Financial assets at FVOCI and amortised cost and related interest receivables	-	89,099	776	3,138,377	947,437
At 31st March 2023					
Bank balances and cash					
Unrestricted	-	1,031,027	-	-	-
Restricted	-	188,932	-	-	-
Amount due from joint ventures and associated companies	-	2,393,487	-	-	-
Loan receivables	-	18,228	-	6,722	-
Trade and other receivables excluding interest receivables	67,207	53,717	-	-	-
Financial assets at FVOCI and amortised cost and related interest receivables	-	95,147	3,423	5,918,962	925,538

Notes to the Interim Financial Information

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(I) Financial risk factors (Continued)

During the period, the following loss allowances were recognised in consolidated profit and loss account in relation to the Group's debt securities at FVOCI and amortised cost:

	Stage 1		Stage 2		Stage 3		POCI		Total	
	Fair value	ECL	Fair value	ECL	Fair value	ECL	Fair value	ECL	Fair value	ECL
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1st April 2023	92,370	3,401	3,261	170	4,978,221	4,924,338	868,995	387,617	5,942,847	5,315,526
Net assets originated or purchased	-	-	-	-	-	-	319,788	-	319,788	-
Payments and assets derecognised	-	-	-	-	(255,743)	-	-	-	(255,743)	-
Credit quality related changes	-	7	-	-	-	1,267,009	-	190,192	-	1,457,208
Change in fair value	(5,021)	-	(2,485)	-	(2,218,073)	-	(254,195)	-	(2,479,774)	-
	87,349	3,408	776	170	2,504,405	6,191,347	934,588	577,809	3,527,118	6,772,734
Transfer to cost of sales	-	-	-	-	-	(99,209)	-	(120,037)	-	(219,246)
At 30th September 2023	87,349	3,408	776	170	2,504,405	6,092,138	934,588	457,772	3,527,118	6,553,488
Total ECL charge to profit and loss account for the period										1,457,208
At 1st April 2022	429,994	5,181	469,944	89,660	2,162,387	3,519,457	733,410	48,770	3,795,735	3,663,068
Net assets originated or purchased	89,126	394	20,024	2,180	665,033	119,750	5,130	-	779,313	122,324
Payments and assets derecognised	(116,529)	-	(13,005)	(497)	(655,923)	(53,112)	(35,428)	-	(820,885)	(53,609)
Transfers to Stage 3	(313,465)	(2,181)	(456,939)	(89,163)	770,404	91,344	-	-	-	-
Credit quality related changes	-	-	-	-	-	438,465	-	157,301	-	595,766
Change in fair value	(27,288)	-	(15,154)	-	(1,727,305)	-	(423,760)	-	(2,193,507)	-
At 30th September 2022	61,838	3,394	4,870	2,180	1,214,596	4,115,904	279,352	206,071	1,560,656	4,327,549
Total ECL charge to profit and loss account for the period										664,481

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 follow:

- **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 (for example, over-the-counter investments and derivative) 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 comprised unlisted equity securities, unlisted fund and defaulted debt securities which are not traded in an active market, whose transaction price or quoted price does not represent fair value. 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 2023 and 31st March 2023:

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
At 30th September 2023			
Assets			
Financial assets at FVOCI	379,242	164,154	2,837,092
Financial assets at fair value through profit or loss ("FVPL")	107,212	1,667,953	322,182
Interest receivable	–	10,304	658,288
Derivative financial instruments	–	468,972	–
	486,454	2,311,383	3,817,562
At 31st March 2023			
Assets			
Financial assets at FVOCI	343,252	184,517	5,565,436
Financial assets at FVPL	122,428	1,750,095	522,123
Interest receivable	–	–	995,774
Derivative financial instruments	–	432,066	–
	465,680	2,366,678	7,083,333

The following table presents the changes in level 3 financial instruments and related interest receivable for the six months ended 30th September 2023 and 2022:

	HK\$'000
At 31st March 2023	7,083,333
Net disposal	(187,418)
Transfer to financial assets at amortised cost	(255,743)
Fair value loss recognised	(2,822,610)
At 30th September 2023	3,817,562
At 31st March 2022	1,230,809
Net addition	9,384
Transfer to level 2	(708,558)
Net fair value loss recognised	(32,761)
At 30th September 2022	498,874

Notes to the Interim Financial Information

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(II) Fair value estimation (Continued)

The following table summarises the quantitative information about the significant unobservable input used in level 3 fair value measurement:

Description	Fair value as at 30th September 2023 HK\$'000	Valuation technique	Unobservable input	Relationship of unobservable input to fair value
Financial assets at FVOCI	2,736,978	Discounted cash flow methodology	Discount rate of 35% and scenario analysis of different probability on estimated cash flow from the bond	The higher the estimated cash flow from the underlying bond, the higher the fair value.
Interest receivable	658,288			The higher the discount rate, the lower the fair value. If the discount rate had increased/ decreased by 1%, with all other variables held constant, the Group's fair value attributable to shareholders of the Company would have decreased by HK\$63,862,000/ increased by HK\$55,150,000.
Financial assets at FVOCI	100,114	Asset-based valuation	Net asset value	The higher the net asset values, the higher the fair value.

Notes to the Interim Financial Information

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(II) Fair value estimation (Continued)

Description	Fair value as at 30th September 2023 HK\$'000	Valuation technique	Unobservable input	Relationship of unobservable input to fair value
Financial assets at FVPL	211,040	Discounted cash flow methodology	Discount rate of 35% and scenario analysis of different probability on estimated cash flow from the bond	The higher the estimated cash flow from the underlying bond, the higher the fair value. The higher the discount rate, the lower the fair value. If the discount rate had increase/decreased by 1%, with all other variables held constant, the Group's fair value attributable to shareholders of the Company would have decreased by HK\$149,000/increased by HK\$149,000.
Financial assets at FVPL	95,308	Asset-based valuation	Net asset value	The higher the net asset values, the higher the fair value.
Financial assets at FVPL	15,834	Third party valuation report	Fair value of the underlying property based on valuation model	The higher the fair values of the underlying property, the higher the fair value.

Notes to the Interim Financial Information

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(II) Fair value estimation (Continued)

Description	Fair value as at 31 March 2023 HK\$'000	Valuation technique	Unobservable input	Relationship of unobservable input to fair value
Financial assets at FVOCI	5,465,779	Discounted cash flow methodology	Discount rate of 28%-35% and scenario analysis of different probability on estimated cash flow from the bond	The higher the estimated cash flow from the underlying bond, the higher the fair value. The higher the discount rate, the lower the fair value. If the discount rate had increased/ decreased by 1%, with all other variables held constant, the Group's fair value attributable to shareholders of the Company would have decreased by HK\$83,925,000/ increased by HK\$97,013,000.
Interest receivable	995,774			
Financial assets at FVOCI	99,657	Asset-based valuation	Net asset value	The higher the net asset values, the higher the fair value.
Financial assets at FVPL	416,491	Discounted cash flow methodology	Discount rate of 22% and scenario analysis of different probability on estimated cash flow from the bond	The higher the estimated cash flow from the underlying bond, the higher the fair value. The higher the discount rate, the lower the fair value. If the discount rate had increase/ decreased by 1%, with all other variables held constant, the Group's fair value attributable to shareholders of the Company would have decreased by HK\$886,000/increased by HK\$1,155,000.

Notes to the Interim Financial Information

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(II) Fair value estimation (Continued)

Description	Fair value as at 31 March 2023 HK\$'000	Valuation technique	Unobservable input	Relationship of unobservable input to fair value
Financial assets at FVPL	87,739	Asset-based valuation	Net asset value	The higher the net asset values, the higher the fair value.
Financial assets at FVPL	17,893	Third party valuation report	Fair value of the underlying property based on valuation model	The higher the fair values of the underlying property, the higher the fair value.

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 2023.

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 HK\$'000	Financial investments HK\$'000	Others HK\$'000	Total HK\$'000
Six months ended 30th September 2023						
Segment revenue	-	63,695	173,872	741,737	21,134	1,000,438
Contribution to segment results	(9,775)	47,586	78,705	726,495	33,818	876,829
Depreciation	(10,104)	-	(73,814)	-	(23,474)	(107,392)
Net investment loss	-	-	-	(1,782,019)	-	(1,782,019)
Fair value gain of investment properties	-	175,363	-	-	-	175,363
Share of profits less losses of						
Joint ventures	32,472	-	-	-	(83)	32,389
Associated companies	-	(16,920)	-	-	13,817	(3,103)
Segment results	12,593	206,029	4,891	(1,055,524)	24,078	(807,933)
Unallocated corporate expenses						(85,870)
Net finance costs						(271,844)
Loss before income tax						(1,165,647)
Six months ended 30th September 2022						
Segment revenue	6,750	77,824	72,120	1,022,707	22,826	1,202,227
Contribution to segment results	(999)	64,022	4,451	997,880	18,082	1,083,436
Depreciation	(10,104)	-	(79,621)	-	(25,606)	(115,331)
Net investment loss	-	-	-	(1,063,083)	-	(1,063,083)
Fair value gain of investment properties	-	81,095	-	-	-	81,095
Share of profits less losses of						
Joint ventures	180,536	-	-	-	168	180,704
Associated companies	-	(13,082)	-	-	-	(13,082)
Segment results	169,433	132,035	(75,170)	(65,203)	(7,356)	153,739
Unallocated corporate expenses						(83,689)
Net finance costs						(155,764)
Loss before income tax						(85,714)

Notes to the Interim Financial Information

6 SEGMENT INFORMATION (CONTINUED)

	Business segments						Total HK\$'000
	Property sales HK\$'000	Property leasing HK\$'000	Hotel HK\$'000	Financial investments HK\$'000	Others HK\$'000	Unallocated HK\$'000	
	At 30th September 2023						
Assets	11,872,589	12,174,872	5,729,501	6,791,078	230,835	3,704,105	40,502,980
Assets include:							
Joint ventures and associated companies	5,839,143	1,197,797	-	-	22,115	2,412	7,061,467
Addition to non-current assets for the six months ended 30th September 2023*	5,286	263	3,218	-	10,155	30	18,952
Liabilities							
Borrowings	5,038,603	2,197,628	4,152,862	-	-	6,095,848	17,484,941
Other liabilities							2,093,217
							19,578,158
At 31st March 2023							
Assets	11,181,016	12,025,745	5,830,306	9,811,157	226,906	3,604,827	42,679,957
Assets include:							
Joint ventures and associated companies	5,750,909	1,214,718	-	-	24,704	-	6,990,331
Addition to non-current assets for the six months ended 30th September 2022*	6,347	207	15,093	-	15,096	3,034	39,777
Liabilities							
Borrowings	5,073,714	1,818,976	4,151,002	-	-	5,723,295	16,766,987
Other liabilities							1,957,171
							18,724,158

* 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	
	2023 HK\$'000	2022 HK\$'000
Revenue		
Hong Kong	257,020	172,654
Overseas	743,418	1,029,573
	1,000,438	1,202,227
	30th September 2023 HK\$'000	31st March 2023 HK\$'000
Non-current assets*		
Hong Kong	23,536,977	23,205,139
Overseas	2,271,149	2,426,939
	25,808,126	25,632,078

* 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	
	2023 HK\$'000	2022 HK\$'000
Revenue from contracts with customers recognised		
– at a point in time	20,863	7,128
– over time	165,099	95,222
	185,962	102,350
Other sources	63,767	83,714
	249,729	186,064

Notes to the Interim Financial Information

7 NET INVESTMENT LOSS

	Six months ended	
	30th September	
	2023	2022
	HK\$'000	HK\$'000
Financial assets at FVPL		
– net unrealised fair value loss	(141,799)	(426,249)
– net realised gain (note (a))	4,720	3,339
Financial assets at FVOCI		
– net unrealised exchange loss	(14,612)	(10,366)
– net realised (loss)/gain (note (b))	(170,404)	1,380
– change in ECL	(1,457,208)	(664,481)
Financial assets at amortised cost		
– net unrealised exchange loss	(1,062)	–
Derivative financial instrument		
– net unrealised (loss)/gain	(1,654)	33,294
	1,782,019	(1,063,083)

Notes:

(a)	Net realised gain on financial assets at FVPL		
	Gross consideration	221,104	20,268
	Cost of investments	(219,346)	(16,973)
	Add: net unrealised loss recognised in prior years	2,962	44
	Net realised gain recognised in current period	4,720	3,339
(b)	Net realised (loss)/gain on financial assets at FVOCI		
	Gross consideration	281,482	851,814
	Cost of investments	(665,427)	(845,169)
	Transfer from investment revaluation reserve	213,541	(5,265)
	Net realised (loss)/gain recognised in current period	(170,404)	1,380

Notes to the Interim Financial Information

7 NET INVESTMENT LOSS (CONTINUED)

Notes: (Continued)

- (c) Net unrealised loss for the period was generated from the fair value changes of the financial investments that comprised 65 (2022: 69) securities and 4 (2022: 5) unlisted funds as at 30th September 2023.

Summary of unrealised (loss)/gain recognised in the profit and loss account for the six months ended 30th September:

	Six months ended 30th September	
	2023	2022
	HK\$'000	HK\$'000
Equity securities	(8,039)	(10,961)
Debt securities	(150,073)	(378,608)
Unlisted funds	639	(47,046)
	(157,473)	(436,615)

During the period, the following debt securities contributed to the majority of the unrealised loss:

	Unrealised loss for the six months ended 30th September 2023
	HK\$'000
Pearl River 7.5% notes 1 (i)	(32,906)
Pearl River 7.5% notes 2 (i)	(27,242)
Guangzhou R&F 6.7% notes (ii)	(38,205)
Guangzhou R&F 7% notes (ii)	(29,547)
	(127,900)

- (i) These notes are issued by Guangdong Pearl River Investment Co., Limited ("Pearl River"), listed on Shanghai Stock Exchange ("SSE") and denominated in Renminbi. The Group acquired them through total return swap arrangement ("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. Main terms of the notes are as follows:

	Coupon per annum	Maturity	Put option
Pearl River 7.5% note 1	7.5%	26th October 2026	26th October 2023
Pearl River 7.5% note 2	7.5%	19th February 2026	N/A

Notes to the Interim Financial Information

7 NET INVESTMENT LOSS (CONTINUED)

Notes: (Continued)

(c) (Continued)

- (ii) These notes are issued by Guangzhou R&F Properties Co., Limited (“Guangzhou R&F”), listed on SSE, denominated in Renminbi and held through TRS arranged by Morgan Stanley. Guangzhou R&F is principally engaged in property development, property management, hotel development, commercial operations, and architectural and engineering design. Its shares are listed on HKEX (stock code: 2777). Main terms of the notes are as follows:

	Coupon per annum	Maturity
Guangzhou R&F 6.7% notes	6.7%	16th September 2025
Guangzhou R&F 7% notes	7%	16th September 2026

(d) Summary of ECL for the period:

During the period, the following debt securities contributed to the majority of the changes in ECL:

	Changes in ECL for the six months ended 30th September 2023 HK\$'000
Evergrande 12% notes (i)	284,859
Scenery Journey 12% notes (ii)	207,185
Evergrande 8.75% notes (i)	215,956
Golden Wheel 10% notes (iii)	222,879
Jiayuan 11.375% notes (iv)	98,560
Evergrande 11.5% notes (i)	101,064
	1,130,503

- (i) Evergrande 8.75%, 11.5% and 12% notes, issued by China Evergrande Group (“Evergrande”), carries fixed coupon rates of 8.75% per annum (maturing on 28th June 2025), 11.5% per annum (matured on 22nd January 2023) and 12% per annum (maturing on 22nd January 2024), respectively. These notes are denominated in USD and are listed on Singapore Stock Exchange (“SGX-ST”). Evergrande is principally engaged in property development, 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).
- (ii) Scenery Journey 12% notes, issued by Scenery Journey Limited, an indirect subsidiary of Evergrande, carries fixed coupon rates of 12% per annum (matured on 24th October 2023). These notes are denominated in USD and are listed on SGX-ST.
- (iii) Golden Wheel 10% notes, issued by Golden Wheel Tiandi Holdings Limited (“Golden Wheel”) and carries fixed coupon rate of 10% per annum. The notes are denominated in USD and matures on 11th April 2025 with amortisation during the tenor. They are not rated and are listed on SGX-ST. Golden Wheel is principally engaged in property related business in the PRC. Its share are listed on HKEX (Stock Code: 1232).
- (iv) Jiayuan 11.375% notes, issued by Jiayuan International Group Limited (“Jiayuan”) and carries fixed coupon rate of 11.375% per annum. The notes are unlisted, denominated in USD and matured on 29th October 2022. Jiayuan is principally engaged in property development and property investment in the PRC. Its shares are listed on HKEX (stock code: 2768).

Notes to the Interim Financial Information

8 INCOME AND EXPENSES BY NATURE

	Six months ended	
	30th September	
	2023	2022
	HK\$'000	HK\$'000
Income		
Interest income from financial assets at FVOCI		
– Listed investments	550,296	719,557
– Unlisted investments	53,942	13,810
Interest income from financial assets at FVPL		
– Listed investments	69,210	270,245
– Unlisted investments	6,448	3,158
Interest income from financial assets measured at amortised cost		
– Listed investments	53,723	–
– Joint ventures	7,359	4,648
– Loan receivables	1,456	852
– Bank deposits	8,275	3,893
Dividend income		
– Listed investments	5,474	2,790
Expenses		
Cost of goods sold	3,687	6,067
Employee benefit expense (including directors' emoluments) (note (a))	101,623	84,636
Note:		
(a) Employee benefit expense		
Wages and salaries	101,845	89,540
Government subsidy	–	(4,181)
Retirement benefit costs	2,387	2,090
	104,232	87,449
Capitalised under property under development for sale	(2,609)	(2,813)
	101,623	84,636

Notes to the Interim Financial Information

9 NET FINANCE COSTS

	Six months ended	
	30th September	
	2023	2022
	HK\$'000	HK\$'000
Interest (expense)/income		
Long term bank loans	(490,338)	(209,040)
Short term bank loans and overdrafts	–	(6,589)
Lease liabilities	(50)	(125)
Amount due to a joint venture	(1,635)	(1,090)
Derivative financial instruments (interest rate swaps (“IRS”))	131,439	(5,554)
Interest capitalised	113,561	58,266
	(247,023)	(164,132)
Other incidental borrowing costs	(30,259)	(30,743)
Net foreign exchange loss on borrowings	(14)	(580)
Fair value gain on derivative financial instruments (IRS)		
Cash flow hedge – ineffective portion	5,452	39,691
	(271,844)	(155,764)

10 INCOME TAX CREDIT

	Six months ended	
	30th September	
	2023	2022
	HK\$'000	HK\$'000
Current income tax (expense)/credit		
Hong Kong profits tax	(373)	(7,846)
Overseas profits tax	–	(2,315)
Over/(under) provision in prior years	1,441	(704)
	1,068	(10,865)
Deferred income tax credit	32,838	44,003
	33,906	33,138

Hong Kong profits tax is provided at the rate of 16.5% (2022: 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 does not recommend the payment of an interim dividend for the six months ended 30th September 2023 (2022: Nil).

12 LOSS PER SHARE

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

	Six months ended 30th September	
	2023	2022
	HK\$'000	HK\$'000
Loss attributable to shareholders of the Company	(618,645)	(37,333)
	Number of shares	
Weighted average number of shares in issue	840,873,996	840,873,996

The diluted loss per share is equal to the basic loss per share since there exist no dilutive potential share during the six months ended 30th September 2023 and 2022.

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 2023 and 31st March 2023. 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
Cost					
At 31st March 2023	2,290,080	639,541	260,196	7,571,658	10,761,475
Currency translation differences	–	–	(862)	(7)	(869)
Additions	3,218	10,145	259	–	13,622
Disposal of a subsidiary	–	–	(89,773)	–	(89,773)
Disposals	(5)	–	(13)	–	(18)
At 30th September 2023	2,293,293	649,686	169,807	7,571,651	10,684,437
Accumulated depreciation					
At 31st March 2023	1,097,582	48,531	191,010	1,510,254	2,847,377
Currency translation differences	–	–	(838)	(6)	(844)
Charge for the period	34,641	5,263	5,867	61,621	107,392
Disposal of a subsidiary	–	–	(80,270)	–	(80,270)
Disposals	(1)	–	(4)	–	(5)
At 30th September 2023	1,132,222	53,794	115,765	1,571,869	2,873,650
Net book value					
At 30th September 2023	1,161,071	595,892	54,042	5,999,782	7,810,787
At 31st March 2023	1,192,498	591,010	69,186	6,061,404	7,914,098

* Mainly relates to leasehold land in Hong Kong.

Notes:

Supplementary information with hotel properties at valuation:

The hotel properties portfolio in Hong Kong comprised five (31st March 2023: five) hotels. According to the Group's accounting policies, the carrying amount of these hotel properties in Hong Kong were HK\$5,686,270,000 (31st March 2023: HK\$5,770,051,000).

The aggregate open market value, on a highest and best use basis, of the five (31st March 2023: five) hotel properties in Hong Kong based on valuations conducted by Vigers Appraisal & Consulting Limited ("Vigers"), independent professional valuers, amounted to HK\$13,213,000,000 (31st March 2023: HK\$12,518,000,000), 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, prepayments, utility and other deposits.

Accrued interest receivables and accrued dividend receivables amounted to HK\$670,049,000 (31st March 2023: HK\$1,006,413,000).

Trade receivables of the Group amounted to approximately HK\$49,349,000 (31st March 2023: HK\$67,034,000). 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:

	30th September 2023 HK\$'000	31st March 2023 HK\$'000
0 month to 6 months	45,808	48,848
7 months to 12 months	2,777	8,842
More than 12 months	764	9,344
	49,349	67,034

Notes to the Interim Financial Information

16 FINANCIAL INVESTMENTS

	30th September 2023 HK\$'000	31st March 2023 HK\$'000
Non-current assets		
Equity securities		
– Listed in Hong Kong	379,242	343,252
– Unlisted	100,114	99,657
	479,356	442,909
Debt securities		
– Listed in Singapore	878,003	1,074,845
– Listed in Europe	144,473	202,525
– Listed in the PRC	–	5,325
– Listed in the Hong Kong	435	1,142
	1,022,911	1,283,837
Unlisted funds	111,142	105,632
	1,613,409	1,832,378
Current assets		
Equity securities		
– Listed in Hong Kong	79,506	87,128
– Listed in Europe	27,706	35,300
	107,212	122,428
Debt securities		
– Listed in Singapore	2,143,186	4,075,601
– Listed in the PRC	1,950,919	2,241,761
– Listed in Europe	2,250	2,348
– Unlisted	266,825	505,886
	4,363,180	6,825,596
	4,470,392	6,948,024
Total financial investments	6,083,801	8,780,402

Notes to the Interim Financial Information

16 FINANCIAL INVESTMENTS (CONTINUED)

Financial investments are classified in the following categories:

	30th September 2023 HK\$'000	31st March 2023 HK\$'000
Non-current assets		
Financial assets at FVOCI	933,367	1,460,101
Financial assets at FVPL	111,142	105,632
Financial assets at amortised cost	568,900	266,645
	1,613,409	1,832,378
Current assets		
Financial assets at FVOCI	2,447,121	4,633,104
Financial assets at FVPL	1,986,205	2,289,014
Financial assets at amortised cost	37,066	25,906
	4,470,392	6,948,024
Total financial investments	6,083,801	8,780,402

Financial investments are denominated in the following currencies:

United States dollar	3,678,271	6,048,595
Renminbi	1,901,780	2,247,086
Hong Kong dollar	458,747	430,379
Sterling	27,706	35,300
Japanese yen	15,834	17,893
Euro	1,463	1,149
	6,083,801	8,780,402

Notes to the Interim Financial Information

16 FINANCIAL INVESTMENTS (CONTINUED)

Supplementary information of financial investments:

Equity Securities

As at 30th September 2023, the Group held 18 (31st March 2023: 18) listed equity securities and 1 (31st March 2023: 1) unlisted equity securities. The summary of equity securities portfolio of financial investments as at 30th September 2023 and 31st March 2023 and their corresponding unrealised gain/(loss) and dividend income for the six months ended 30th September 2023 and 2022 are as follows:

	Market value as at 30th September 2023 HK\$'000	Six months ended 30th September 2023 Unrealised gain/(loss) HK\$'000	Dividend income HK\$'000
HSBC Holdings PLC ("HSBC")	188,057	25,908	4,772
MGM China Holdings Limited ("MGM")	191,185	10,082	–
Amer Sports Corporation ("Amer Sports")	100,114	457	–
Others	107,212	(7,810)	702
	586,568	28,637	5,474

	Market value as at 31st March 2023 HK\$'000	Six months ended 30th September 2022 Unrealised gain/(loss) HK\$'000	Dividend income HK\$'000
HSBC	162,149	(39,470)	2,152
MGM	181,103	(12,136)	–
Amer Sports	99,657	13,721	–
Others	122,428	(11,131)	638
	565,337	(49,016)	2,790

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. As at 30th September 2023, a total of 0.02% shareholding of HSBC was held by the Group.

Notes to the Interim Financial Information

16 FINANCIAL INVESTMENTS (CONTINUED)

Equity Securities (Continued)

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 2023, 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 joint venture 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 2023, a total of 0.24% indirect shareholding of Amer Sports was held by the Group.

Debt Securities

As at 30th September 2023, the Group held 46 (31st March 2023: 46) debt securities, 31 of them are listed in Singapore, 9 in the PRC, 3 in Europe, 1 in Hong Kong and 2 unlisted. 45 (31st March 2023: 45) 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 are unlisted.

The summary of debt securities portfolio of financial investments as at 30th September 2023 and 31st March 2023 are as follows:

	30th September 2023 HK\$'000	31st March 2023 HK\$'000
Principal amount of notes	16,718,068	17,140,678
Investment cost	14,932,009	15,417,268
Fair value	5,386,091	8,109,433
Coupon	3% to 13.75%	5.9% to 14.5%
Maturities	Various, up to December 2027	Various, up to December 2027

As at 30th September 2023, the 45 (30th September 2022: 45) debt securities gave rise to a net unrealised fair value loss of HK\$2,465 million for the six months ended 30th September 2023 (2022: HK\$2,562 million).

As at 30th September 2023, the fair value of the five largest debt securities held represents approximately 4.5% (31st March 2023: 6.7%) of the Group's revalued total assets. The remaining 41 debt securities represent 8% of the Group's revalued total assets, with each of them less than 0.6%.

Notes to the Interim Financial Information

16 FINANCIAL INVESTMENTS (CONTINUED)

Debt Securities (Continued)

The five largest debt securities held at 30th September 2023 are as follows:

	Fair value as at 30th September 2023 HK\$'000	% of the debt securities portfolio	Six months ended 30th September 2023 Unrealised loss HK\$'000	Interest income HK\$'000
Pearl River 7.5% notes 1	576,698	11%	(32,907)	18,956
Scenery Journey 12% notes	505,535	9%	(183,472)	124,151
Pearl River 7.5% notes 2	453,158	8%	(27,242)	16,182
Guangzhou R&F 6.7% notes	311,749	6%	(38,204)	22,481
Goldern Wheel 10% notes	307,105	6%	(91,127)	66,723

	Fair value as at 31st March 2023 HK\$'000	% of the debt securities portfolio	Six months ended 30th September 2022 Unrealised loss HK\$'000	Interest income HK\$'000
Scenery Journey 12% notes	851,022	12%	(150,653)	139,291
Evergrande 12% notes	533,524	8%	(101,318)	81,648
Pearl River 7.5% notes 1	590,648	8%	(97,076)	89,171
Goldern Wheel 10% notes	573,648	7%	(397,671)	80,749
Evergrande 8.75% notes	551,385	7%	(72,940)	45,489

Note: The details of these notes were described in note 7(c) and 7(d).

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\$118,695,000 (31st March 2023: HK\$73,996,000).

Aging analysis of trade payables is as follows:

	30th September 2023 HK\$'000	31st March 2023 HK\$'000
0 month to 6 months	118,338	73,625
7 months to 12 months	8	60
More than 12 months	349	311
	118,695	73,996

Notes to the Interim Financial Information

18 BORROWINGS

	30th September 2023 HK\$'000	31st March 2023 HK\$'000
Current liabilities		
Current portion of long term bank loans		
Secured	4,267,888	3,485,966
Unsecured	1,365,433	415,666
	5,633,321	3,901,632
Non-current liabilities		
Long term bank loans		
Secured	9,040,943	8,120,857
Unsecured	2,810,677	4,744,498
	11,851,620	12,865,355
	17,484,941	16,766,987

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

	30th September 2023 HK\$'000	31st March 2023 HK\$'000
Repayable within one year	5,633,321	3,901,632
Repayable between one and two years	3,990,751	4,410,771
Repayable between two and five years	7,860,869	8,102,742
Repayable after five years	–	351,842
	17,484,941	16,766,987
Current portion included in current liabilities	(5,633,321)	(3,901,632)
	11,851,620	12,865,355

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

Subsequent to 30th September 2023, HK\$2,480 million of loan repayable within one year was refinanced with a new 5-years term loan.

Notes to the Interim Financial Information

19 SHARE CAPITAL

Shares of HK\$0.1 each	Number of shares	Amount HK\$'000
Authorised: At 30th September 2023 and 31st March 2023	3,000,000,000	300,000
Issued and fully paid: At 30th September 2023 and 31st March 2023	840,873,996	84,087

20 RESERVES

	Share premium HK\$'000	Capital reserve HK\$'000	Contributed surplus HK\$'000	Share option reserve HK\$'000	Hedging reserve HK\$'000	Investment revaluation reserve HK\$'000	Property revaluation reserve HK\$'000	Currency translation reserve HK\$'000	Revenue reserve HK\$'000	Total HK\$'000
At 31st March 2023	2,257,745	398,021	60,257	4,111	137,782	(1,828,470)	31,167	(85,998)	11,596,532	12,571,147
Financial assets at FVOCI – net fair value loss and other net movements	-	-	-	-	-	(1,040,205)	-	-	-	(1,040,205)
Cashflow hedges – fair value gain	-	-	-	-	16,809	-	-	-	-	16,809
– deferred tax on derivative financial instruments	-	-	-	-	(2,774)	-	-	-	-	(2,774)
Currency translation differences	-	-	-	-	-	-	-	(49,540)	-	(49,540)
Loss for the period	-	-	-	-	-	-	-	-	(618,645)	(618,645)
At 30th September 2023	2,257,745	398,021	60,257	4,111	151,817	(2,868,675)	31,167	(135,538)	10,977,887	10,876,792

21 COMMITMENTS

Commitments at the balance sheet date are as follows:

	30th September 2023 HK\$'000	31st March 2023 HK\$'000
Contracted but not provided for Property, plant and equipment	61,436	20,331

Notes to the Interim Financial Information

22 FINANCIAL GUARANTEES

	30th September 2023 HK\$'000	31st March 2023 HK\$'000
Guarantees for the banking and loan facilities of joint ventures	2,959,154	3,346,922

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) (2022: 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 2023 are as follow:

	Proforma combined balance sheet HK\$'000	Group's attributable interest HK\$'000
Non-current assets	4,533,404	1,529,703
Current assets	23,306,067	9,117,933
Current liabilities	(10,244,203)	(3,579,531)
Non-current liabilities	(7,715,073)	(2,715,409)
	9,880,195	4,352,696

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 2023.

Other Information

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

As at 30th September 2023, 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 to 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

Director	Outstanding as at 1st April 2023 and 30th September 2023
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

Director	Outstanding as at 1st April 2023 and 30th September 2023
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 2023 and 30th September 2023
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 Note(s)") 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 ASH Convertible Note. Please refer to the annual report of Asia Standard Hotel for details.

Save as disclosed above, as at 30th September 2023, 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 2023, 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	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 2023, 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 29th August 2014 ("2014 Share Option Scheme"). As at 30th September 2023, there were 7,000,000 share options outstanding. Movements of share options of the Company during the period are as follows:

Grantee	Outstanding as at 1st April 2023 and 30th September 2023
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.

Associated corporation – Asia Standard

The share option scheme of Asia Standard adopted by Asia Standard on 27th August 2004 ("2004 Asia Standard Share Option Scheme") 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 2023, there were 1,000,000 share options granted under 2004 Asia Standard Share Option Scheme outstanding. Movements of share options granted under 2004 Asia Standard Share Option Scheme during the period are as follows:

Grantee	Outstanding as at 1st April 2023 and 30th September 2023
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)

Associated corporation – Asia Standard (Continued)

Asia Standard adopted a share option scheme on 29th August 2014 (“2014 Asia Standard Share Option Scheme”). As at 30th September 2023, there were 7,000,000 share options granted under 2014 Asia Standard Share Option Scheme outstanding. Movements of share options granted under 2014 Asia Standard Share Option Scheme during the period are as follows:

Grantee	Outstanding as at 1st April 2023 and 30th September 2023
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.

Associated corporation – 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”) 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 2023, there were 28,800,000 share options granted under 2006 Asia Standard Hotel Share Option Scheme outstanding. Movements of the share options granted under 2006 Asia Standard Hotel Share Option Scheme during the period are as follows:

Grantee	Outstanding as at 1st April 2023 and 30th September 2023
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 2023 (2022: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the period, the Company had not redeemed any of its shares. Neither the Company nor any of its subsidiaries 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 2023.

CORPORATE GOVERNANCE CODE

During the period, the Company has applied the principles and complied with the applicable code provisions of the Corporate Governance Code as set out in Part 2 of Appendix 14 to the Listing Rules.

AUDIT COMMITTEE

The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30th September 2023.

On behalf of the Board
Asia Orient Holdings Limited
Fung Siu To, Clement
Chairman

Hong Kong, 30th November 2023

