



Asia Standard Hotel  
Group Limited



## Interim Report 2022

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# Corporate Information

## Directors

### Executive

Mr. Poon Jing (*Chairman*)  
Dr. Lim Yin Cheng  
(*Deputy Chairman and Chief Executive*)  
Mr. Poon Hai  
Mr. Poon Yeung, Roderick  
Mr. Fung Siu To, Clement  
Mr. Woo Wei Chun, Joseph

### Independent Non-executive

Mr. Ip Chi Wai  
Mr. Leung Wai Keung, *JP*  
Mr. Wong Chi Keung

## Audit Committee

Mr. Wong Chi Keung (*Chairman*)  
Mr. Leung Wai Keung, *JP*  
Mr. Ip Chi Wai

## Remuneration Committee

Mr. Wong Chi Keung (*Chairman*)  
Dr. Lim Yin Cheng  
Mr. Ip Chi Wai

## Nomination Committee

Mr. Poon Jing (*Chairman*)  
Mr. Leung Wai Keung, *JP*  
Mr. Wong Chi Keung

## Authorised Representatives

Dr. Lim Yin Cheng  
Mr. Lee Tai Hay, Dominic

## Company Secretary

Mr. Lee Tai Hay, Dominic

## Principal Office in Hong Kong

30th Floor, YF Life Tower,  
33 Lockhart Road,  
Wanchai, Hong Kong  
Telephone 2866 3336  
Facsimile 2866 3772  
Website [www.asiastandardhotelgroup.com](http://www.asiastandardhotelgroup.com)  
E-mail [info@asia-standard.com.hk](mailto:info@asia-standard.com.hk)

## Registered Office

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

## Share Registrar in Bermuda

MUFG Fund Services (Bermuda)  
Limited  
4th Floor North,  
Cedar House,  
41 Cedar Avenue,  
Hamilton HM 12,  
Bermuda

## Hong Kong Branch Share Registrar and Transfer Office

Computershare Hong Kong Investor  
Services Limited  
Shops 1712-1716, 17th Floor,  
Hopewell Centre,  
183 Queen's Road East,  
Wanchai, Hong Kong

## Principal Bankers

Hang Seng Bank  
HSBC  
Bank of China (Hong Kong)  
Industrial and Commercial Bank of  
China (Asia)  
Industrial and Commercial Bank of  
China (Canada)  
Bank of East Asia  
Bank of Communication  
(Hong Kong)  
United Overseas Bank  
Shanghai Commercial Bank  
Fubon Bank (Hong Kong)  
Bank of Singapore  
Bank Morgan Stanley  
UBS  
Bank Julius Baer

## Legal Advisers

Stephenson Harwood  
18th Floor, United Centre,  
95 Queensway,  
Hong Kong

Appleby  
Suites 4201-03 & 12,  
42/F, One Island East,  
Taikoo Place,  
18 Westlands Road,  
Quarry Bay, Hong Kong

## Independent Auditor

PricewaterhouseCoopers  
Certified Public Accountants  
Registered Public Interest  
Entity Auditor  
22nd Floor, Prince's Building,  
Central, Hong Kong

## Financial Highlights

(in HK\$ million, except otherwise indicated)	Six months ended 30th September		Change
	2022	2021	
<b>Consolidated profit and loss account</b>			
Revenue	464	509	-9%
Operating loss	(52)	(88)	-41%
Loss attributable to shareholders of the Company	(96)	(147)	-35%
Loss per share – basic (HK cents)	(4.7)	(7.3)	-36%
	30th September 2022	31st March 2022	Change
<b>Consolidated balance sheet</b>			
Total assets	8,367	9,114	-8%
Net assets	1,243	2,183	-43%
Equity attributable to shareholders of the Company	1,245	2,180	-43%
Net debt	6,119	5,861	+4%
Supplementary information with hotel properties stated at valuation (note):			
Revalued total assets	17,818	17,884	0%
Revalued net assets	10,695	10,952	-2%
Net gearing – net debt to revalued net assets	57%	54%	+3%
<p>Note: According to the Group's accounting policies, the hotel properties were carried at cost less accumulated depreciation. To give further information on the economic substance of its hotel properties investments, the Group hereby presents supplementary unaudited financial information taking into account the fair market value of these hotel properties.</p> <p>The hotel properties were revalued by Vigers Appraisal &amp; Consulting Limited, independent professional valuers, on an open market value basis as at 30th September 2022 and 31st March 2022.</p>			

# Management Discussion and Analysis

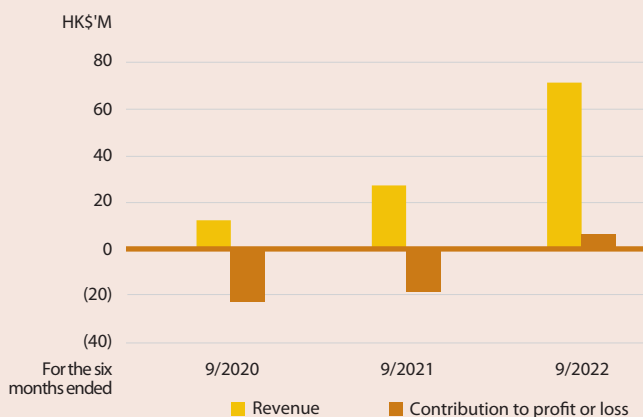
## RESULTS

For the six months ended 30th September 2022, while the Group's hotel operation achieved a significant increase in revenue and consequently a turnaround into profit, the Group's total revenue, however, decreased by 9% to HK\$464 million and a loss attributable to shareholders of HK\$96 million was recorded, compared to a loss of HK\$147 million for the same period in 2021. The reduction in changes in expected credit losses from financial investments and the turnaround of the hotel operation to profitability were the primary contributors to the decrease in loss, which was partially offset by a decrease in net investment income and a net unrealized exchange loss (2021: net unrealized exchange gain) from financial assets for the period.

## Hotel Business

The hospitality industry in Hong Kong continued to be impacted by the epidemic. According to the Hong Kong Tourism Board, Hong Kong welcomed around 240,000 visitors from April to September 2022. Despite a fourfold increase over the same period last year, this is still less than 1% of the same period prior to the pandemic. However, as of September 2022, the overall number of hotel rooms in Hong Kong has increased by 3% over the same period last year, reaching 89,000. In spite of the challenging business environment, our hotel business achieved a significant increase in revenue of 166%, which when combined with cost reductions and efficiency improvements led to a turnaround in profits for the Group's hotel portfolio, which includes both quarantine and non-quarantine hotels. Hotel management will adhere to rigorous cost-cutting measures and postpone non-essential capital investments while regularly planning and implementing strategies to increase occupancy and assure a positive income stream.

Hotel segment: revenue and contribution to profit or loss



# Management Discussion and Analysis



Development project "Landmark on Robson" in Vancouver, Canada

## Development Projects

The Group's wholly-owned "Landmark On Robson" residential development in Vancouver's downtown district has a GFA of approximately 400,000 square feet and comprises 236 residential units in two towers, as well as 50,000 square feet of retail and office space and a four-level underground parking facility. The concrete frame structure of the twin towers topped out in May 2022 with curtain walls installed; the interior refurbishment is underway, with a projected completion date of early 2024. As of 30th September 2022, a total of approximately CAD200 million in contracted sales of residential units in this development had been achieved.

In addition, the Group's wholly owned developable land adjacent to the Landmark On Robson and its two joint venture residential developments on Alberni Street are in the planning stage of development.

## Financial Investments

The Group's financial investment portfolio, which consisted almost entirely of listed securities as of 30th September 2022, amounted to HK\$1,954 million (31st March 2022: HK\$3,021 million), a decrease of HK\$1,067 million from the previous year. Approximately 91% of our investment portfolio comprised of listed debt securities that were issued mostly by companies operating real estate business in China, approximately 6% comprised listed banking stock, and 3% in unlisted funds. They were denominated in United States dollars 32%, Renminbi 61%, Hong Kong dollars 6% and Japanese Yen 1%.

During the period under review, a total of HK\$388 million (2021: HK\$480 million) in interest and dividend income were generated from the investment portfolio. A net investment loss of HK\$343 million (2021: a net loss of HK\$458 million) comprising provision of expected credit loss and net unrealised loss on financial investments for the period, was charged to profit and loss account while the mark-to-market valuation loss on listed debt securities of HK\$767 million (2021: a net loss of HK\$2,060 million) were recognised in the investment reserve account.

The decrease in portfolio value was mainly due to mark-to-market fair value losses, expected credit losses, and unrealized exchange losses resulting from the decline of the renminbi against the Hong Kong dollar, with respect to our listed debt securities issued by PRC real estate companies. During the period under review, the real estate market in China had struggled with sluggish demand as homebuyers' confidence remained impacted by concerns about stalled real estate project completion, strict COVID-19 policies, and the significant slowdown in China's main export markets amidst weak macroeconomic conditions. As a result of the decline in property sales and prices, an increasing number of defaulting private developers have initiated liability management schemes by exchanging their debts through term extension, reduction of coupon rates, and maintenance of no haircut on debt principal.

# Management Discussion and Analysis

## FINANCIAL REVIEW

The Group's financial and treasury activities are centrally managed and controlled at the headquarter level. At 30th September 2022, the Group had about HK\$1.9 billion cash and undrawn banking facilities.

The Group's total assets and net assets per book amounted to HK\$8,367 million (31st March 2022: HK\$9,114 million) and HK\$1,243 million (31st March 2022: HK\$2,183 million), respectively, with the decreases primarily due to mark-to-market unrealised fair value changes from certain financial investments (mostly listed debt securities) recognised in other comprehensive income under shareholders' equity. According to independent valuation, the total revalued amount of our hotel properties in Hong Kong as of 30th September 2022 was HK\$12,070 million (31st March 2022: HK\$11,424 million). Taking into account the market value of the hotel properties in operation, the Group's revalued total assets and net assets with hotel properties in Hong Kong at market value would be HK\$17,818 million (31st March 2022: HK\$17,884 million) and HK\$10,695 million (31st March 2022: HK\$10,952 million), respectively.

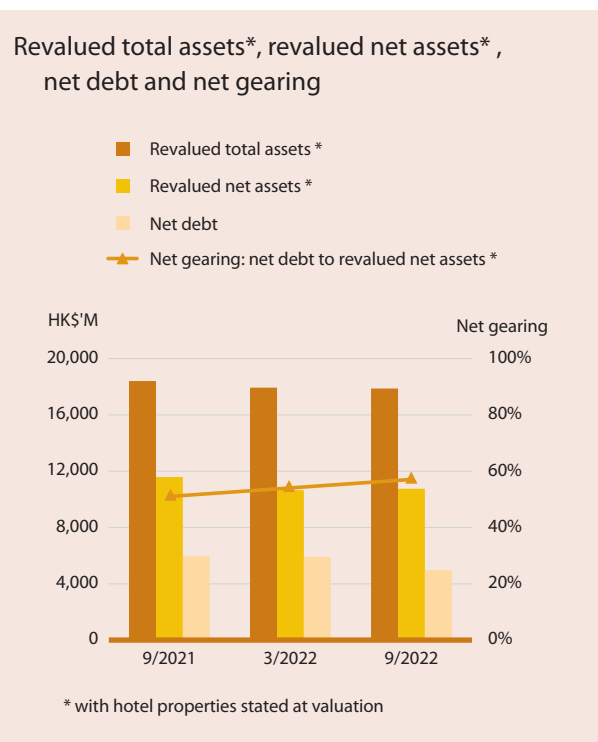
The total debt comprised HK\$6,363 million of bank borrowings and HK\$248 million convertible notes. 94% of the gross bank borrowings or HK\$5,993 million was denominated in Hong Kong dollars, with about 42% hedged against interest rate fluctuations through various interest rate swap contracts totaling HK\$2,700 million entered into in prior years. The remaining 6% or to the equivalent of HK\$370 million was in foreign currencies incurred in operations and investment in financial assets overseas.

Of the total bank borrowings, 24% were revolving loans (all of which is secured), and 76% were secured term loans. The maturity of our bank borrowings spread over a period of up to five years with 47% repayable within one year, 23% repayable between one to two years, and 30% repayable within two to five years.

In June 2022, all the unsecured bank borrowings repayable within one year were repaid and refinanced through the drawdown of a HK\$1.4 billion four-year long-term sustainability linked loan facility. This is the Group's first sustainability-linked loan facility, provided by 6 syndicated banks led by HSBC and Bank of China as coordinators and structuring banks for the sustainability framework setting, with the predefined environmental-related sustainability performance criteria comprising reduction in energy and water consumption at all the hotels of the Group. The unsecured convertible notes comprising 4% of total debt are held almost entirely by the parent groups, and are repayable in February 2047.

The consolidated net debt (total debt less cash balance) was HK\$6,119 million (31st March 2022: HK\$5,861 million). The Group's gearing ratio, expressed as a percentage of net debt over the revalued net asset value, was 57% (31st March 2022: 54%).

The carrying value of hotel properties, property under development for sale and financial assets pledged as collateral for banking facilities of the Group as at 30th September 2022 amounted to HK\$4,046 million (31st March 2022: HK\$4,333 million).



# Management Discussion and Analysis

## HUMAN RESOURCES

As of 30th September 2022, the total number of full-time employees of the Company and its subsidiaries was approximately 190 (31st March 2022: 190). In addition to salary payment, the Group provides other benefits including insurance, share options, medical scheme and retirement plans and others to its employees.

## OUTLOOK

The global economy continues to face formidable headwinds, most notably inflationary pressures and rising borrowing costs, and the on-going Ukraine war continues to weigh on sentiment, diminishing near-term economic prospects.

As Hong Kong seeks to loosen pandemic restrictions and border controls, the removal of mandatory hotel quarantine for arriving travelers is a positive step, as hotel operators could resume normal operations. With Hong Kong's current discussions with mainland China about reopening quarantine-free travel to and from the mainland progressing, we anticipate tourism in all categories to spike from pent-up demand once the Hong Kong-mainland border reopens. Many regions of the world, notably Europe, the United States, and Singapore, are experiencing hospitality booms. We believe that the revenue and profit of the Group's hotel business, in which all hotels are located in Hong Kong's key business and shopping districts, will benefit directly.

China's economy showed resiliency in 2022 despite constraints posed by a deteriorating global economy, a complex and dismal international environment, and a significant impact from ongoing domestic COVID-19 cases. In the near term, the external environment for China's economy will remain difficult, but the implementation of a package of pro-growth initiatives and the diminishing impact of the epidemic are likely to expedite the recovery of the domestic economy. In addition, the central government is taking steps to stabilize the property market by lowering mortgage interest rates, reducing down payments, and easing purchase requirements. Coupled with city-specific policies, the real estate industry is anticipated to head into a more stable and healthy fourth quarter of 2022, and 2023. Mainland real estate developers continue to manage their liquidity issues by accelerating asset sales, injecting funds from major shareholders, and rationalizing loan maturity profiles.

In Canada, Vancouver's economic growth is driven by a robust employment growth due to high job vacancy rates after a remarkable recovery from the COVID recession. Moreover, Canada's immigration data indicate a resurgence of new immigrants, and Vancouver's population growth is anticipated to accelerate due to the city's desirability to new immigrants. Rising salaries and immigration continued to propel Vancouver's property.

While the management closely monitors macroeconomic events and potential risks to the outlook, it remains cautiously optimistic about the Group's performance in a constantly changing environment.



# Report on Review of Interim Financial Information

## To the Board of Directors of Asia Standard Hotel Group Limited

*(incorporated in Bermuda with limited liability)*

## Introduction

We have reviewed the interim financial information set out on pages 9 to 41, which comprises the interim condensed consolidated balance sheet of Asia Standard Hotel Group Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30th September 2022 and the interim condensed consolidated profit or loss account, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of cash flows and the interim condensed consolidated statement of changes in equity for the six-month period then ended, and notes, comprising significant accounting policies and other explanatory information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

## **PricewaterhouseCoopers**

*Certified Public Accountants*

Hong Kong, 30th November 2022

## Condensed Consolidated Profit and Loss Account – Unaudited

	Note	Six months ended 30th September	
		2022 HK\$'000	2021 HK\$'000
Interest revenue		384,971	478,559
Sales of goods and services and other revenue		78,552	30,020
Total revenue	6	463,523	508,579
Cost of sales		(32,451)	(16,993)
Gross profit		431,072	491,586
Selling and administrative expenses		(79,985)	(58,099)
Depreciation		(60,312)	(63,546)
Net investment loss	7		
Net realised and unrealised loss		(137,606)	(46,373)
Changes in expected credit losses		(205,230)	(411,205)
Operating loss		(52,061)	(87,637)
Net finance costs	9	(60,681)	(71,125)
Share of profits less losses of joint ventures		459	115
Loss before income tax		(112,283)	(158,647)
Income tax credit	10	17,671	11,584
Loss for the period		(94,612)	(147,063)
Attributable to:			
Shareholders of the Company		(95,766)	(147,262)
Non-controlling interests		1,154	199
		(94,612)	(147,063)
Loss per share (HK cents)			
Basic	12	(4.7)	(7.3)
Diluted	12	(4.7)	(7.3)

## Condensed Consolidated Statement of Comprehensive Income – Unaudited

	<b>Six months ended</b>	
	<b>30th September</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Loss for the period	<b>(94,612)</b>	(147,063)
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	<b>(709,706)</b>	(2,050,665)
– release of reserve upon disposal/redemption/derecognition	<b>(17,529)</b>	4,884
Cash flow hedges		
– net fair value gain/(loss)	<b>91,818</b>	(1,933)
– deferred tax on derivative financial instruments	<b>(15,150)</b>	319
Currency translation differences	<b>(99,253)</b>	(2,892)
Share of currency translation differences of joint ventures	<b>(55,232)</b>	(2,756)
Item that will not be reclassified to profit or loss:		
Net fair value loss on equity securities at fair value through other comprehensive income	<b>(39,471)</b>	(13,868)
	<b>(844,523)</b>	(2,066,911)
Total comprehensive charge for the period	<b>(939,135)</b>	(2,213,974)
Attributable to:		
Shareholders of the Company	<b>(935,431)</b>	(2,213,936)
Non-controlling interests	<b>(3,704)</b>	(38)
	<b>(939,135)</b>	(2,213,974)

## Condensed Consolidated Balance Sheet – Unaudited

	Note	<b>30th September 2022 HK\$'000</b>	31st March 2022 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment	13	2,852,734	2,888,088
Investment in joint ventures		168,075	178,903
Amount due from joint ventures		381,870	406,140
Financial investments	15	331,413	627,373
Derivative financial instruments		251,455	127,280
Deferred income tax assets		84,263	61,485
		<b>4,069,810</b>	<b>4,289,269</b>
<b>Current assets</b>			
Properties under development for sale		1,545,215	1,401,523
Inventories		32,289	17,881
Trade and other receivables	14	604,808	420,196
Income tax recoverable		54	60
Financial investments	15	1,622,981	2,393,581
Bank balances and cash			
– restricted		188,977	348,032
– unrestricted		302,373	243,431
		<b>4,296,697</b>	<b>4,824,704</b>
<b>Current liabilities</b>			
Trade and other payables	16	125,420	109,669
Contract liabilities		239,845	245,717
Amount due to non-controlling interests		50,476	48,647
Borrowings	17	2,977,105	2,364,946
Income tax payable		58,641	57,013
		<b>3,451,487</b>	<b>2,825,992</b>
<b>Net current assets</b>		<b>845,210</b>	<b>1,998,712</b>

## Condensed Consolidated Balance Sheet – Unaudited

	Note	30th September 2022 HK\$'000	31st March 2022 HK\$'000
Non-current liabilities			
Borrowings	17	3,385,873	3,847,933
Lease liabilities		4,565	302
Convertible notes	18	247,782	240,016
Deferred income tax liabilities		33,327	17,122
		<b>3,671,547</b>	<b>4,105,373</b>
Net assets		<b>1,243,473</b>	<b>2,182,608</b>
Equity			
Share capital	19	40,361	40,361
Reserves	20	1,204,303	2,139,734
Equity attributable to shareholders of the Company		<b>1,244,664</b>	<b>2,180,095</b>
Non-controlling interests		(1,191)	2,513
		<b>1,243,473</b>	<b>2,182,608</b>

## Condensed Consolidated Statement of Cash Flows – Unaudited

	<b>Six months ended 30th September</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
<b>Cash flows from operating activities</b>		
Net cash generated from/(used in) operations	20,607	(762,247)
Net income tax paid	(2,051)	(481)
Net interest paid	(77,063)	(50,883)
Interest received from bank deposit and loan receivables	2,788	1,148
Net cash used in operating activities	(55,719)	(812,463)
<b>Cash flows from investing activities</b>		
Purchase of financial investments	(9,383)	(2,916)
Addition to property, plant and equipment	(15,279)	(134,887)
Increase in investments in joint ventures	(5,851)	(4,128)
Advances to joint ventures	(13,855)	(9,851)
Net cash used in investing activities	(44,368)	(151,782)
<b>Cash flows from financing activities</b>		
Drawdown of long term borrowings	1,060,815	1,011,729
Repayment of long term borrowings	(1,331,000)	(303,333)
Net increase/(decrease) in short term borrowings	450,000	(318,000)
Contribution from non-controlling interests	1,830	1,266
Principal elements of lease payment	(3,577)	(3,976)
Dividend paid to shareholders	–	(13,117)
Coupon paid to convertible noteholders	–	(15,062)
Net cash generated from financing activities	178,068	359,507
Net increase/(decrease) in cash and cash equivalents	77,981	(604,738)
Cash and cash equivalents at the beginning of the period	243,431	814,314
Changes in exchange rates	(19,039)	(7,744)
Cash and cash equivalents at the end of the period	302,373	201,832
<b>Analysis of balances of cash and cash equivalents</b>		
Bank balances and cash (excluding restricted bank balances)	302,373	201,832

## 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 2021	40,361	5,036,485	5,076,846	1,484	5,078,330
Financial assets at fair value through other comprehensive income					
– net fair value loss and other net movement	–	(2,064,533)	(2,064,533)	–	(2,064,533)
– release of reserve upon disposal/ redemption/derecognition	–	4,884	4,884	–	4,884
Currency translation differences	–	(2,892)	(2,892)	–	(2,892)
Cash flow hedges					
– fair value loss	–	(1,933)	(1,933)	–	(1,933)
– deferred tax on derivative financial instruments	–	319	319	–	319
Share of currency translation differences of joint ventures	–	(2,519)	(2,519)	(237)	(2,756)
(Loss)/profit for the period	–	(147,262)	(147,262)	199	(147,063)
Total comprehensive charge for the period	–	(2,213,936)	(2,213,936)	(38)	(2,213,974)
Transaction with owners:					
2021 final dividend	–	(13,117)	(13,117)	–	(13,117)
Coupon to convertible noteholders	–	(15,062)	(15,062)	–	(15,062)
Total transaction with owners	–	(28,179)	(28,179)	–	(28,179)
At 30th September 2021	40,361	2,794,370	2,834,731	1,446	2,836,177
At 31st March 2022	40,361	2,139,734	2,180,095	2,513	2,182,608
Financial assets at fair value through other comprehensive income					
– net fair value loss and other net movement	–	(749,177)	(749,177)	–	(749,177)
– release of reserve upon disposal/ redemption/derecognition	–	(17,529)	(17,529)	–	(17,529)
Currency translation differences	–	(99,253)	(99,253)	–	(99,253)
Cash flow hedges					
– fair value gain	–	91,818	91,818	–	91,818
– deferred tax on derivative financial instruments	–	(15,150)	(15,150)	–	(15,150)
Share of currency translation differences of joint ventures	–	(50,374)	(50,374)	(4,858)	(55,232)
(Loss)/profit for the period	–	(95,766)	(95,766)	1,154	(94,612)
Total comprehensive charge for the period	–	(935,431)	(935,431)	(3,704)	(939,135)
<b>At 30th September 2022</b>	<b>40,361</b>	<b>1,204,303</b>	<b>1,244,664</b>	<b>(1,191)</b>	<b>1,243,473</b>

# Notes to the Interim Financial Information

## 1 GENERAL INFORMATION

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

## 2 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information for the six months ended 30th September 2022 (“Interim Financial Information”) has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants, and should be read in conjunction with the annual financial statements for the year ended 31st March 2022, 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 2022, except the adoption of the following amendments to standards that are effective for the financial year ending 31st March 2023 which is relevant to the Group’s operations and is mandatory for accounting periods beginning on or after 1st January 2022:

Amendments to HKAS 16	Property, plant and equipment: Proceeds before intended use
Amendments to HKAS 37	Onerous contracts – cost of fulfilling a contract
Amendments to HKFRS 3	Reference to the conceptual framework
Amendments to HKFRS	Annual improvements to HKFRS Standards 2018-2020

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

## 4 FINANCIAL RISK MANAGEMENT

### (I) Financial Risk Factors

The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and cash flow interest rate risk), credit risk and liquidity risk. The Group’s overall risk management seeks to minimise potential adverse effects on the Group’s financial performance.

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

The Interim Financial Information does not include 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 2022.



# 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 concentration:

Gross carrying amount	Simplified approach HK\$'000	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	POCI HK\$'000
<b>At 30th September 2022</b>					
Bank balances and cash					
Unrestricted	-	302,373	-	-	-
Restricted	-	188,977	-	-	-
Amount due from joint ventures	-	381,870	-	-	-
Loan receivables	-	2,321	-	8,795	-
Trade and other receivables excluding interest receivables	2,241	59,194	-	-	-
Debt securities at FVOCI and related interest receivables	-	41,031	-	911,028	91,376
<b>At 31st March 2022</b>					
Bank balances and cash					
Unrestricted	-	243,431	-	-	-
Restricted	-	348,032	-	-	-
Amount due from joint ventures	-	406,140	-	-	-
Loan receivables	-	2,274	-	8,812	-
Trade and other receivables excluding interest receivables	1,850	54,595	-	-	-
Debt securities at FVOCI and related interest receivables	-	464,854	183,003	1,149,655	216,427

# 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:

	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 2022	273,262	4,090	132,650	35,906	878,650	1,207,544	211,515	19,986	1,496,077	1,267,526
Net assets originated or purchased	55,050	135	-	-	280,530	50,514	-	-	335,580	50,649
Payments and assets derecognised	(116,529)	-	(1,039)	-	(276,686)	(22,404)	(10,203)	-	(404,457)	(22,404)
Transfers to Stage 3	(156,733)	(1,090)	(131,611)	(35,906)	288,344	36,996	-	-	-	-
Credit quality related changes	-	-	-	-	-	132,027	-	44,958	-	176,985
Change in fair value	(15,781)	-	-	-	(701,370)	-	(121,393)	-	(838,544)	-
<b>At 30th September 2022</b>	<b>39,269</b>	<b>3,135</b>	<b>-</b>	<b>-</b>	<b>469,468</b>	<b>1,404,677</b>	<b>79,919</b>	<b>64,944</b>	<b>588,656</b>	<b>1,472,756</b>
<b>Total ECL charge to profit and loss account for the period</b>										<b>205,230</b>
At 1st April 2021	4,752,150	35,045	136,529	36,029	-	170,833	-	-	4,888,679	241,907
Net assets originated or purchased	256,887	1,808	-	-	-	-	48,503	-	305,390	1,808
Payments and assets derecognised	(305,758)	(2,433)	-	-	-	-	-	-	(305,758)	(2,433)
Transfers to Stage 2	(3,637,137)	(23,244)	3,637,137	23,244	-	-	-	-	-	-
Transfers to Stage 3	(100,531)	(731)	(136,529)	(33,675)	237,060	34,406	-	-	-	-
Credit quality related changes	-	(575)	-	367,959	-	22,327	-	22,119	-	411,830
Change in fair value	(4,386)	-	(2,291,466)	-	(69,683)	-	(32,383)	-	(2,397,918)	-
<b>At 30th September 2021</b>	<b>961,225</b>	<b>9,870</b>	<b>1,345,671</b>	<b>393,557</b>	<b>167,377</b>	<b>227,566</b>	<b>16,120</b>	<b>22,119</b>	<b>2,490,393</b>	<b>653,112</b>
<b>Total ECL charge to profit and loss account for the period</b>										<b>411,205</b>

# Notes to the Interim Financial Information

## 4 FINANCIAL RISK MANAGEMENT (CONTINUED)

### (II) Fair Value Estimation

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

- **Financial instruments in level 1**

The fair value of financial instruments traded in active markets (such as listed equity securities) is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price. These instruments are included in level 1.

- **Financial instruments in level 2**

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter investments) is determined by using latest available transaction price or valuation techniques. Judgements as to whether there is an active market may include, but not restricted to, consideration of factors such as the magnitude and frequency of trading activities, the availability of prices and the sizes of bid/ask spreads. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

- **Financial instruments in level 3**

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

Level 3 instruments comprised listed debt securities and unlisted funds which are not traded in an active market. Fair values of these instruments have been determined using appropriate valuation techniques with references including quoted prices and asset-based 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 2022 and 31st March 2022:

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
<b>At 30th September 2022</b>			
Assets			
Financial investments			
Financial assets at FVOCI	125,727	450,811	137,844
Financial assets at fair value through profit or loss ("FVPL")	–	1,184,231	55,781
Derivative financial instruments	–	251,455	–
	<b>125,727</b>	<b>1,886,497</b>	<b>193,625</b>
<b>At 31st March 2022</b>			
Assets			
Financial investments			
Financial assets at FVOCI	165,197	1,154,461	341,615
Financial assets at FVPL	–	1,304,851	54,830
Derivative financial instruments	–	127,280	–
	<b>165,197</b>	<b>2,586,592</b>	<b>396,445</b>

# Notes to the Interim Financial Information

## 4 FINANCIAL RISK MANAGEMENT (CONTINUED)

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

The following table presents the changes in level 3 financial instruments for the six months ended 30th September 2022 and 2021:

	<b>Financial assets at FVOCI HK\$'000</b>	<b>Financial assets at FVPL HK\$'000</b>
At 31st March 2022	341,615	54,830
Net addition	–	9,383
Transfer to level 2	(204,059)	–
Fair value gain/(loss) recognised in profit or loss	288	(8,432)
<b>At 30th September 2022</b>	<b>137,844</b>	<b>55,781</b>
At 31st March 2021	–	42,142
Net addition	–	2,917
Fair value gain recognised in profit or loss	–	1,897
At 30th September 2021	–	46,956

During the period, except that the Group transferred HK\$204 million financial assets at FVOCI from level 3 to level 2 which was obtained transaction price over the counter, there were no transfer between level 1, 2 and 3.

# Notes to the Interim Financial Information

## 4 FINANCIAL RISK MANAGEMENT (CONTINUED)

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

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

Description	Fair value		Valuation technique	Unobservable input	Relationship of unobservable input to fair value
	At 30th September 2022 HK\$'000	At 31st March 2022 HK\$'000			
Financial asset at FVOCI	137,844	341,615	Discounted cash flow methodology	Discount rate of 15%-25% on estimated contractual cash inflow from the bond	The higher the estimated contractual cash flow from the underlying bond, the higher the fair value. The higher the discount rate, the lower the fair value.
Financial asset at FVPL	42,881	39,550	Asset-based valuation	Net asset value	The higher the net asset value, the higher the fair value.
Financial asset at FVPL	12,900	15,280	Third party valuation report	Fair value of the underlying property based on valuation report	The higher the fair value 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 2022.

# Notes to the Interim Financial Information

## 6 SEGMENT INFORMATION

The Group is principally engaged in hotel operation, property development and securities investment. Revenue includes revenue from hotel and travel operations, 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 three main reportable operating segments comprising hotel operation, property development and financial investments. Segment assets consist primarily of property, plant and equipment, inventories, trade and other receivables, properties under development for sale, joint ventures and financial investments. Segment liabilities comprise mainly borrowings, trade and other payables, lease liabilities, contract liabilities and amount due to non-controlling interest.

	Hotel operation	Property development	Financial investments	Others	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Six months ended 30th September 2022</b>					
Segment revenue	71,312	93	388,492	3,626	463,523
Contribution to segment results	5,560	(6,596)	382,390	1,696	383,050
Depreciation	(55,381)	(501)	-	(4,430)	(60,312)
Net investment loss	-	-	(342,836)	-	(342,836)
Share of profits less losses of joint ventures	-	446	-	13	459
Segment results	(49,821)	(6,651)	39,554	(2,721)	(19,639)
Unallocated corporate expenses					(31,963)
Net finance costs					(60,681)
Loss before income tax					(112,283)
<b>Six months ended 30th September 2021</b>					
Segment revenue	26,823	411	479,634	1,711	508,579
Contribution to segment results	(17,952)	(2,247)	478,711	65	458,577
Depreciation	(55,766)	(3,219)	-	(4,561)	(63,546)
Net investment loss	-	-	(457,578)	-	(457,578)
Share of profits less losses of joint ventures	-	232	-	(117)	115
Segment results	(73,718)	(5,234)	21,133	(4,613)	(62,432)
Unallocated corporate expenses					(25,090)
Net finance costs					(71,125)
Loss before income tax					(158,647)



# Notes to the Interim Financial Information

## 6 SEGMENT INFORMATION (CONTINUED)

	Business segments					Total HK\$'000
	Hotel operation	Property development	Financial investments	Others	Unallocated	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
<b>As at 30th September 2022</b>						
Assets	3,022,855	2,371,422	2,574,097	15,608	382,525	8,366,507
Assets include:						
Joint ventures	–	549,510	–	435	–	549,945
Addition to non-current assets for the six months ended 30th September 2022*	24,623	6,347	–	–	25	30,995
Liabilities						
Borrowings	3,472,441	369,759	–	–	2,520,778	6,362,978
Other liabilities						760,056
						7,123,034
<b>As at 31st March 2022</b>						
Assets	3,010,959	2,218,739	3,704,530	18,565	161,180	9,113,973
Assets include:						
Joint ventures	–	584,850	–	193	–	585,043
Addition to non-current assets for the six months ended 30th September 2021*	135,419	1,784	–	–	44	137,247
Liabilities						
Borrowings	3,519,378	407,277	299,924	–	1,986,300	6,212,879
Other liabilities						718,486
						6,931,365

\* 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	
	2022 HK\$'000	2021 HK\$'000
<b>Revenue</b>		
Hong Kong	75,933	41,599
Overseas	387,590	466,980
	<b>463,523</b>	<b>508,579</b>
	30th September 2022 HK\$'000	31st March 2022 HK\$'000
<b>Non-current assets*</b>		
Hong Kong	2,850,667	2,885,266
Overseas	552,012	587,865
	<b>3,402,679</b>	<b>3,473,131</b>

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

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

	Six months ended 30th September	
	2022 HK\$'000	2021 HK\$'000
<b>Revenue from contracts with customers</b>		
– At a point in time	377	1,012
– Over time	73,560	22,045
	<b>73,937</b>	<b>23,057</b>
Other sources	4,615	6,963
	<b>78,552</b>	<b>30,020</b>

# Notes to the Interim Financial Information

## 7 NET INVESTMENT LOSS

	<b>Six months ended 30th September</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Financial assets at FVPL		
– net unrealised loss from market price movements	(8,176)	(92,939)
– net unrealised exchange (loss)/gain	(147,809)	35,555
– net realised gain (note (a))	3,066	–
Financial assets at FVOCI		
– net unrealised exchange (loss)/gain	(80)	5,285
– net realised (loss)/gain (note (b))	(2,604)	8,047
– changes in expected credit losses	(205,230)	(411,205)
Derivative financial instruments		
– net unrealised gain/(loss)	17,997	(2,321)
	<b>(342,836)</b>	<b>(457,578)</b>

Notes:

	<b>Six months ended 30th September</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
(a) Net realised gain on financial assets at FVPL		
Gross consideration	7,043	–
Cost of investments	(6,015)	–
Add: net unrealised loss recognised in prior years	2,038	–
Net realised gain recognised in current period	<b>3,066</b>	–
(b) Net realised (loss)/gain on financial assets at FVOCI		
Gross consideration	406,760	321,123
Cost of investments	(407,930)	(310,754)
Transfer from investment revaluation reserve	(1,434)	(2,322)
Net realised (loss)/gain recognised in current period	<b>(2,604)</b>	8,047

# Notes to the Interim Financial Information

## 7 NET INVESTMENT LOSS (CONTINUED)

Notes: (Continued)

- (c) The unrealised (loss)/gain for the period was generated from the fair value changes of financial investments that comprised 33 (2021: 34) securities and 3 (2021: 3) unlisted funds as at 30th September 2022.

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

	<b>Six months ended 30th September</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Debt securities	(147,633)	(53,996)
Unlisted fund	(8,432)	1,897
	<b>(156,065)</b>	(52,099)

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

	<b>Unrealised loss for the six months ended 30th September 2022</b>
	<b>HK\$'000</b>
Pearl River 7.5% notes 1	(59,755)
Pearl River 7.5% notes 2	(41,933)
Guangzhou R&F 6.7% notes	(17,174)
Guangzhou R&F 7.4% notes	(11,302)
Guangzhou R&F 6.58% notes	(9,160)
	<b>(139,324)</b>

# Notes to the Interim Financial Information

## 7 NET INVESTMENT LOSS (CONTINUED)

Notes: (Continued)

(c) (Continued)

Pearl River 7.5% notes 1 and Pearl River 7.5% notes 2, issued by Guangdong Pearl River Investment Co., Limited ("Pearl River"), listed on Shanghai Stock Exchange ("SSE") and denominated in Renminbi. As at 30th September 2022, they were rated "AA+" by China Lianhe Credit rating Co., Ltd. ("Lianhe"). 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. Their parameters are as follows:

	Coupon per annum	Maturity	Put Option
Pearl River 7.5% notes 1	7.5%	19th February 2026	19th February 2023
Pearl River 7.5% notes 2	7.5%	11th January 2026	11th January 2023

Guangzhou R&F 6.58%, 6.7% and 7.4% notes, issued by Guangzhou R&F Properties Co., Ltd ("Guangzhou R&F"), carry fixed coupon rates of 6.58% per annum (maturing on 3rd December 2022), 6.7% per annum (maturing on 7th April 2023) and 7.4% per annum (maturing on 19th October 2022), respectively. These notes are denominated in RMB and are listed in PRC; the 6.58% and 6.7% notes were rated "AA+" by Lianhe and listed on SSE; the 7.4% notes was non-rated and listed on Shenzhen Stock Exchange ("SZSE"). The Group acquired them 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).

(d) Summary of expected credit loss 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 2022 HK\$'000
Jiayuan 11.375% notes	(50,514)
Hejun Shunze 11% notes	(27,919)
Scenery Journey 13.75% notes	(25,682)
Scenery Journey 13% notes	(22,597)
Scenery Journey 12% notes	(20,978)
	(147,690)

# Notes to the Interim Financial Information

## 7 NET INVESTMENT LOSS (CONTINUED)

Notes: (Continued)

(d) (Continued)

Jiayuan 11.375% notes, issued by Jiayuan International Group Limited ("Jiayuan") and carry fixed coupon rates of 11.375% per annum. The notes denominated in USD, mature on 29th October 2022 and are listed on Singapore Stock Exchange ("SGX-ST").

Hejun Shunze 11% notes, issued by Hejun Shunze Investment Co., Limited, a wholly-owned subsidiary of Sichuan Languang Development Co., Ltd., carry fixed coupon rate of 11% per annum. The notes are denominated in USD, mature on 4th June 2022 and are listed on SGX-ST.

Scenery Journey 12%, 13% and 13.75% notes, issued by Scenery Journey Limited, an indirect subsidiary of China Evergrande Group ("Evergrande"), carry fixed coupon rates of 12% per annum (maturing on 24th October 2023), 13% per annum (maturing on 6th November 2022), 13.75% per annum (maturing on 6th November 2023). The notes are denominated in USD and are listed on 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).

## 8 INCOME AND EXPENSES BY NATURE

	Six months ended 30th September	
	2022 HK\$'000	2021 HK\$'000
<b>Income</b>		
Operating lease rental income for hotel buildings	1,250	4,688
Interest income from financial assets at FVOCI		
– Listed investments	279,026	378,706
– Unlisted investments	6,686	–
Interest income from financial assets at FVPL		
– Listed investments	62,374	65,444
– Unlisted investments	3,158	767
Dividend income from financial assets at FVOCI		
– Listed investment	2,151	1,662
<b>Expenses</b>		
Cost of goods sold	6,067	533
Employee benefit expense, including Directors' emoluments (note)	37,952	30,458
Note:		
Employee benefit expense		
Wages and salaries	39,607	32,305
Retirement benefits costs	1,158	968
	40,765	33,273
Capitalised under property under development for sale	(2,813)	(2,815)
	37,952	30,458

# Notes to the Interim Financial Information

## 9 NET FINANCE COSTS

	Six months ended 30th September	
	2022 HK\$'000	2021 HK\$'000
Interest (expenses)/income		
Long term bank loans	(72,089)	(47,390)
Short term bank loans and overdrafts	(6,589)	(2,260)
Lease liabilities	(80)	(94)
Convertible notes	(8,377)	(7,869)
Derivative financial instruments (interest rate swaps)	591	(12,566)
Interest capitalised	21,360	7,955
	(65,184)	(62,224)
Other incidental borrowing costs	(9,277)	(8,426)
Net foreign exchange loss on borrowings	(580)	(151)
Fair value gain/(loss) on derivative financial instruments (interest rate swaps)		
Cash flow hedge – ineffective portion	14,360	(324)
	(60,681)	(71,125)

## 10 INCOME TAX CREDIT

	Six months ended 30th September	
	2022 HK\$'000	2021 HK\$'000
Current income tax expenses		
Hong Kong profits tax	(1,628)	(19,641)
Overseas profits tax	(2,315)	(581)
Over provision in prior years	–	7,438
	(3,943)	(12,784)
Deferred income tax credit	21,614	24,368
	17,671	11,584

Hong Kong profits tax is provided at the rate of 16.5% (2021: 16.5%) on the estimated assessable profit for the period. Income tax on overseas profits has been calculated on the estimated assessable profit for the period at the tax rates prevailing in the countries in which the Group operates.

## 11 DIVIDEND

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 30th September 2022 (2021: Nil).

# Notes to the Interim Financial Information

## 12 LOSS PER SHARE

The calculation of basic and diluted loss per share for the period is based on the following:

The effect of the exercise of convertible note was not included in the calculation of diluted loss per share as they are anti-dilutive. Accordingly, diluted loss per share for the six month ended 30th September 2022 is same as basic loss per share.

	<b>Six months ended 30th September</b>	
	<b>2022</b>	<b>2021</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Loss attributable to shareholders of the Company for calculation of basic and diluted loss per share	<b>(95,766)</b>	(147,262)
	<b>Number of shares</b>	
Weighted average number of shares for calculation of basic and diluted loss per share	<b>2,018,040,477</b>	2,018,040,477
Basic loss per share (HK cents)	<b>(4.7)</b>	(7.3)
Diluted loss per share (HK cents)	<b>(4.7)</b>	(7.3)



# Notes to the Interim Financial Information

## 13 PROPERTY, PLANT AND EQUIPMENT

	Buildings HK\$'000	Plant and equipment HK\$'000	Right-of-use assets HK\$'000	Total HK\$'000
<b>Cost</b>				
At 31st March 2022	1,155,938	686,163	2,736,921	4,579,022
Currency translation differences	–	(4,850)	(47)	(4,897)
Addition	–	14,735	10,410	25,145
Disposals	–	–	(14,949)	(14,949)
<b>At 30th September 2022</b>	<b>1,155,938</b>	<b>696,048</b>	<b>2,732,335</b>	<b>4,584,321</b>
<b>Accumulated depreciation</b>				
At 31st March 2022	392,233	573,764	724,937	1,690,934
Currency translation differences	–	(4,681)	(29)	(4,710)
Charge for the period	15,894	15,401	29,017	60,312
Disposals	–	–	(14,949)	(14,949)
<b>At 30th September 2022</b>	<b>408,127</b>	<b>584,484</b>	<b>738,976</b>	<b>1,731,587</b>
<b>Net book value</b>				
<b>At 30th September 2022</b>	<b>747,811</b>	<b>111,564</b>	<b>1,993,359</b>	<b>2,852,734</b>
At 31st March 2022	763,705	112,399	2,011,984	2,888,088

Notes:

- (a) At 30th September 2022, hotel properties with carrying amount of HK\$2,618,281,000 (31st March 2022: HK\$2,654,595,000) were pledged to banks to secure bank borrowings.
- (b) Supplementary information with hotel properties at valuation:

According to the Group's accounting policies, the carrying amount of the five hotel properties were HK\$2,618,281,000 (31st March 2022: HK\$2,654,595,000).

The aggregate open market value, on a highest and best use basis, of the hotel properties in Hong Kong based on valuations conducted by Vigers Appraisal & Consulting Limited ("Vigers"), independent professional valuers, amounted to HK\$12,070,200,000 (31st March 2022: HK\$11,424,200,000), 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

## 14 TRADE AND OTHER RECEIVABLES

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

Accrued interest receivable and accrued dividend receivable amounted to HK\$532,000,000 (31st March 2022: HK\$353,000,000).

Trade receivables of the Group amounted to HK\$2,241,000 (31st March 2022: HK\$1,850,000). The credit terms given to the customers vary and are generally based on the financial strengths of individual customers. In order to effectively manage the credit risks associated with trade receivables, credit evaluation of customers are performed periodically.

Aging analysis of trade receivables net of loss allowance is as follows:

	<b>30th September 2022 HK\$'000</b>	31st March 2022 HK\$'000
0 month to 6 months	2,232	1,717
7 months to 12 months	9	–
More than 12 months	–	133
	<b>2,241</b>	<b>1,850</b>

## Notes to the Interim Financial Information

### 15 FINANCIAL INVESTMENTS

	<b>30th September 2022 HK\$'000</b>	31st March 2022 HK\$'000
<b>Non-current assets</b>		
Debt securities		
– Listed in Singapore	145,542	401,122
– Listed in the PRC	4,363	6,224
	<b>149,905</b>	407,346
Equity securities		
– Listed in Hong Kong	125,727	165,197
Unlisted funds	55,781	54,830
	<b>331,413</b>	627,373
<b>Current assets</b>		
Debt securities		
– Listed in the PRC	1,192,291	1,318,528
– Listed in Singapore	292,565	542,172
– Listed in Europe	138,125	416,352
– Listed in Hong Kong	–	116,529
	<b>1,622,981</b>	2,393,581
	<b>1,954,394</b>	3,020,954

## Notes to the Interim Financial Information

### 15 FINANCIAL INVESTMENTS (CONTINUED)

Financial investments are classified in the following categories:

	<b>30th September 2022 HK\$'000</b>	31st March 2022 HK\$'000
<b>Non-current assets</b>		
Financial assets at FVOCI	275,632	572,543
Financial assets at FVPL	55,781	54,830
	<b>331,413</b>	627,373
<b>Current assets</b>		
Financial assets at FVOCI	438,750	1,088,730
Financial assets at FVPL	1,184,231	1,304,851
	<b>1,622,981</b>	2,393,581
	<b>1,954,394</b>	3,020,954

Financial investments are denominated in the following currencies:

	<b>30th September 2022 HK\$'000</b>	31st March 2022 HK\$'000
Renmibi	1,196,654	1,324,752
United States dollar	618,832	1,515,551
Hong Kong dollar	125,727	165,197
Japanese yen	12,900	15,280
Euro	281	174
	<b>1,954,394</b>	3,020,954

Supplementary information of financial investments:

#### Debt Securities

As at 30th September 2022, the Group held 32 (31st March 2022: 31) debt securities, 20 of them are listed in Singapore, 8 in the PRC, 3 in Europe and 1 unlisted. More than 99% (31st March 2022: approximately 96%) of the mark to market valuation comprising 31 (31st March 2022: 29) 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, 1 is listed in the PRC and 2 are unlisted.

# Notes to the Interim Financial Information

## 15 FINANCIAL INVESTMENTS (CONTINUED)

### Debt Securities (Continued)

The summary of debt securities of financial investments as at 30th September 2022 and 31st March 2022 are as follows:

	<b>30th September 2022 HK\$'000</b>	31st March 2022 HK\$'000
Principal amount of notes	6,954,814	7,215,815
Investment cost	6,514,058	6,561,513
Fair value	1,772,886	2,800,927
Coupon	5.9% to 14.5%	5.9% to 14.5%
Maturity	Oct 2022 – Feb 2026	Apr 2022 – Feb 2026

The 32 (30th September 2021: 33) debt securities gave rise to a net unrealised fair value loss of HK\$986 million (2021: loss of HK2,457 million) for the six months period ended 30th September 2022.

As at 30th September 2022, the mark to market valuation of the five largest debt securities held represents approximately 7.1% (31st March 2022: 9.4%) of the Group's revalued total assets. The remaining 27 debt securities represent 2.8% of the Group's revalued total assets, with each of them less than 1%.

The five largest debt securities held at 30th September 2022 are as follows:

	Fair value		Unrealised (loss)/gain for the six months ended 30th September		Interest income for the six months ended 30th September			
	30th September 2022 HK\$'000	% of the debt securities portfolio	31st March 2022 HK\$'000	% of the debt securities portfolio	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Pearl River 7.5% notes 1 (i)	562,312	32%	591,157	21%	(59,755)	14,463	24,649	25,780
Pearl River 7.5% notes 2 (i)	411,436	23%	453,370	16%	(41,933)	10,150	17,298	18,091
Cheergain 15% notes (ii)	137,844	8%	137,556	5%	288	167	21,136	13,066
Guangzhou R&F 6.8% notes (iii)	83,769	5%	92,105	3%	(8,335)	(29,262)	7,752	8,197
Golden Wheel 10% notes (iv)	79,330	4%	204,059	7%	(114,526)	-	23,091	-

# Notes to the Interim Financial Information

## 15 FINANCIAL INVESTMENTS (CONTINUED)

### Debt Securities (Continued)

- (i) The details of these notes were described in note 7(c).
- (ii) “Cheergain 15% notes”, issued by Cheergain Group Limited, a wholly owned subsidiary of China Properties Group Limited (“CPG”). It carried fixed coupon at 15% per annum, denominated in USD and matured on 15th October 2021. CPG is principally engaged in the property development and the property investment business in the PRC. Its share are listed on HKEX (stock code: 1838).
- (iii) “Guangzhou R&F 6.8% notes” is issued by Guangzhou R&F and carries fixed coupon rate of 6.8% per annum. It is denominated in RMB and matures on 16th May 2023. The notes are listed on SSE and are unrated. The Group acquired them 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).
- (iv) “Golden Wheel 10% notes”, issued by Golden Wheel Tiandi Holdings Company Limited (“Golden Wheel”) and carries fixed coupon rate at 10% per annum. The notes are denominated in USD and mature on 11th April 2025 with amortisation during the tenor. They are non-rated and listed on SGX-ST.

### Equity Securities and Unlisted Funds

As at 30th September 2022, the Group held 1 (31st March 2022: 1) listed equity securities and 3 (31st March 2022: 3) unlisted fund securities. The summary of equity and fund securities portfolio of financial investments as at 30th September 2022 and 31st March 2022 and their corresponding unrealised (loss)/gain and dividend income for the six months ended 30th September 2022 and 2021 are as follows:

	Market value		Unrealised (loss)/gain		Dividend income	
	30th September 2022 HK\$'000	31st March 2022 HK\$'000	for the six months ended 30th September		for the six months ended 30th September	
			2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
HSBC Holdings PLC (“HSBC”)	125,727	165,197	(39,471)	(13,868)	2,151	1,662
Others	55,781	54,830	(8,432)	1,897	3,158	767
	181,508	220,027	(47,903)	(11,971)	5,309	2,429

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 an “A-” rated by S&P Global Rating. As at 30th September 2022, a total of 0.02% shareholding of HSBC was held by the Group.

# Notes to the Interim Financial Information

## 16 TRADE AND OTHER PAYABLES

Trade and other payables of the Group include trade payables, rental and management fee deposits, retentions payable of construction costs, interest payable, lease liabilities and various accruals. Trade payables of the Group amounted to HK\$80,513,000 (31st March 2022: HK\$61,501,000).

Aging analysis of trade payables is as follows:

	<b>30th September 2022 HK\$'000</b>	31st March 2022 HK\$'000
0 month to 6 months	80,099	61,110
7 months to 12 months	67	42
More than 12 months	347	349
	<b>80,513</b>	<b>61,501</b>

## 17 BORROWINGS

	<b>30th September 2022 HK\$'000</b>	31st March 2022 HK\$'000
<b>Current liabilities</b>		
Short term bank loans		
Secured	857,000	407,000
Current portion of long term bank loans		
Secured	2,120,105	978,646
Unsecured	–	979,300
	<b>2,977,105</b>	<b>2,364,946</b>
<b>Non-current liabilities</b>		
Long term bank loans		
Secured	3,385,873	3,847,933
	<b>6,362,978</b>	<b>6,212,879</b>

## Notes to the Interim Financial Information

### 17 BORROWINGS (CONTINUED)

The maturities of 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 follows:

	<b>30th September 2022 HK\$'000</b>	31st March 2022 HK\$'000
Repayable within one year	2,120,105	1,957,946
Repayable between one and two years	1,494,993	2,768,575
Repayable between two and five years	1,890,880	1,079,358
	<b>5,505,978</b>	5,805,879
Current portion included in current liabilities	<b>(2,120,105)</b>	(1,957,946)
	<b>3,385,873</b>	3,847,933

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

### 18 CONVERTIBLE NOTES

	<b>HK\$'000</b>
At the beginning of the period	240,016
Interest expense (note)	8,377
	248,393
Coupon payable included in trade and other payables	(611)
At the end of the period	247,782

Note:

The interest expense on the convertible notes is calculated using the effective interest method by applying the effective interest rate per annum. Interest expenses of HK\$8,375,000 (2021: HK\$7,867,000) is payable to the intermediate holding companies of the Company during the period.

### 19 SHARE CAPITAL

<b>Shares of HK\$0.02 each</b>	<b>Number of shares</b>	<b>Amount HK\$'000</b>
Authorised:		
At 31st March 2022 and 30th September 2022	35,000,000,000	700,000
Issued and fully paid:		
At 31st March 2022 and 30th September 2022	2,018,040,477	40,361



## Notes to the Interim Financial Information

### 20 RESERVES

	Share premium HK\$'000	Contributed surplus HK\$'000	Convertible note redemption reserve HK\$'000	Investment revaluation reserve HK\$'000	Hedging reserve HK\$'000	Currency translation reserve HK\$'000	Share option reserve HK\$'000	Revenue reserve HK\$'000	Total HK\$'000
At 31st March 2022	1,126,360	37	1,067,444	(2,353,596)	66,245	83,110	3,423	2,146,711	2,139,734
Net fair value loss on financial assets at FVOCI	-	-	-	(766,706)	-	-	-	-	(766,706)
Cash flow hedges									
- fair value gain	-	-	-	-	91,818	-	-	-	91,818
- deferred tax on derivative financial instruments	-	-	-	-	(15,150)	-	-	-	(15,150)
Currency translation differences	-	-	-	-	-	(99,253)	-	-	(99,253)
Share of currency translation differences of joint ventures	-	-	-	-	-	(50,374)	-	-	(50,374)
Loss for the period	-	-	-	-	-	-	-	(95,766)	(95,766)
<b>At 30th September 2022</b>	<b>1,126,360</b>	<b>37</b>	<b>1,067,444</b>	<b>(3,120,302)</b>	<b>142,913</b>	<b>(66,517)</b>	<b>3,423</b>	<b>2,050,945</b>	<b>1,204,303</b>

### 21 CAPITAL COMMITMENTS

Capital commitments at the balance sheet date are as follows:

	<b>30th September 2022 HK\$'000</b>	31st March 2022 HK\$'000
Contracted but not provided for Property, plant and equipment	<b>2,022</b>	2,022

### 22 FINANCIAL GUARANTEES

	<b>30th September 2022 HK\$'000</b>	31st March 2022 HK\$'000
Guarantees for the banking and loan facilities of joint ventures	<b>361,150</b>	397,794

# Notes to the Interim Financial Information

## 23 RELATED PARTY TRANSACTIONS

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

	Six months ended 30th September	
	2022 HK\$'000	2021 HK\$'000
Income from/(expense to) subsidiaries of Asia Orient Holdings Limited		
Hotel and travel service	19	19
Operating lease rental and management services	(3,057)	(3,057)
Project management service	(2,351)	(2,262)
Interest of convertible notes to intermediate holding companies	(8,375)	(7,867)

No transactions have been entered into with the Directors of the Company (being the key management personnel) during the period other than the emoluments paid to them (being the key management personnel compensation) (2021: Nil).

## Other Information

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

As at 30th September 2022, 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 under Section 352 of the SFO; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

#### (I) Long Positions in Shares

##### (a) The Company

Director	Number of shares held			Percentage of shares in issue (%)
	Personal interest	Corporate interest	Total	
Poon Jing	152,490	1,346,158,049	1,346,310,539	66.71

Note:

By virtue of Mr. Poon Jing's interest in the Company through Asia Orient Holdings Limited ("Asia Orient") and its subsidiaries as disclosed under the heading "Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares" below, Mr. Poon is deemed to be interested in the shares of all of the Company's subsidiaries.

##### (b) Associated corporations

Director	Associated corporation	Number of shares held			Total	Percentage of shares in issue (%)
		Personal interest	Family interest	Corporate interest		
Poon Jing	Asia Orient (Note 1)	359,139,472	5,318,799	145,213,900	509,672,171	60.61
Poon Jing	Asia Standard International Group Limited ("ASI") (Note 2)	1,308,884	-	683,556,392	684,865,276	51.89
Poon Hai	Asia Orient	10,444,319	-	-	10,444,319	1.24
Fung Siu To, Clement	Asia Orient	15,440,225	-	-	15,440,225	1.83
Fung Siu To, Clement	Mark Honour Limited	9	-	-	9	0.01

Notes:

- By virtue of Mr. Poon Jing's controlling interest in Asia Orient, he is deemed to be interested in the shares of the Company held by Asia Orient.
- By virtue of Mr. Poon Jing's controlling interest in Asia Orient, he is deemed to be interested in the shares of ASI held by subsidiaries of Asia Orient.

## Other Information

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

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

##### Interests in share options

###### (a) The Company

<b>Director</b>	<b>Outstanding as at 1st April 2022 and 30th September 2022</b>
Poon Hai (Note 1)	14,400,000
Poon Yeung, Roderick (Note 1)	14,400,000

Notes:

- (1) Options were granted on 11th December 2015 under 2006 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.
- (2) During the period, no option was granted to the Directors and the options granted to the Directors have not been exercised, cancelled or lapsed.

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

<b>Director</b>	<b>Outstanding as at 1st April 2022 and 30th September 2022</b>
Poon Hai (Note 1)	3,500,000
Poon Yeung, Roderick (Note 1)	3,500,000

Notes:

- (1) Options were granted on 11th December 2015 under a share option scheme adopted by Asia Orient on 29th August 2014 and exercisable during the period from 11th December 2015 to 10th December 2025 at an exercise price of HK\$1.42 per share.
- (2) During the period, no option was granted to the Directors and the options granted to the Directors have not been exercised, cancelled or lapsed.

## Other Information

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

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

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

(c) Associated corporation – ASI

Director	Outstanding as at 1st April 2022 and 30th September 2022
Poon Hai (Note 1)	3,500,000
Poon Yeung, Roderick (Note 1)	3,500,000

Notes:

- (1) Options were granted on 11th December 2015 under a share option scheme adopted by ASI on 29th August 2014 and exercisable during the period from 11th December 2015 to 10th December 2025 at an exercise price of HK\$1.38 per share.
- (2) 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

The Company

Director	Number of convertible notes held		
	Personal interest	Corporate interest	Total
Poon Jing	–	2,692,316,098	2,692,316,098

Note:

By virtue of Mr. Poon Jing's controlling interest in Asia Orient, he is deemed to be interested in the convertible notes held by Asia Orient and its subsidiaries which are convertible into 2,692,316,098 shares of the Company. The convertible notes are convertible during the period from 24th February 2017 and up to and including the date falling the 10th business day prior to 23rd February 2047 at the conversion price/redeemable at the redemption value of HK\$0.453 per convertible note.

Save as disclosed above, as at 30th September 2022, none of the Directors or the Chief Executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which are taken or deemed to have under such provisions of the SFO); or (b) were recorded in the register required to be kept by the Company under Section 352 of the SFO; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## Other Information

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

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 30th September 2022, 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 the Chief Executive of the Company.

#### (I) Long Positions in Shares of the Company

Shareholder	Capacity	Number of shares held	Total	Percentage of shares in issue (%)
The Sai Group Limited ("Sai Group")	Beneficial owner	1,298,709,227	1,298,709,227	64.35
ASI (Note 1)	Interests in controlled corporation	1,298,709,227	1,298,709,227	64.35
Persian Limited ("Persian")	Beneficial owner	47,448,822	47,448,822	2.35
Asia Orient Holdings (BVI) Limited ("AOH(BVI)") (Notes 2 and 3)	Interests in controlled corporation	1,346,158,049	1,346,158,049	66.70
Asia Orient (Note 4)	Interests in controlled corporation	1,346,158,049	1,346,158,049	66.70
Wong Kwok Fong	Beneficial owner Family interest	183,088,366 60,000	183,148,366	9.07

## Other Information

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

#### (II) Long Positions in Underlying Shares of the Company

##### Interests in convertible notes

Noteholder	Capacity	Number of convertible notes held
Sai Group (Note 5)	Beneficial owner	2,597,418,454
ASI (Notes 1 and 5)	Interests in controlled corporation	2,597,418,454
Persian (Note 5)	Beneficial owner	94,897,644
AOH(BVI) (Notes 2, 3 and 5)	Interests in controlled corporation	2,692,316,098
Asia Orient (Notes 4 and 5)	Interests in controlled corporation	2,692,316,098

##### Notes:

- (1) Sai Group is the wholly-owned subsidiary of ASI. ASI is deemed to be interested in and duplicate the interest in the shares and underlying shares of the Company held by Sai Group.
- (2) AOH(BVI) and its subsidiaries together hold more than one-third of the issued shares of ASI and are deemed to be interested in and duplicate the interest in the shares and underlying shares of the Company held by ASI.
- (3) Persian is a wholly-owned subsidiary of AOH(BVI). AOH(BVI) is deemed to be interested in and duplicate the interest in the shares and underlying shares of the Company held by Persian.
- (4) AOH(BVI) is a wholly-owned subsidiary of Asia Orient. Asia Orient is deemed to be interested in and duplicate the interest in the shares and underlying shares of the Company held by AOH(BVI) and its subsidiaries.
- (5) The convertible notes are convertible during the period from 24th February 2017 and up to and including the date falling the 10th business day prior to 23rd February 2047 at the conversion price/redeemable at the redemption value of HK\$0.453 per convertible note.

Save as disclosed above, as at 30th September 2022, 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 share option scheme of the Company adopted by the Company on 28th August 2006 (the “2006 Share Option Scheme”) expired on the tenth anniversary of such adoption date. Following the expiry of 2006 Share Option Scheme, no further share option can be granted thereunder but all outstanding share options granted under 2006 Share Option Scheme and yet to be exercised shall remain valid and exercisable. As at 30th September 2022, there were 28,800,000 share options granted under 2006 Share Option Scheme outstanding. Movements of share options granted under 2006 Share Option Scheme during the period are as follows:

<b>Grantee</b>	<b>Outstanding as at 1st April 2022 and 30th September 2022</b>
Directors	28,800,000

Notes:

- (1) 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.
- (2) During the period, no option was exercised, cancelled or lapsed.

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

### INTERIM DIVIDEND

The Board of Directors (the “Board”) does not recommend the payment of an interim dividend for the six months ended 30th September 2022 (2021: Nil).

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

### CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code and has made specific enquiry of all Directors regarding any non-compliance with the Model Code during the period, and they all confirmed that they have fully complied with the required standard as set out in the Model Code throughout the period ended 30th September 2022.



## Other Information

### CORPORATE GOVERNANCE CODE

During the period, the Company has complied with the code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Listing Rules, except the following deviations:

- (1) Code Provision C.1.6 of the CG Code which provides that independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. Mr. Leung Wai Keung (“Mr. Leung”), an Independent Non-executive Director, was unable to attend the adjourned annual general meeting of the Company held on 2nd September 2022 (the “Adjourned AGM”) due to his other business commitments at the relevant time; and
- (2) Code Provision F.2.2 of the CG Code which provides that the chairman of the board should attend and should invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend the annual general meeting. Mr. Poon Jing (“Mr. Poon”), the Chairman of the Board and the Nomination Committee of the Company, was unable to attend the Adjourned AGM due to his other business commitments at the relevant time.

The views of shareholders had been reported to Mr. Leung and Mr. Poon after the Adjourned AGM.

### AUDIT COMMITTEE

The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30th September 2022.

On behalf of the Board  
**Asia Standard Hotel Group Limited**  
**Poon, Jing**  
*Chairman*

Hong Kong, 30th November 2022

