亞證地產有限公司

ASIASEC PROPERTIES LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 271)

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE, 2019

The board of directors ("Board") of Asiasec Properties Limited ("Company") announces that the unaudited consolidated results of the Company and its subsidiaries ("Group") for the six months ended 30th June, 2019 with the comparative figures for the corresponding period in 2018 are as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30th June, 2019

		(Unaudited) Six months ended 30th June,	
		2019	2018
	Notes	***HK$'000***	*HK$'000*
Revenue	*(4)*	**30,752**	30,791
Other income		**10,975**	3,132
Other gains and losses	*(5)*	**(342)**	830
Reversal of impairment losses under expected credit loss model		**98**	–
Rent and rates		**(782)**	(929)
Building management fees		**(3,191)**	(3,190)
Staff costs (including directors' remuneration)		**(5,460)**	(5,848)
Depreciation and amortisation		**(37)**	(492)
Repairs and maintenance		**(544)**	(419)
Other expenses		**(3,986)**	(4,174)
Operating profit before change in fair value of investment properties		**27,483**	19,701
Change in fair value of investment properties		**34,948**	14,028
Operating profit		**62,431**	33,729
Share of profits of associates		**6,947**	46,667
Profit before taxation		**69,378**	80,396
Income tax expenses	*(6)*	**(5,293)**	(2,239)
Profit for the period	*(7)*	**64,085**	78,157
		HK cents	*HK cents*
Earnings per share			
Basic	*(9)*	**5.16**	6.30

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the six months ended 30th June, 2019

	(Unaudited) Six months ended 30th June,	
	2019	2018
	HK$'000	*HK$'000*
Profit for the period	**64,085**	78,157
Other comprehensive income (expense):		
Items that will not be reclassified subsequently to profit or loss:		
Changes in fair value of equity instrument at fair value through other comprehensive income	**440**	(193)
	440	(193)
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences	**(511)**	96
Other comprehensive expense for the period, net of tax	**(71)**	(97)
Total comprehensive income for the period	**64,014**	78,060

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 30th June, 2019

	Notes	(Unaudited) 30th June, 2019 HK$'000	(Audited) 31st December, 2018 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**932**	933
Investment properties		**1,410,696**	1,376,380
Interests in associates		**2,688,660**	2,681,713
Loan receivables		**97,495**	125,032
Equity instrument at fair value through other comprehensive income		**38,104**	37,664
Club memberships		**10,500**	10,500
		4,246,387	4,232,222
Current assets			
Debtors, prepayments, deposits and other receivables	*(10)*	**12,609**	11,839
Loan receivable		**–**	70,952
Amounts due from associates		**187,229**	200,229
Income tax recoverable		**208**	1,637
Cash and cash equivalents		**220,763**	198,001
		420,809	482,658
Total assets		**4,667,196**	4,714,880
EQUITY			
Share capital		**681,899**	681,899
Reserves		**3,767,159**	3,827,251
Total equity		**4,449,058**	4,509,150
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**174,234**	170,881
Current liabilities			
Creditors and accruals	*(11)*	**33,203**	27,334
Amounts due to associates		**10,236**	7,416
Income tax payable		**465**	99
		43,904	34,849
Total liabilities		**218,138**	205,730
Total equity and liabilities		**4,667,196**	4,714,880

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(1) Reviewed by auditor

The interim financial report of the Group for the six months ended 30th June, 2019 has been reviewed by our auditor, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and an unmodified review conclusion has been issued.

(2) Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the HKICPA as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange").

The Company has delivered the financial statements for the year ended 31st December, 2018 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance ("CO"). The Company's auditor has reported on those financial statements for 2018. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the CO.

(3) Principal Accounting Policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values, as appropriate.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30th June, 2019 are the same as those presented in the Group's annual financial statements for the year ended 31st December, 2018.

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, in the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1st January, 2019 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle

Except as described below, the application of the new and amendments to HKFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

(3) Principal Accounting Policies (continued)

Application of new and amendments to HKFRSs (continued)

Impacts and changes in accounting policies of application on HKFRS 16 Leases

Key changes in accounting policies resulting from application of HKFRS 16

The Group has applied HKFRS 16 for the first time in the current interim period. HKFRS 16 superseded HKAS 17 "Leases", and the related interpretations.

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

As a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Except for those that are classified as investment properties and measured under fair value model, right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

(3) Principal Accounting Policies (continued)

Application of new and amendments to HKFRSs (continued)

Impacts and changes in accounting policies of application on HKFRS 16 Leases (continued)

Key changes in accounting policies resulting from application of HKFRS 16 (continued)

As a lessee (continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/ expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

Taxation

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 "Income Taxes" requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

(3) Principal Accounting Policies (continued)

Application of new and amendments to HKFRSs (continued)

Impacts and changes in accounting policies of application on HKFRS 16 Leases (continued)

Key changes in accounting policies resulting from application of HKFRS 16 (continued)

As a lessor

Allocation of consideration to components of a contract

Effective on 1st January, 2019, the Group applies HKFRS 15 "Revenue from Contracts with Customers" to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Transition and summary of effects arising from initial application of HKFRS 16

The application of the HKFRS 16 has no significant impact in the current period and retained profits as at 1st January, 2019.

(4) Revenue and segment information

	(Unaudited) Six months ended 30th June,	
	2019	2018
	HK$'000	*HK$'000*
Rental income from investment properties	**26,801**	24,647
Estate management fees	**2,451**	4,644
Dividend income from equity instrument at fair value through other comprehensive income ("FVTOCI") held at the end of reporting period	**1,500**	1,500
	30,752	30,791

Revenue from estate management fees is recognised over time. The Group recognise revenue in the amount that the Group has the right to invoice based on the terms of the relevant lease agreements in which the Group bills a fixed monthly amount in advance. As permitted under HKFRS 15, the transaction price of estate management services allocated to the remaining performance obligations as at 30th June, 2019 is not disclosed.

The executive directors of the Company have been identified as the chief operating decision maker. The executive directors regard the Group's business as a single operating segment, which is property leasing and estate management and reviews financial information accordingly. Therefore, no segment analysis of the Group's revenue, results and segment assets and liabilities are presented.

As at 30th June, 2019, other than interests in associates, loan receivables, equity instrument at FVTOCI and club memberships, the total of non-current assets located in Hong Kong is HK$1,356,398,000 (31st December, 2018: HK$1,321,678,000), and the total of non-current assets located in The People's Republic of China ("PRC") is HK$55,230,000 (31st December, 2018: HK$55,635,000).

(5) Other gains and losses

	(Unaudited) Six months ended 30th June,	
	2019	2018
	HK$'000	*HK$'000*
Net exchange (loss) gain	**(342)**	854
Gain on disposal of property, plant and equipment	**–**	1
Provision for amount due from an associate	**–**	(25)
	(342)	830

(6) Income tax expenses

On 21st March, 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduced the two-tiered profits tax rates regime. The Bill was signed into law on 28th March, 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Taxation on profits generated in PRC has been provided at the rate of taxation prevailing in PRC.

	(Unaudited) Six months ended 30th June,	
	2019	2018
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
Current period	**1,796**	1,600
Deferred taxation	**3,497**	639
Income tax expenses for the period	**5,293**	2,239

(7) Profit for the period

	(Unaudited) Six months ended 30th June,	
	2019	2018
	HK$'000	*HK$'000*
Profit for the period has been arrived at after charging (crediting):		
Direct operating expenses of investment properties that generated rental income	**4,059**	4,190
Direct operating expenses of investment properties that did not generate rental income	**124**	74
Interest income on bank deposits	**(1,263)**	(2,132)
Interest income from equity instrument at FVTOCI	**(116)**	–
Interest income from loan receivables	**(9,596)**	(1,000)

(8) Dividends

	(Unaudited) Six months ended 30th June,	
	2019	2018
	HK$'000	*HK$'000*
Dividend recognised as distributions during the period:		
An interim dividend paid in respect of 2018: HK10 cents (six months ended 30th June, 2018: second interim dividend paid in respect of 2017: HK25 cents) per ordinary share	**124,106**	310,264
	124,106	310,264

The Board of the Company has resolved not to declare any interim dividend for the six months ended 30th June, 2019 (six months ended 30th June, 2018: Nil).

(9) Earnings per share

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following:

	(Unaudited) Six months ended 30th June,	
	2019	2018
	HK$'000	*HK$'000*
Earnings		
Earnings for the purposes of basic earnings per share (profit for the period attributable to the owners of the Company)	**64,085**	78,157

	(Unaudited) Six months ended 30th June,	
	2019	2018
	'000	*'000*
Number of shares		
Number of ordinary shares for the purpose of basic earnings per share	**1,241,055**	1,241,055

No diluted earnings per share for both 2019 and 2018 were presented as there were no potential ordinary shares in issue for both 2019 and 2018.

(10) Debtors, prepayments, deposits and other receivables

	(Unaudited) **30th June,** **2019** ***HK$'000***	(Audited) 31st December, 2018 *HK'000*
Trade debtors	**2,122**	1,439
Other receivables	**8,702**	8,363
Prepayments and deposits	**1,785**	2,037
	12,609	11,839

Trade debtors represent rental and estate management fees receivable which are receivable on the presentation of debit notes. Rental income is billed in advance at month-end. The Group generally allows a credit period of 30 days to its tenant. The ageing of these trade debtors of the Group, net of provisions and in accordance with the revenue recognition dates, is as follows:

	(Unaudited) **30th June,** **2019** ***HK$'000***	(Audited) 31st December, 2018 *HK'000*
Within 30 days	**1,827**	1,332
31-60 days	**149**	101
61-90 days	**101**	–
Over 90 days	**45**	6
	2,122	1,439

(11) Creditors and accruals

	(Unaudited) **30th June,** **2019** ***HK$'000***	(Audited) 31st December, 2018 *HK$'000*
Trade creditors	**333**	283
Other creditors	**14,935**	10,255
Tenants deposits	**14,660**	13,492
Accrued operating expenses	**3,275**	3,304
	33,203	27,334

The ageing of the trade creditors of the Group and in accordance with invoice date is as follows:

	(Unaudited) **30th June,** **2019** ***HK$'000***	(Audited) 31st December, 2018 *HK$'000*
Within 30 days	**333**	283

(12) Operating lease commitments

The Group as lessor:

As at 30th June, 2019, certain investment properties held had committed leases mainly running for the next one to six years.

The Group had contracted with tenants for the following future minimum lease payments:

	(Unaudited) 30th June, 2019 *HK$'000*	(Audited) 31st December, 2018 *HK$'000*
Within one year	**38,771**	31,191
In the second to fifth year inclusive	**82,257**	59,889
After fifth years	**1,929**	6,666
	122,957	97,746

The Group as lessee:

The Group had contracted with lessor for the following future minimum lease payments:

	(Unaudited) 30th June, 2019 *HK$'000*	(Audited) 31st December, 2018 *HK$'000*
Within one year	**1,200**	309
In the second to fifth year inclusive	**900**	–
	2,100	309

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

The Group recorded a revenue of HK$30,752,000 for the six months ended 30th June, 2019, which represented a decrease of approximately HK$39,000 or 0.13% as compared with the same period in 2018. The decrease in revenue was mainly attributable to a decrease of estate management fees from the associates.

The profit attributable to equity holders for the six months ended 30th June, 2019 was HK$64,085,000 whereas profit of HK$78,157,000 was made for the same period in 2018. The decrease in profit was mainly resulting from a decrease in share of profit of associates as a result of a fair value loss of The Redhill Peninsula properties where there was a fair value gain of the properties in the same period last year.

Business Review

The Group's core businesses comprise property investment, property leasing and estate management in Hong Kong.

For the six months ended 30th June 2019, the Group's commercial properties situated at Harbour Crystal Centre recorded an average occupancy level of approximately 99% and the performance of rental income was satisfactory.

In respect of the residential properties held by the associate (33.33% owned) situated at The Redhill Peninsula, 7 houses were sold during the six months ended 30th June, 2019 where 2 houses will be completed before the year end of 31st December, 2019, 3 houses will be completed in 2020 and 2 houses will be completed in 2021. The remaining 34 houses are being launched for lease and sale in batches in the year of 2019.

The Group's industrial properties situated at Ap Lei Chau, Hong Kong, the Harbour Industrial Centre and the Oceanic Industrial Centre held by the associate (33.33% owned) recorded an average occupancy level of approximately 56% and the rental income was performed moderately.

Financial Review

Group Assets and Charges

The total assets of the Group have decreased from HK$4,714,880,000 as at 31st December, 2018 to HK$4,667,196,000 as at 30th June, 2019. The net assets of the Group have decreased from HK$4,509,150,000 as at 31st December, 2018 to HK$4,449,058,000 as at 30th June, 2019. At 30th June, 2019, no investment properties of the Group in Hong Kong (31st December, 2018: Nil) was pledged as security for banking facilities. The Group has no bank loan, but will undergo a discussion with the bank for the arrangement of banking facilities and the bank has agreed to provide banking facilities if necessary.

Group Financial Position, Liquidity and Financial Resources

The total liabilities of the Group have increased from HK$205,730,000 as at 31st December, 2018 to HK$218,138,000 as at 30th June, 2019. The Group had cash and bank balances of HK$220,763,000 as at 30th June, 2019 (31st December, 2018: HK$198,001,000). The ratio of total liabilities to total assets was approximately 4.67% (2018: 4.36%). As at 30th June, 2019, the Group had no bank loans (31st December, 2018: Nil) and the total equity was HK$4,449,058,000 (31st December, 2018: HK$4,509,150,000).

As at 30th June, 2019, the current assets of the Group, amounting to HK$420,809,000 (31st December, 2018: HK$482,658,000), which exceeded its current liabilities by HK$376,905,000 (31st December, 2018: HK$447,809,000).

For the six months ended 30th June, 2019, the Group had no significant exposure to fluctuations in exchange rates and related hedges and there were no contingent liabilities.

Employees

As at 30th June, 2019, the Group, excluding associates, had 31 (31st December, 2018: 31) employees, which were all employed in Hong Kong.

In addition to basic salaries, employees are provided with medical insurance and some of them are included under a defined contribution provident fund scheme and mandatory provident fund scheme.

Business Outlook

The residential property market rebounded in first half of 2019 thanks to a stock market rally up to early May and due to an easing of concerns about rate hikes. Our joint venture project Redhill Peninsula enjoyed strong sales of luxury houses on the back of the better sentiment.

However, overall market conditions deteriorated in June due to the anti-extradition bill protests. The social unrest has impacted the overall real estate market – including retail rentals and residential sales. A drop in mainland visitors would also negatively impact turnover and future rents at Harbour Crystal Centre (portion).

Looking ahead, we are hopeful that the current social unrest will be resolved soon and that the recent rate cut in the US – the first since the 2008 financial crisis – will improve market sentiment. Our team will continue to work hard to maintain rental levels at Harbour Crystal Centre and at our other investment properties. We also plan to increase prices for the remaining Redhill houses and actively launch more houses for sale and for rent.

INTERIM DIVIDEND

The Board considers that it is prudent to retain an appropriate level of funds to take advantage of business opportunities as and when they arise, and therefore does not intend to declare an interim dividend for the six months ended 30th June 2019 (2018: Nil).

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the six months ended 30th June, 2019, the Company has applied the principles of, and complied with, the applicable code provisions of the Corporate Governance Code and Corporate Governance Report ("CG Code") as set out in Appendix 14 of the Listing Rules, except for certain deviations which are summarised below:

(1) Code Provisions B.1.2 and C.3.3

Code provisions B.1.2 and C.3.3 of the CG Code stipulate that the terms of reference of the remuneration committee and audit committee should include, as a minimum, those specific duties as set out in the respective code provisions.

The terms of reference of the remuneration committee ("Remuneration Committee") adopted by the Company are in compliance with the code provision B.1.2 of the CG Code except that the Remuneration Committee shall make recommendations to the Board on the remuneration packages of the Executive Directors only and not senior management (as opposed to executive directors and senior management under the code provision).

The terms of reference of the audit committee ("Audit Committee") adopted by the Company are in compliance with the code provision C.3.3 of the CG Code except that the Audit Committee (i) shall recommend (as opposed to implement under the code provision) the policy on the engagement of the external auditors to supply non-audit services; (ii) only possesses the effective ability to scrutinise (as opposed to ensure under the code provision) whether management has performed its duty to have effective risk management and internal control systems; and (iii) can promote (as opposed to ensure under the code provision) the co-ordination between the internal and external auditors, and check (as opposed to ensure under the code provision) whether the internal audit function is adequately resourced.

The reasons for the above deviations were set out in the Corporate Governance Report contained in the Company's Annual Report for the financial year ended 31st December, 2018. The Board considers that the Remuneration Committee and the Audit Committee should continue to operate according to the relevant terms of reference as adopted by the Company. The Board will review the terms at least annually and make appropriate changes if considered necessary.

(2) Code Provision E.1.2

Code provision E.1.2 of the CG Code stipulates that the chairman of the board should attend the annual general meeting. He should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In their absence, he should invite another member of the committee or failing this his duly appointed delegate, to attend. These persons should be available to answer questions at the annual general meeting.

Mr. Patrick Lee Seng Wei ("Mr. Lee", the Chairman of the Board), due to other business engagements, was unable to attend the annual general meeting of the Company held on 22nd May, 2019 ("AGM"). Despite his absence, Mr. Lee had reviewed all the documents and procedures of the AGM before the meeting, and all records and minutes of the AGM have been circulated to Mr. Lee after the meeting for information. Moreover, Mr. Edwin Lo King Yau, the Executive Director of the Company, who attended and chaired the meeting as Mr. Lee's delegate in the Board, and all Independent Non-Executive Directors including chairmen of the audit, remuneration and nomination committees were present thereat and were available to answer questions to ensure effective communication with the shareholders of the Company.

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a general review of the unaudited interim financial report for the six months ended 30th June, 2019. In carrying out this review, the Audit Committee has relied on a review conducted by the Group's external auditor in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by HKICPA as well as reports obtained from management. The Audit Committee has not undertaken detailed independent audit checks.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the six months ended 30th June, 2019.

On behalf of the Board
Asiasec Properties Limited
Edwin Lo King Yau
Executive Director

Hong Kong, 14th August, 2019

As at the date of this announcement, the Board comprises Mr. Patrick Lee Seng Wei (Chairman), Mr. Lee Shu Yin (Chief Executive), Mr. Edwin Lo King Yau and Mr. Tao Tsan Sang being the Executive Directors; and Mr. Li Chak Hung, Mr. Choi Kin Man and Ms. Lisa Yang Lai Sum being the Independent Non-Executive Directors.