



Asia Standard International
Group Limited



Interim Report 2023

HKSE Stock Code: 129

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Corporate Information

Directors

Executive

Mr. Fung Siu To, Clement (*Chairman*)
Mr. Poon Jing (*Managing Director and Chief Executive*)
Mr. Poon Hai
Mr. Poon Yeung, Roderick
Mr. Lun Pui Kan
Mr. Kwan Po Lam, Phileas

Independent Non-executive

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

Audit Committee

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

Remuneration Committee

Mr. Wong Chi Keung (*Chairman*)
Mr. Fung Siu To, Clement
Mr. Poon Hai
Mr. Ip Chi Wai
Mr. Leung Wai Keung, *JP*

Nomination Committee

Mr. Fung Siu To, Clement (*Chairman*)
Mr. Leung Wai Keung, *JP*
Mr. Wong Chi Keung

Authorised Representatives

Mr. Fung Siu To, Clement
Mr. Lun Pui Kan

Company Secretary

Mr. Tung Kwok Lui

Registered Office

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

Principal Office in Hong Kong

30th Floor, YF Life Tower,
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Telephone 2866 3336
Facsimile 2866 3772
Website <http://www.asiastandard.com>
E-mail asinfo@asiastandard.com

Principal Bankers

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

Legal Advisers

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

Appleby
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Quarry Bay, Hong Kong

Independent Auditor

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

Share Registrar in Bermuda

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

Hong Kong Branch Share Registrar and Transfer Office

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

Financial Highlights

(in HK\$ million, except otherwise indicated)	Six months ended		Change
	2023	2022	
Six months ended 30th September			
Consolidated profit and loss account			
Revenue	901	1,083	-17%
(Loss)/profit attributable to shareholders of the Company	(916)	39	N/A
(Loss)/earnings per share – basic (HK\$)	(0.69)	0.03	N/A
	30th September 2023	31st March 2023	Change
Consolidated balance sheet			
Total assets	36,157	37,899	-5%
Net assets	17,369	19,974	-13%
Equity attributable to shareholders of the Company	17,016	19,439	-12%
Net debt	16,199	15,533	+4%

Supplementary information with hotel properties at valuation (note):

Revalued total assets	46,881	47,881	-2%
Revalued net assets	28,093	29,956	-6%
Equity attributable to shareholders of the Company	25,884	27,694	-7%
Gearing – net debt to revalued net assets	58%	52%	

Note: According to the Group's accounting policies, hotel properties were carried at cost less accumulated depreciation. To give further information on the economic substance of its hotel properties investments, the Group hereby presents supplementary unaudited financial information taking into account the fair market value of these hotel properties and excluding the corresponding deferred income tax on Hong Kong properties as Hong Kong tax jurisdiction does not include capital gain tax.

The hotel properties were revalued by Vigers Appraisal & Consulting Limited, independent professional valuers, on an open market value basis as at 30th September 2023 and 31st March 2023.

Management Discussion and Analysis



Development project “Capital Cove” in Tongzhou, Beijing

RESULTS

The Group recorded a revenue of HK\$901 million (2022: HK\$1,083 million) for the first half of the financial year. While there is a substantial increase in the revenue from the hotel operations, it was more than offset by the decrease in interest revenue from investment in debt securities.

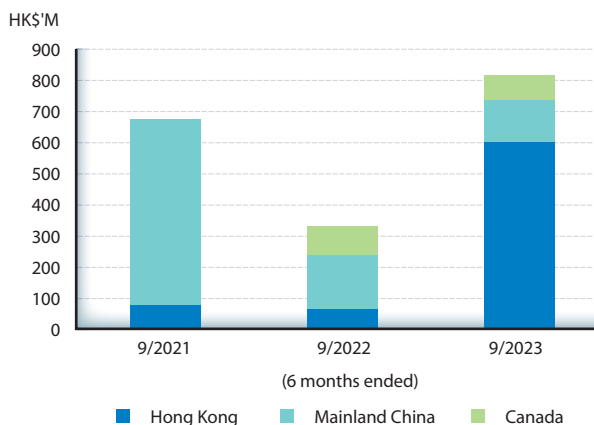
During the period, loss attributable to shareholders of the Company was HK\$916 million (2022: profit of HK\$39 million). The change is mainly attributable to (i) decrease in investment revenue as mentioned above; (ii) further provision for expected credit losses on investment in financial assets; and (iii) higher share of profits recognised from property development joint ventures in last period.

PROPERTIES SALES, DEVELOPMENT AND LEASING

SALES AND DEVELOPMENT

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

Property sales – attributable contracted sales



Management Discussion and Analysis



Residential development “High Park” in Hung Shui Kiu

Mainland China

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

Hong Kong

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

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

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

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

Management Discussion and Analysis



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

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

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

Canada (development through hotel subsidiary group)

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

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

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

LEASING

Leasing income for the period was HK\$67 million (2022: HK\$79 million). Net revaluation gain (taking into account our share from the investment property owned by an associated company) of HK\$164 million (2022: HK\$69 million) was recorded.

Management Discussion and Analysis



Development project "Landmark on Robson" in Vancouver, Canada

FINANCIAL INVESTMENTS

At 30th September 2023, the Group held financial investments of approximately HK\$5,396 million (31st March 2023: HK\$7,656 million), with HK\$1,944 million (31st March 2023: HK\$2,870 million) held by the listed hotel subsidiary group. The investment portfolio comprised of 83% listed debt securities (predominantly issued by PRC-based real estate companies), 8% listed equity securities and 9% unlisted investments. They are denominated in different currencies with 60% in United States dollar, 31% in Renminbi and 9% in other currencies (mostly Hong Kong dollar).

During the period, income from this investment portfolio amounted to HK\$645 million (2022: HK\$905 million), the decrease is mainly resulted from disposal/redemption of some debt securities after the last interim period. A net investment loss of HK\$1,580 million (2022: HK\$925 million), which mainly include further provision for expected credit loss, was recorded in the profit and loss account, while a net fair value loss of HK\$1,438 million (2022: HK\$1,568 million) was recognised in investment revaluation reserve account.

HOTEL

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

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

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

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

Management Discussion and Analysis

FINANCIAL REVIEW

Save for that of the listed hotel subsidiary group, which is independently administered, the Group's financing and treasury activities are centrally managed and controlled at the headquarter level. At 30th September 2023, the Group has over HK\$6.7 billion (31st March 2023: HK\$7.5 billion) cash and undrawn banking facilities.

At 30th September 2023, the Group's total assets were approximately HK\$36.2 billion (31st March 2023: HK\$37.9 billion), with net assets of HK\$17.4 billion (31st March 2023: HK\$20.0 billion). Adopting market value of hotel properties in operation, the revalued total assets of the Group were HK\$46.9 billion (31st March 2023: HK\$47.9 billion), while the revalued net assets of the Group were HK\$28.1 billion (31st March 2023: HK\$30.0 billion).

Net debt was HK\$16.2 billion (31st March 2023: HK\$15.5 billion), including HK\$5.4 billion (31st March 2023: HK\$5.3 billion) which belonged to the separately listed hotel subsidiary group. Total finance cost is approximately 75% more than last year, mostly due to substantial market interest rate increment, the effect of which was much alleviated by our hedging efforts.

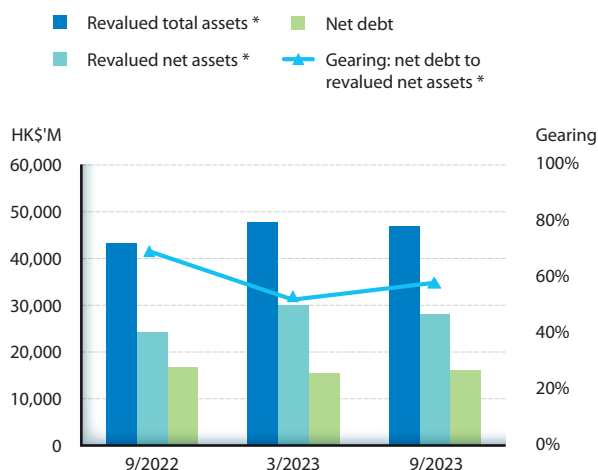
At 30th September 2023, the Group's gearing ratio (net debt to revalued net asset value) is approximately 58% (31st March 2023: 52%).

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

All the debts are at floating rates, which escalated since last year following US interest rate hikes to curb inflationary pressures. As at 30th September 2023, about 45% of these debts have been hedged against HIBOR fluctuations by various interest rate swap contracts of approximately HK\$7,710 million in total, fixing at average rate of approximately 1%, with remaining maturities averaging about 1.7 years. As at 30th September 2023, a fair value gain of HK\$463 million was recorded on these interest rate swap contracts. The maturities of our debts spread over a period of up to 4.75 years, with 23% repayable between one to two years and 45% repayable between two to five years. The remaining 32% (reduced to 18% after post-period end refinancing) represent term loans repayable within 1 year. Subsequent to interim period end, HK\$2,480 million of loan maturing within one year was refinanced with a new 5-years term loan.

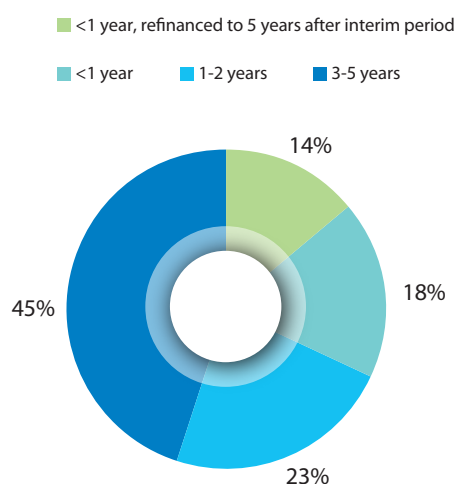
As at 30th September 2023, 77% of the debts are secured. Property assets with an aggregate net book value of HK\$21.8 billion (31st March 2023: HK\$22.0 billion) were pledged to secure credit facilities of the Group. HK\$2,959 million (31st March 2023: HK\$3,347 million) guarantees were provided to financial institutions and third parties against outstanding banking and loan facilities of joint ventures.

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



* with hotel properties at valuation

Debt maturity profile as at 30th September 2023



Management Discussion and Analysis

EMPLOYEES AND REMUNERATION POLICIES

At 30th September 2023, the Group employed approximately 230 (31st March 2023: 240) employees. The remuneration packages including basic salary, annual bonus, share options, retirement and other benefits are commensurate with their job nature and level of experience.

FUTURE PROSPECT

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

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

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

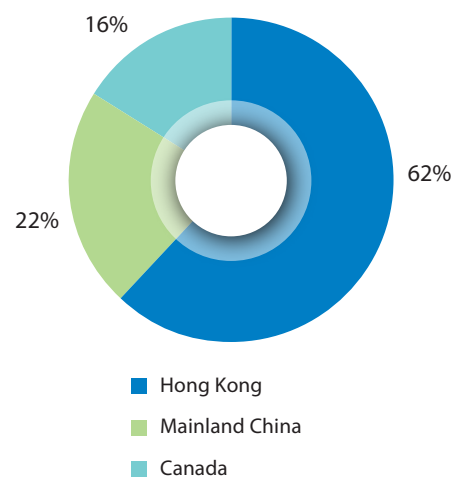
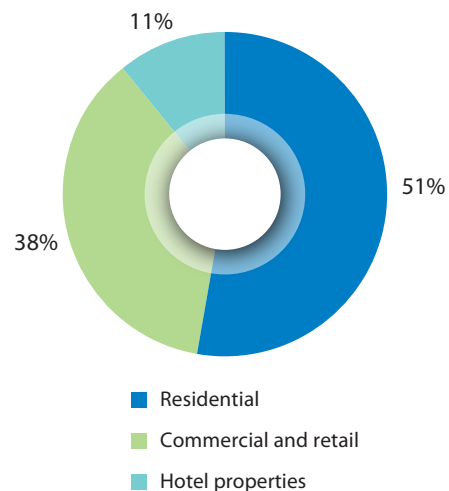
In mainland China, central government continues to alleviate the liquidity issues facing the property developers, including the uplifting of purchase restrictions, lowering of mortgage rate, thus

expanding the market through demand-side management. With the policies to stabilise property market, we expect homebuyers' confidence in the real estate sector would be restored, and the affected developers would come out the crisis through liabilities management and accelerated asset sale.

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

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

Property portfolio attributable gross floor area



Condensed Consolidated Profit and Loss Account – Unaudited

	Note	Six months ended 30th September	
		2023 HK\$'000	2022 HK\$'000
Interest revenue		651,634	907,307
Sales of goods and services, leasing and other revenue		249,132	176,046
Total revenue	6	900,766	1,083,353
Cost of sales		(76,441)	(51,871)
Gross profit		824,325	1,031,482
Selling and administrative expenses		(125,778)	(139,342)
Depreciation		(68,604)	(76,543)
Net investment loss	7		
Net realised and unrealised loss		(299,119)	(308,932)
Change in expected credit losses		(1,280,896)	(615,590)
Fair value gain of investment properties		176,852	81,995
Operating loss		(773,220)	(26,930)
Net finance costs	9	(266,021)	(152,094)
Share of profits less losses of			
Joint ventures		35,386	195,282
Associated companies		(3,103)	(13,082)
(Loss)/profit before income tax		(1,006,958)	3,176
Income tax credit	10	27,020	20,076
(Loss)/profit for the period		(979,938)	23,252
Attributable to:			
Shareholders of the Company		(915,845)	38,666
Non-controlling interests		(64,093)	(15,414)
		(979,938)	23,252
(Loss)/earnings per share (HK\$)			
Basic	12	(0.69)	0.03
Diluted	12	(0.69)	0.03

Condensed Consolidated Statement of Comprehensive Income – Unaudited

	Six months ended	
	30th September	
	2023	2022
	HK\$'000	HK\$'000
(Loss)/profit for the period	(979,938)	23,252
Other comprehensive charge		
Items that have been reclassified or may be reclassified subsequently to profit or loss:		
Debt securities at fair value through other comprehensive income		
– net fair value loss and other net movements	(1,575,187)	(1,493,092)
– release of reserve upon derecognition	100,981	(37,166)
Share of net fair value (loss)/gain on debt securities at fair value through other comprehensive income of joint ventures	(114,524)	16,216
Cash flow hedges		
– net fair value gain	32,528	244,094
– deferred tax on derivative financial instruments	(5,367)	(40,276)
Currency translation differences	(20,006)	(102,532)
Share of currency translation differences of joint ventures	(79,420)	(193,382)
Items that will not be reclassified to profit or loss:		
Net fair value gain/(loss) on equity securities at fair value through other comprehensive income	36,675	(38,072)
	(1,624,320)	(1,644,210)
Total comprehensive charge for the period	(2,604,258)	(1,620,958)
Attributable to:		
Shareholders of the Company	(2,422,735)	(1,455,424)
Non-controlling interests	(181,523)	(165,534)
	(2,604,258)	(1,620,958)

Condensed Consolidated Balance Sheet – Unaudited

	Note	30th September 2023 HK\$'000	31st March 2023 HK\$'000
Non-current assets			
Investment properties	13	11,021,561	10,844,446
Property, plant and equipment	14	4,607,108	4,671,642
Investment in joint ventures and associated companies		4,357,280	4,598,431
Amounts due from joint ventures and associated companies		2,708,771	2,393,487
Financial investments	16	1,509,318	1,615,734
Derivative financial instruments		380,557	342,577
Deferred income tax assets		118,562	137,452
		24,703,157	24,603,769
Current assets			
Properties under development for sale		5,565,825	5,007,956
Completed properties held for sale		3,481	3,481
Hotel and restaurant inventories		27,757	27,949
Trade and other receivables	15	821,806	1,117,954
Income tax recoverable		201	173
Financial investments	16	3,886,836	6,039,865
Derivative financial instruments		82,220	83,874
Bank balances and cash			
– restricted		226,792	184,123
– unrestricted		838,702	829,584
		11,453,620	13,294,959
Current liabilities			
Trade and other payables	17	219,496	184,209
Contract liabilities		328,361	265,241
Amounts due to joint ventures		351,811	297,425
Amount due to an associated company		187,110	193,050
Amount due to non-controlling interests		54,085	52,949
Income tax payable		152,558	153,812
Borrowings	18	5,603,331	3,871,662
		6,896,752	5,018,348
Net current assets		4,556,868	8,276,611

Condensed Consolidated Balance Sheet – Unaudited

	Note	30th September 2023 HK\$'000	31st March 2023 HK\$'000
Non-current liabilities			
Borrowings	18	11,651,716	12,665,571
Convertible notes		9,381	9,086
Deferred income tax liabilities		229,475	232,012
		11,890,572	12,906,669
Net assets		17,369,453	19,973,711
Equity			
Share capital	19	13,197	13,197
Reserves	20	17,002,604	19,425,339
Equity attributable to shareholders of the Company		17,015,801	19,438,536
Non-controlling interests		353,652	535,175
		17,369,453	19,973,711

Condensed Consolidated Statement of Cash Flows – Unaudited

	Six months ended	
	30th September	
	2023	2022
	HK\$'000	HK\$'000
Cash flows from operating activities		
Net cash (used in)/generated from operation	(195,570)	27,458
Net income tax paid	(700)	(2,289)
Net interest paid	(492,232)	(251,714)
Interest received	144,038	9,206
Net cash used in operating activities	(544,464)	(217,339)
Cash flows from investing activities		
Addition to financial investments	(4,871)	(9,383)
Addition to investment properties	(263)	(207)
Addition to property, plant and equipment	(13,611)	(32,838)
Disposal of a subsidiary	(379)	–
Return of/(further) investment in joint ventures	125,689	(5,851)
Advance to joint ventures and associated companies	(273,002)	(150,392)
Net cash used in investing activities	(166,437)	(198,671)
Cash flows from financing activities		
Drawdown of long term borrowings	2,035,366	1,578,300
Repayment of long term borrowings	(1,333,800)	(1,578,200)
Net increase in short term borrowings	31,000	469,420
Contribution from non-controlling interests	1,137	1,830
Lease payments	(4,186)	(4,751)
Net cash generated from financing activities	729,517	466,599
Net increase in cash and cash equivalents	18,616	50,589
Cash and cash equivalents at the beginning of the period	829,584	762,384
Changes in exchange rates	(9,498)	(21,747)
Cash and cash equivalents at the end of the period	838,702	791,226
Analysis of the balances of cash and cash equivalents		
Bank balances and cash (excluding restricted bank balances)	838,702	791,226

Condensed Consolidated Statement of Changes in Equity – Unaudited

	Equity attributable to shareholders of the Company			Non- controlling interests	Total
	Share capital	Reserves	Total		
	HK\$'000	HK\$'000	HK\$'000		
At 31st March 2022	13,197	16,000,964	16,014,161	395,948	16,410,109
Financial assets at fair value through other comprehensive income					
– net fair value loss and other net movements	–	(1,385,341)	(1,385,341)	(129,607)	(1,514,948)
– release of reserve upon derecognition	–	(34,133)	(34,133)	(3,033)	(37,166)
Cash flow hedges					
– net fair value gain	–	228,209	228,209	15,885	244,094
– deferred tax on derivative financial instruments	–	(37,655)	(37,655)	(2,621)	(40,276)
Currency translation differences	–	(265,170)	(265,170)	(30,744)	(295,914)
Profit/(loss) for the period	–	38,666	38,666	(15,414)	23,252
Total comprehensive charge for the period	–	(1,455,424)	(1,455,424)	(165,534)	(1,620,958)
At 30th September 2022	13,197	14,545,540	14,558,737	230,414	14,789,151
At 31st March 2023	13,197	19,425,339	19,438,536	535,175	19,973,711
Financial assets at fair value through other comprehensive income					
– net fair value loss and other net movements	–	(1,532,187)	(1,532,187)	(120,849)	(1,653,036)
– release of reserve upon derecognition	–	93,765	93,765	7,216	100,981
Cash flow hedges					
– net fair value gain	–	30,728	30,728	1,800	32,528
– deferred tax on derivative financial instruments	–	(5,070)	(5,070)	(297)	(5,367)
Currency translation differences	–	(94,126)	(94,126)	(5,300)	(99,426)
Loss for the period	–	(915,845)	(915,845)	(64,093)	(979,938)
Total comprehensive charge for the period	–	(2,422,735)	(2,422,735)	(181,523)	(2,604,258)
At 30th September 2023	13,197	17,002,604	17,015,801	353,652	17,369,453

Notes to the Interim Financial Information

1 GENERAL INFORMATION

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

2 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information for the six months ended 30th September 2023 (“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 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

3 THE ADOPTION OF NEW HKFRS

The accounting policies used in the preparation of this Interim Financial Information are consistent with those used in the annual financial statements for the year ended 31st March 2023, except for the adoption of the following amendments to standards that are effective for the financial year ending 31st March 2024 which is relevant to the Group’s operations and is mandatory for accounting periods beginning on or after 1st January 2023:

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

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

4 FINANCIAL RISK MANAGEMENT

(I) Financial risk factors

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

The Interim Financial Information does not include other financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements as at 31st March 2023.

Notes to the Interim Financial Information

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(I) Financial risk factors (Continued)

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

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 fair value through other comprehensive income (“FVOCI”) debt securities 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 portions 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 asset.

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

Notes to the Interim Financial Information

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(I) Financial risk factors (Continued)

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

Gross carrying amount	Simplified approach HK\$'000	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	POCI HK\$'000
At 30th September 2023					
Bank balances and cash					
Unrestricted	-	838,702	-	-	-
Restricted	-	226,792	-	-	-
Amount due from joint ventures and associated companies	-	2,708,771	-	-	-
Loan receivables	-	18,165	-	6,722	-
Trade and other receivables excluding interest receivables	49,107	54,701	-	-	-
Financial assets at FVOCI, amortised cost and related interest receivables	-	57,219	-	2,843,689	842,197
At 31st March 2023					
Bank balances and cash					
Unrestricted	-	829,584	-	-	-
Restricted	-	184,123	-	-	-
Amount due from joint ventures and associated companies	-	2,393,487	-	-	-
Loan receivables	-	18,228	-	6,722	-
Trade and other receivables excluding interest receivables	67,026	57,291	-	-	-
Financial assets at FVOCI, amortised cost and related interest receivables	-	60,420	-	5,341,815	732,473

Notes to the Interim Financial Information

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(I) Financial risk factors (Continued)

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

	Stage 1		Stage 2		Stage 3		POCI		Total	
	Fair value	ECL	Fair value	ECL	Fair value	ECL	Fair value	ECL	Fair value	ECL
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
1st April 2023	58,658	3,142	-	-	4,491,538	4,475,773	692,156	339,700	5,242,352	4,818,615
Net assets originated or purchased	-	-	-	-	-	-	318,327	-	318,327	-
Payments and assets derecognised	-	-	-	-	(255,743)	-	-	-	(255,743)	-
Credit quality related changes	-	7	-	-	-	1,090,697	-	190,192	-	1,280,896
Change in fair value	(3,188)	-	-	-	(1,956,125)	-	(181,121)	-	(2,140,434)	-
	55,470	3,149	-	-	2,279,670	5,566,470	829,362	529,892	3,164,502	6,099,511
Transfer to cost of sale	-	-	-	-	-	(219,246)	-	-	-	(219,246)
At 30th September 2023	55,470	3,149	-	-	2,279,670	5,347,224	829,362	529,892	3,164,502	5,880,265
Total ECL charge to profit and loss account for the period										1,280,896
1st April 2022	429,994	5,181	444,190	88,763	2,003,474	3,178,732	540,143	48,770	3,417,801	3,321,446
Net assets originated or purchased	55,050	135	-	-	665,033	119,750	-	-	720,083	119,885
Payments and assets derecognised	(116,529)	-	(8,084)	-	(655,922)	(53,112)	(25,765)	-	(806,300)	(53,112)
Transfers to Stage 3	(313,465)	(2,181)	(436,106)	(88,763)	749,571	90,944	-	-	-	-
Credit quality related changes	-	-	-	-	-	403,713	-	145,104	-	548,817
Change in fair value	(15,781)	-	-	-	(1,635,165)	-	(312,091)	-	(1,963,037)	-
	39,269	3,135	-	-	1,126,991	3,740,027	202,287	193,874	1,368,547	3,937,036
Total ECL charge to profit and loss account for the period										615,590

Notes to the Interim Financial Information

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(II) Fair value estimation

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

- **Financial instruments in level 1**

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

- **Financial instruments in level 2**

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

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

- **Financial instruments in level 3**

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

Level 3 instruments comprised unlisted equity securities, unlisted fund and defaulted debt securities which are not traded in an active market, whose transaction price or quoted price does not represent fair value. Fair values of these instruments have been determined using appropriate valuation techniques with references including quoted prices and asset-based value from financial institutions and other prices observed in recent transactions.

Notes to the Interim Financial Information

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(II) Fair value estimation (Continued)

The following table presents the Group's financial instruments that are measured at fair value as at 30th September 2023 and 31st March 2023:

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
At 30th September 2023			
Assets			
Financial assets at FVOCI	379,242	128,858	2,529,736
Financial assets at fair value through profit or loss ("FVPL")	79,506	1,452,914	239,896
Interest receivable	–	6,622	592,002
Derivative financial instruments	–	462,777	–
	458,748	2,051,171	3,361,634
At 31st March 2023			
Assets			
Financial assets at FVOCI	343,252	140,307	4,926,727
Financial assets at FVPL	87,128	1,523,720	359,490
Interest receivable	–	–	890,595
Derivative financial instruments	–	426,451	–
	430,380	2,090,478	6,176,812

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

	HK\$'000
At 31st March 2023	6,176,812
Net disposal	(120,029)
Transfer to financial assets at amortised cost	(255,743)
Fair value loss recognised	(2,439,406)
At 30th September 2023	3,361,634
At 31st March 2022	958,705
Net addition	9,384
Transfer to level 2	(515,291)
Net fair value gain recognised	5,929
At 30th September 2022	458,727

Notes to the Interim Financial Information

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(II) Fair value estimation (Continued)

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

Description	Fair value as at 30th September 2023 HK\$'000	Valuation technique	Unobservable input	Relationship of unobservable input to fair value
Financial asset at FVOCI Interest receivable	2,429,622 592,002	Discounted cash flow methodology	Discount rate of 35% and scenario analysis of different probability on estimated cash flow from the bond	The higher the estimated cash flow from the underlying bond, the higher the fair value. The higher the discount rate, the lower the fair value. If the discount rate had increased/ decreased by 1%, with all other variables held constant, the Group's fair value attributable to shareholders of the Company would have decreased by HK\$93,167,000/ increased by HK\$83,370,000.
Financial asset at FVOCI	100,114	Asset-based valuation	Net asset value	The higher the net asset value, the higher the fair value.

Notes to the Interim Financial Information

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(II) Fair value estimation (Continued)

Description	Fair value as at 30th September 2023 HK\$'000	Valuation technique	Unobservable input	Relationship of unobservable input to fair value
Financial asset at FVPL	128,754	Discounted cash flow methodology	Discount rate of 35% and scenario analysis of different probability on estimated cash flow from the bond	The higher the estimated cash flow from the underlying bond, the higher the fair value. The higher the discount rate, the lower the fair value. If the discount rate had increased/ decreased by 1%, with all other variables held constant, the Group's fair value attributable to shareholders of the Company would have decreased by HK\$121,000/increased by HK\$121,000.
Financial asset at FVPL	95,308	Asset-based valuation	Net asset value	The higher the net asset value, the higher the fair value.
Financial asset at FVPL	15,834	Third party valuation report	Fair value of the underlying property based on valuation model	The higher the fair value of the underlying property, the higher the fair value.

Notes to the Interim Financial Information

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(II) Fair value estimation (Continued)

Description	Fair value as at 31st March 2023 HK\$'000	Valuation technique	Unobservable input	Relationship of unobservable input to fair value
Financial asset at FVOCI	4,827,070	Discounted cash flow methodology	Discount rate of 28%-35% and scenario analysis of different probability on estimated cash flow from the bond	The higher the estimated cash flow from the underlying bond, the higher the fair value. The higher the discount rate, the lower the fair value. If the discount rate had increased/ decreased by 1%, with all other variables held constant, the Group's fair value attributable to shareholders of the Company would have decreased by HK\$126,909,000/ increased by HK\$149,649,000.
Interest receivable	890,595			
Financial asset at FVOCI	99,657	Asset-based valuation	Net asset value	The higher the net asset value, the higher the fair value.

Notes to the Interim Financial Information

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(II) Fair value estimation (Continued)

Description	Fair value as at 31st March 2023 HK\$'000	Valuation technique	Unobservable input	Relationship of unobservable input to fair value
Financial asset at FVPL	253,858	Discounted cash flow methodology	Discount rate of 22% and scenario analysis of different probability on estimated cash flow from the bond	The higher the estimated cash flow from the underlying bond, the higher the fair value. The higher the discount rate, the lower the fair value. If the discount rate had increased/ decreased by 1%, with all other variables held constant, the Group's fair value attributable to shareholders of the Company would have decreased by HK\$704,000/increased by HK\$939,000.
Financial asset at FVPL	87,739	Asset-based valuation	Net asset value	The higher the net asset value, the higher the fair value.
Financial asset at FVPL	17,893	Third party valuation report	Fair value of the underlying property based on valuation model	The higher the fair value of the underlying property, the higher the fair value.

Notes to the Interim Financial Information

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31st March 2023.

6 SEGMENT INFORMATION

The Group is principally engaged in property development and investment, hotel operation and securities investments. Revenue includes revenue from property sales and leasing, hotel operation, management services, interest income and dividend income.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments. The operating segments were determined based on the reports reviewed by the chief operating decision-maker. The Group is organised into four main operating segments, comprising property sales, property leasing, hotel and financial investments. Segment assets consist primarily of property, plant and equipment, investment properties, financial investments, other non-current assets, hotel inventories, properties under development/held for sale, trade and other receivables. Segment liabilities comprise mainly borrowings, trade and other payables and contract liabilities.

Notes to the Interim Financial Information

6 SEGMENT INFORMATION (CONTINUED)

	Property sales HK\$'000	Property leasing HK\$'000	Hotel HK\$'000	Financial investments HK\$'000	Others HK\$'000	Total HK\$'000
Six months ended 30th September 2023						
Segment revenue	-	66,901	173,872	645,471	14,522	900,766
Contribution to segment results	(9,775)	47,161	78,705	633,564	29,866	779,521
Depreciation	(10,104)	-	(36,368)	-	(22,132)	(68,604)
Net investment loss	-	-	-	(1,580,015)	-	(1,580,015)
Fair value gain of investment properties	-	176,852	-	-	-	176,852
Share of profits less losses of						
Joint ventures	35,469	-	-	-	(83)	35,386
Associated companies	-	(16,920)	-	-	13,817	(3,103)
Segment results	15,590	207,093	42,337	(946,451)	21,468	(659,963)
Unallocated corporate expenses						(80,974)
Net finance costs						(266,021)
Loss before income tax						(1,006,958)
Six months ended 30th September 2022						
Segment revenue	6,750	78,860	72,120	904,968	20,655	1,083,353
Contribution to segment results	(999)	59,440	4,451	887,526	20,652	971,070
Depreciation	(10,104)	-	(42,175)	-	(24,264)	(76,543)
Net investment loss	-	-	-	(924,522)	-	(924,522)
Fair value gain of investment properties	-	81,995	-	-	-	81,995
Share of profits less losses of						
Joint ventures	195,114	-	-	-	168	195,282
Associated companies	-	(13,082)	-	-	-	(13,082)
Segment results	184,011	128,353	(37,724)	(36,996)	(3,444)	234,200
Unallocated corporate expenses						(78,930)
Net finance costs						(152,094)
Profit before income tax						3,176

Notes to the Interim Financial Information

6 SEGMENT INFORMATION (CONTINUED)

	Business segments						Total HK\$'000
	Property sales HK\$'000	Property leasing HK\$'000	Hotel HK\$'000	Financial investments HK\$'000	Others HK\$'000	Unallocated HK\$'000	
As at 30th September 2023							
Assets	11,711,704	12,260,561	2,735,947	5,999,839	87,349	3,361,377	36,156,777
Assets include:							
Joint ventures and associated companies	5,843,727	1,197,797	-	-	22,115	2,412	7,066,051
Addition to non-current assets for the six months ended 30th September 2023*	5,286	263	3,218	-	10,145	30	18,942
Liabilities							
Borrowings	5,038,603	2,197,628	4,152,862	-	-	5,865,954	17,255,047
Other liabilities							1,532,277
							18,787,324
As at 31st March 2023							
Assets	11,017,134	12,109,945	2,799,305	8,557,098	82,021	3,333,225	37,898,728
Assets include:							
Joint ventures and associated companies	5,752,496	1,214,718	-	-	24,704	-	6,991,918
Addition to non-current assets for the six months ended 30th September 2022*	6,347	207	15,093	-	15,094	3,034	39,775
Liabilities							
Borrowings	5,073,714	1,818,976	4,151,002	-	-	5,493,541	16,537,233
Other liabilities							1,387,784
							17,925,017

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

Notes to the Interim Financial Information

6 SEGMENT INFORMATION (CONTINUED)

	Six months ended 30th September	
	2023	2022
	HK\$'000	HK\$'000
Revenue		
Hong Kong	255,792	171,075
Overseas	644,974	912,278
	900,766	1,083,353
	30th September 2023	31st March 2023
	HK\$'000	HK\$'000
Non-current assets*		
Hong Kong	20,517,802	20,142,701
Overseas	2,176,918	2,365,305
	22,694,720	22,508,006

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

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

	Six months ended 30th September	
	2023	2022
	HK\$'000	HK\$'000
Revenue from contracts with customers recognised		
– At a point in time	20,863	7,128
– Over time	161,296	92,230
	182,159	99,358
Other sources	66,973	76,688
	249,132	176,046

Notes to the Interim Financial Information

7 NET INVESTMENT LOSS

	Six months ended 30th September	
	2023 HK\$'000	2022 HK\$'000
Financial assets at FVPL		
– net unrealised fair value loss	(113,377)	(335,963)
– net realised gain (note (a))	768	1,289
Financial assets at FVOCI		
– net unrealised exchange loss	(13,429)	(9,019)
– net realised (loss)/gain (note (b))	(170,404)	1,467
– change in ECL	(1,280,896)	(615,590)
Financial assets at amortised cost		
– net unrealised exchange loss	(1,023)	–
Derivative financial instruments		
– net unrealised (loss)/gain	(1,654)	33,294
	(1,580,015)	(924,522)

Notes:

(a) Net realised gain on financial assets at FVPL		
Gross consideration	146,144	15,484
Cost of investments	(153,455)	(14,635)
Add: net unrealised loss recognised in prior years	8,079	440
Net realised gain recognised in current period	768	1,289
(b) Net realised (loss)/gain on financial assets at FVOCI		
Gross consideration	281,482	823,955
Cost of investments	(665,427)	(818,959)
Transfer from investment revaluation reserve	213,541	(3,529)
Net realised (loss)/gain recognised in current period	(170,404)	1,467

Notes to the Interim Financial Information

7 NET INVESTMENT LOSS (CONTINUED)

Notes: (Continued)

- (c) Net unrealised loss for the period was generated from the fair value changes of financial investments that comprised 60 (2022: 64) securities as at 30th September 2023.

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

	Six months ended 30th September	
	2023	2022
	HK\$'000	HK\$'000
Equity securities	(5,065)	(10,961)
Debt securities	(123,403)	(325,665)
Unlisted fund	639	(8,356)
	(127,829)	(344,982)

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

	Unrealised loss for the six months ended 30th September 2023
	HK\$'000
Pearl River 7.5% note 1 (i)	(32,906)
Pearl River 7.5% note 2 (i)	(27,242)
Guangzhou R&F 6.7% notes (ii)	(23,282)
Guangzhou R&F 7% notes (ii)	(21,865)
	(105,295)

- (i) These notes are issued by Guangdong Pearl River Investment Co., Limited ("Pearl River"), listed on Shanghai Stock Exchange ("SSE") and denominated in Renminbi. The Group acquired them through total return swap arrangement ("TRS") arranged by Morgan Stanley & Co. International plc ("Morgan Stanley"), a public limited company incorporated in England and Wales. Pearl River is principally engaged in the development and sale of properties, property investment, hotel operations and other property development related services in the PRC. Their parameters are as follows:

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

Notes to the Interim Financial Information

7 NET INVESTMENT LOSS (CONTINUED)

Notes: (Continued)

(c) (Continued)

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

	Coupon per annum	Maturity
Guangzhou R&F 6.7% notes	6.7%	16th September 2025
Guangzhou R&F 7% notes	7.0%	16th September 2026

(d) Summary of ECL for the period:

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

	Changes in ECL for the 6 months ended 30th September 2023 HK\$'000
Evergrande 12% notes (i)	231,301
Scenery Journey 12% (ii)	197,252
Evergrande 8.75% notes (i)	192,738
Golden Wheel 10% notes (iii)	168,217
Jiayuan 11.375% notes (iv)	98,560
Evergrande 11.5% notes (i)	98,091
	986,159

- (i) Evergrande 8.75%, 11.5% and 12% notes, issued by China Evergrande Group (“Evergrande”), carries fixed coupon rates of 8.75% per annum (maturing on 28th June 2025), 11.5% per annum (matured on 22nd January 2023) and 12% per annum (maturing on 22nd January 2024), respectively. These notes are denominated in USD and are listed on Singapore Stock Exchange (“SGX-ST”). Evergrande is principally engaged in property development, property management, property construction, hotel operations, finance business, internet business, and health industry business in the PRC. Its shares are listed on HKEX (stock code: 3333).
- (ii) Scenery Journey 12% notes, issued by Scenery Journey Limited, an indirect subsidiary of Evergrande, carries fixed coupon rates of 12% per annum (maturing on 24th October 2023). These notes are denominated in USD and are listed on SGX-ST.
- (iii) Golden Wheel 10% notes, issued by Golden Wheel Tiandi Holdings Limited (“Golden Wheel”) and carries fixed coupon rate of 10% per annum. The notes are denominated in USD and matures on 11th April 2025 with amortisation during the tenor. They are not rated and are listed on SGX-ST. Golden Wheel is principally engaged in property related business in the PRC. Its share are listed on HKEX (Stock Code: 1232).
- (iv) Jiayuan 11.375% notes, issued by Jiayuan International Group Limited (“Jiayuan”) and carries fixed coupon rate of 11.375% per annum. The notes are unlisted, denominated in USD and matured on 29th October 2022. Jiayuan is principally engaged in property development and property investment in the PRC. Its shares are listed on HKEX (stock code: 2768).

Notes to the Interim Financial Information

8 INCOME AND EXPENSES BY NATURE

	Six months ended	
	30th September	
	2023	2022
	HK\$'000	HK\$'000
Income		
Interest income from financial assets at FVOCI		
– Listed investments	473,859	636,236
– Unlisted investments	53,942	13,810
Interest income from financial assets at FVPL		
– Listed investments	51,808	244,897
– Unlisted investments	6,448	3,158
Interest income from financial assets measured at amortised cost		
– Listed investments	51,296	–
– Joint ventures	7,359	4,648
– Loan receivables	1,456	852
– Bank deposits	5,456	3,706
Dividend income		
– Listed investments	5,474	2,790
Expenses		
Cost of goods sold	3,687	6,067
Employee benefit expense, including Directors' emoluments (note (a))	93,966	77,031
Note:		
(a) Employee benefit expense		
Wages and salaries	94,375	81,608
Retirement benefits costs	2,200	1,904
Government subsidies	–	(3,668)
	96,575	79,844
Capitalised under property under development for sale	(2,609)	(2,813)
	93,966	77,031

Notes to the Interim Financial Information

9 NET FINANCE COSTS

	Six months ended 30th September	
	2023	2022
	HK\$'000	HK\$'000
Interest (expense)/income		
Long term bank loans	(483,049)	(205,577)
Short term bank loans and overdrafts	–	(6,589)
Lease liabilities	(50)	(125)
Derivative financial instruments (interest rate swaps (“IRS”))	129,757	(5,562)
Joint ventures	(1,635)	(1,090)
Interest capitalised	113,561	58,266
	(241,416)	(160,677)
Other incidental borrowing costs	(30,043)	(30,528)
Net foreign exchange loss on borrowings	(14)	(580)
Fair value gain on derivative financial instruments (IRS)		
Cash flow hedge – ineffective portion	5,452	39,691
	(266,021)	(152,094)

10 INCOME TAX CREDIT

	Six months ended 30th September	
	2023	2022
	HK\$'000	HK\$'000
Current income tax (expense)/credit		
Hong Kong profits tax	(373)	(7,846)
Overseas profits tax	–	(2,315)
Over/(under) provision in prior years	1,441	(704)
	1,068	(10,865)
Deferred income tax credit	25,952	30,941
	27,020	20,076

Hong Kong profits tax is provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profit for the period. Overseas profits tax has been provided on the estimated assessable profit for the period at the tax rates prevailing in the countries in which the Group operates.

Notes to the Interim Financial Information

11 DIVIDEND

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 30th September 2023 (2022: Nil).

12 (LOSS)/EARNINGS PER SHARE

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

	Six months ended 30th September	
	2023	2022
	HK\$'000	HK\$'000
(Loss)/profit attributable to shareholders of the Company	(915,845)	38,666
	Number of shares	
Weighted average number of shares in issue	1,319,782,288	1,319,782,288

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

13 INVESTMENT PROPERTIES

Investment properties were revalued by Prudential Surveyors (Hong Kong) Limited, independent professional valuers, on an open market value basis as at 30th September 2023 and 31st March 2023. All of the fair value measurements of the Group's investment properties were categorised as level 3 of the fair value hierarchy. There were no transfers into or out of level 3 during the period.

Notes to the Interim Financial Information

14 PROPERTY, PLANT AND EQUIPMENT

	Hotel buildings HK\$'000	Other buildings HK\$'000	Other equipments HK\$'000	Right-of-use assets* HK\$'000	Total HK\$'000
Cost					
At 31st March 2023	1,635,505	621,193	255,705	4,068,139	6,580,542
Currency translation differences	-	-	(862)	(7)	(869)
Additions	3,218	10,145	248	-	13,611
Disposal of a subsidiary	-	-	(89,773)	-	(89,773)
Disposals	(5)	-	(13)	-	(18)
At 30th September 2023	1,638,718	631,338	165,305	4,068,132	6,503,493
Accumulated depreciation					
At 31st March 2023	862,762	43,640	185,272	817,226	1,908,900
Currency translation differences	-	-	(838)	(6)	(844)
Charge for the period	24,978	4,977	5,767	32,882	68,604
Disposal of a subsidiary	-	-	(80,270)	-	(80,270)
Disposals	(1)	-	(4)	-	(5)
At 30th September 2023	887,739	48,617	109,927	850,102	1,896,385
Net book value At 30th September 2023	750,979	582,721	55,378	3,218,030	4,607,108
At 31st March 2023	772,743	577,553	70,433	3,250,913	4,671,642

* Mainly relates to leasehold land in Hong Kong.

Note:

Supplementary information with hotel properties at valuation:

The hotel properties portfolio in Hong Kong comprised five (31st March 2023: five) hotels. According to the Group's accounting policies, the carrying amount of these hotel properties in Hong Kong were HK\$2,489,106,000 (31st March 2023: HK\$2,739,051,000).

The aggregate open market value, on a highest and best use basis, of these hotel properties in Hong Kong based on valuations conducted by Vigers Appraisal & Consulting Limited ("Vigers"), independent professional valuers, amounted to HK\$13,213,000,000 (31st March 2023: HK\$12,518,000,000), is regarded as level 3 hierarchy for disclosure purpose under HKFRS 13.

Vigers used the discounted cash flow method, which is considered the most appropriate valuation approach for assessing the market value of the properties as it would better reflect specific characteristics of the income-producing properties such as occupancies, average room rates, potential income growth and all out-goings, subject to future economic conditions in the markets.

The supplementary information with hotel properties at valuation is for readers' information only. It does not constitute a disclosure requirement under HKAS 16 and HKFRS 16.

Notes to the Interim Financial Information

15 TRADE AND OTHER RECEIVABLES

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

Accrued interest receivable and accrued dividend receivable amounted to HK\$600,081,000 (31st March 2023: HK\$899,000,000).

Trade receivables of the Group amounted to HK\$49,107,000 (31st March 2023: HK\$67,026,000). The credit terms given to the customers vary and are generally based on the financial strengths of individual customers. In order to effectively manage the credit risks associated with trade receivables, credit evaluations of customers are performed periodically.

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

	30th September 2023 HK\$'000	31st March 2023 HK\$'000
0 month to 6 months	45,566	48,840
7 months to 12 months	2,777	8,842
More than 12 months	764	9,344
	49,107	67,026

Notes to the Interim Financial Information

16 FINANCIAL INVESTMENTS

	30th September 2023 HK\$'000	31st March 2023 HK\$'000
Non-current assets		
Equity securities		
– Listed in Hong Kong	379,242	343,252
– Unlisted	100,114	99,657
	479,356	442,909
Debt securities		
– Listed in Singapore	774,347	859,343
– Listed in Europe	144,473	202,525
– Listed in PRC	–	5,325
	918,820	1,067,193
Unlisted fund	111,142	105,632
	1,509,318	1,615,734
Current assets		
Equity securities		
– Listed in Hong Kong	79,506	87,128
Debt securities		
– Listed in Singapore	1,884,661	3,591,750
– Listed in PRC	1,653,690	1,852,828
– Listed in Europe	2,154	2,273
– Unlisted	266,825	505,886
	3,807,330	5,952,737
	3,886,836	6,039,865
Total financial investments	5,396,154	7,655,599

Notes to the Interim Financial Information

16 FINANCIAL INVESTMENTS (CONTINUED)

Financial investments are classified in the following categories:

	30th September 2023 HK\$'000	31st March 2023 HK\$'000
Non-current assets		
Financial assets at FVOCI	847,168	1,259,422
Financial assets at FVPL	111,142	105,632
Financial assets at amortised cost	551,008	250,680
	1,509,318	1,615,734
Current assets		
Financial assets at FVOCI	2,190,668	4,150,864
Financial assets at FVPL	1,661,174	1,864,706
Financial assets at amortised cost	34,994	24,295
	3,886,836	6,039,865
	5,396,154	7,655,599

Financial investments are denominated in the following currencies:

	30th September 2023 HK\$'000	31st March 2023 HK\$'000
United States dollar	3,266,516	5,348,100
Renminbi	1,653,690	1,858,153
Hong Kong dollar	458,747	430,379
Japanese Yen	15,834	17,893
Euro	1,367	1,074
	5,396,154	7,655,599

Notes to the Interim Financial Information

16 FINANCIAL INVESTMENTS (CONTINUED)

Supplementary information of financial investments:

Equity Securities

As at 30th September 2023, the Group held 15 (31st March 2023: 17) listed equity securities and 1 (31st March 2023: 1) unlisted equity securities. The summary of equity securities portfolio of financial investments as at 30th September 2023 and 31st March 2023 and their corresponding unrealised gain/(loss) and dividend income for the six months ended 30th September 2023 and 2022 are as follows:

	Market value as at 30th September 2023 HK\$'000	For the six months ended 30th September 2023	
		Unrealised gain/(loss) HK\$'000	Dividend income HK\$'000
HSBC Holdings PLC ("HSBC")	188,057	25,908	4,772
MGM China ("MGM")	191,185	10,082	–
Amer Sports Corporation ("Amer Sports")	100,114	457	–
Others	79,506	(4,836)	702
	558,862	31,611	5,474

	Market value as at 31st March 2023 HK\$'000	For the six months ended 30th September 2022	
		Unrealised (loss)/gain HK\$'000	Dividend income HK\$'000
HSBC	162,149	(39,470)	2,152
MGM	181,103	(12,136)	–
Amer Sports	99,657	13,721	–
Others	87,128	(11,149)	638
	530,037	(49,034)	2,790

Notes to the Interim Financial Information

16 FINANCIAL INVESTMENTS (CONTINUED)

Equity Securities (Continued)

HSBC is a global banking and financial services company. It operates across various geographical regions, and its shares are listed on the HKEX (stock code: 5) and London Stock Exchange (stock code: HSBA), with a "A-" rated by S&P Global Ratings ("S&P"). As at 30th September 2023, a total of 0.02% shareholding of HSBC was held by the Group.

MGM is a company principally engaged in development and operation of casino game and related hotel and resort facilities in Macau, and its shares are listed on HKEX (stock code: 2282). As at 30th September 2023, a total of 0.49% shareholding of MGM was held by the Group.

Amer Sports is an unlisted global sporting goods company headquartered in Finland with internationally recognised brands. It is a joint venture of Anta Sports Products Limited ("Anta Sports"). Anta Sports is principally engaged in the manufacturing and trading of sporting goods, including footwear, apparel and accessories in the PRC. Its shares are listed on HKEX (stock code: 2020). As at 30th September 2023, a total of 0.24% indirect shareholding of Amer Sports was held by the Group.

Debt Securities

As at 30th September 2023, the Group held 40 (31st March 2023: 41) debt securities, 27 of them are listed in Singapore, 9 in the PRC, 3 in Europe and 1 unlisted. 40 (31st March 2023: 40) debt securities were issued by PRC-based real estate companies, the shares of which are all listed in Hong Kong with the exception of 1 that is listed in the United States and 2 is unlisted.

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

	30th September 2023 HK\$'000	31st March 2023 HK\$'000
Principal amount of notes	14,620,672	14,851,262
Investment cost	12,975,476	13,361,031
Fair value	4,726,150	7,019,930
Coupon	3% to 13.75%	5.9% to 14.5%
Maturities	Various, up to December 2027	Various, up to December 2027

As at 30th September 2023, the 40 (30th September 2022: 40) debt securities gave rise to a net unrealised fair value loss of HK\$2,239 million for the six months ended 30th September 2023 (2022: loss of HK\$2,280 million).

As at 30th September 2023, the fair value of the five largest debt securities held represents approximately 4.3% (31st March 2023: 6.2%) of the Group's revalued total assets. The remaining 35 debt securities represent 5.8% of the Group's revalued total assets, with each of them less than 1%.

Notes to the Interim Financial Information

16 FINANCIAL INVESTMENTS (CONTINUED)

Debt Securities (Continued)

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

	Fair value as at 30th September 2023 HK\$'000	% of the debt securities portfolio	For the six months ended 30th September 2023	
			Unrealised loss HK\$'000	Interest income HK\$'000
Pearl River 7.5% notes 1 (i)	576,698	12%	(32,907)	18,956
Scenery Journey 12% notes (i)	464,056	10%	(189,713)	114,501
Pearl River 7.5% notes 2 (i)	453,158	10%	(27,242)	16,182
Jiayuan 11.375% notes (i)	266,826	6%	(35,405)	43,467
Xinyuan 3% notes (ii)	257,095	6%	(336)	5,698

	Fair value as at 31st March 2023 HK\$'000	% of the debt securities portfolio	For the six months ended 30th September 2022	
			Unrealised loss HK\$'000	Interest income HK\$'000
Scenery Journey 12% notes (i)	851,022	12%	(99,381)	127,932
Pearl River 7.5% notes 1 (i)	590,648	8%	(97,076)	89,171
Evergrande 12% notes (i)	533,524	8%	(74,110)	61,651
Pearl River 7.5% notes 2 (i)	488,123	7%	(80,617)	70,343
Evergrande 8.75% notes (i)	481,223	7%	(8,957)	44,578

- (i) The details of these notes were described in note 7(c) and 7(d).
- (ii) Xinyuan 3% notes, issued by Xinyuan Real Estate Company Limited ("Xinyuan"), carries fixed coupon rate of 3% per annum. These notes are denominated in USD and mature on 30th September 2027. These notes are listed on SGX-ST. Xinyuan is principally engaged in residential real estate development and the provision of property management services. The group's operations are conducted mainly in the PRC. Its shares are listed on New York Stock Exchange (stock code: XIN).

Notes to the Interim Financial Information

17 TRADE AND OTHER PAYABLES

Trade and other payables of the Group include trade payables, rental and management fee deposits, lease liabilities, retentions payable of construction costs, interest payables and various accruals. Trade payables amounted to HK\$116,593,000 (31st March 2023: HK\$72,534,000).

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

	30th September 2023 HK\$'000	31st March 2023 HK\$'000
0 month to 6 months	116,236	72,163
7 months to 12 months	8	60
More than 12 months	349	311
	116,593	72,534

18 BORROWINGS

	30th September 2023 HK\$'000	31st March 2023 HK\$'000
Current liabilities		
Current portion of long term bank loans		
Secured	4,267,888	3,485,966
Unsecured	1,335,443	385,696
	5,603,331	3,871,662
Non-current liabilities		
Long term bank loans		
Secured	9,040,943	8,120,857
Unsecured	2,610,773	4,544,714
	11,651,716	12,665,571
	17,255,047	16,537,233

Notes to the Interim Financial Information

18 BORROWINGS (CONTINUED)

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

	30th September 2023 HK\$'000	31st March 2023 HK\$'000
Repayable within one year	5,603,331	3,871,662
Repayable between one and two years	3,890,814	4,310,984
Repayable between two and five years	7,760,902	8,002,745
Repayable after five years	–	351,842
	17,255,047	16,537,233
Current portion included in current liabilities	(5,603,331)	(3,871,662)
	11,651,716	12,665,571

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

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

19 SHARE CAPITAL

Shares of HK\$0.01 each	Number of shares	Amount HK\$'000
Authorised:		
At 31st March 2023 and 30th September 2023	400,000,000,000	4,000,000
Issued and fully paid:		
At 31st March 2023 and 30th September 2023	1,319,782,288	13,197

20 RESERVES

	Share premium HK\$'000	Capital redemption reserve HK\$'000	Contributed surplus HK\$'000	Share option reserve HK\$'000	Property revaluation reserve HK\$'000	Investment revaluation reserve HK\$'000	Hedging reserve HK\$'000	Currency translation reserve HK\$'000	Revenue reserve HK\$'000	Total HK\$'000
At 31st March 2023	2,175,239	44,190	2,782,836	5,217	24,891	(2,562,687)	251,305	(103,264)	16,807,612	19,425,339
Net fair value loss and other net movements of financial assets at FVOCI	–	–	–	–	–	(1,438,422)	–	–	–	(1,438,422)
Cash flow hedges										
– net fair value gain	–	–	–	–	–	–	30,728	–	–	30,728
– deferred tax on derivative financial instruments	–	–	–	–	–	–	(5,070)	–	–	(5,070)
Currency translation differences	–	–	–	–	–	–	–	(94,126)	–	(94,126)
Loss for the period	–	–	–	–	–	–	–	–	(915,845)	(915,845)
At 30th September 2023	2,175,239	44,190	2,782,836	5,217	24,891	(4,001,109)	276,963	(197,390)	15,891,767	17,002,604

Notes to the Interim Financial Information

21 COMMITMENTS

Commitments at the balance sheet date are as follows:

	30th September 2023 HK\$'000	31st March 2023 HK\$'000
Contracted but not provided for Property, plant and equipment	61,436	20,311

22 FINANCIAL GUARANTEES

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

23 RELATED PARTY TRANSACTIONS

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

	Six months ended 30th September 2023 HK\$'000	2022 HK\$'000
Income from/(expense to) subsidiaries of Asia Orient Holdings Limited		
Rental income	1,036	1,036
Building management fee expense	(2,595)	(2,306)
Cleaning expense	(3,147)	(3,051)

No transactions have been entered into with the directors of the Company (being the key management personnel) during the period other than the emoluments paid to them (being key management personnel compensation) (2022: Nil).

Other Information

Pursuant to Rule 13.22 of the Listing Rules, a proforma combined balance sheet of affiliated companies with financial assistance from the Group and the Group's attributable interest in those affiliated companies as at 30th September 2023 are as follow:

	Proforma combined balance sheet HK\$'000	Group's attributable interest HK\$'000
Non-current assets	4,533,404	1,587,075
Current assets	23,306,067	9,065,145
Current liabilities	(10,244,203)	(3,579,531)
Non-current liabilities	(7,715,073)	(2,715,409)
	9,880,195	4,357,280

The proforma combined balance sheet of the affiliated companies is prepared by combining their balance sheet, after making adjustments to conform with the Group's significant accounting policies and re-grouping into significant classification in the balance sheet as at 30th September 2023.

Other Information

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

As at 30th September 2023, the interests and short positions of the Directors and Chief Executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which (a) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (b) were recorded in the register required to be kept by the Company under Section 352 of the SFO; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

(I) Long Positions in Shares

(a) The Company

Director	Number of shares held			Percentage of shares in issue (%)
	Personal interest	Corporate interest	Total	
Poon Jing	1,308,884	683,556,392	684,865,276	51.89

Note: By virtue of Mr. Poon Jing's controlling interest (60.61%) in Asia Orient Holdings Limited ("Asia Orient"), he is deemed to be interested in the shares of the Company held by Asia Orient as disclosed under the heading "Substantial shareholders' and other persons' interests and short positions in shares and underlying shares" below.

(b) Associated corporations

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

Notes:

- By virtue of Mr. Poon Jing's controlling interest in Asia Orient, he is deemed to be interested in the shares of Asia Standard Hotel held by Asia Orient and the Company.
- By virtue of Mr. Poon Jing's controlling interest in the Company through Asia Orient, he is deemed to be interested in the shares of all the Company's subsidiaries and associated corporations.

Other Information

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

(II) Long Positions in Underlying Shares

Interests in share options

(a) *The Company*

Director	Outstanding as at 1st April 2023 and 30th September 2023
Poon Hai	3,500,000
Poon Yeung, Roderick	3,500,000

Notes:

- Options were granted on 11th December 2015 under 2014 Share Option Scheme (as described under the heading "Share option schemes") and exercisable during the period from 11th December 2015 to 10th December 2025 at an exercise price of HK\$1.38 per share.
- During the period, no option was granted to the Directors and the options granted to the Directors have not been exercised, cancelled or lapsed.

(b) *Associated corporation – Asia Orient*

Director	Outstanding as at 1st April 2023 and 30th September 2023
Poon Hai	3,500,000
Poon Yeung, Roderick	3,500,000

Notes:

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

Other Information

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

(II) Long Positions in Underlying Shares (Continued)

Interests in share options (Continued)

(c) *Associated corporation – Asia Standard Hotel*

Director	Outstanding as at 1st April 2023 and 30th September 2023
Poon Hai	14,400,000
Poon Yeung, Roderick	14,400,000

Notes:

- Options were granted on 11th December 2015 under 2006 Asia Standard Hotel Share Option Scheme (as described under the heading "Share option schemes") and exercisable during the period from 11th December 2015 to 10th December 2025 at an exercise price of HK\$0.343 (as adjusted) per share.
- During the period, no option was granted to the Directors and the options granted to the Directors have not been exercised, cancelled or lapsed.

(III) Long Positions in Underlying Shares and Debentures

Interests in convertible notes

Associated corporation – Asia Standard Hotel

Director	Nature of interest	Amount of convertible note held (HK\$)	Number of underlying shares held
Poon Jing	Corporate	1,219,619,192	2,692,316,098

Note: By virtue of Mr. Poon Jing's controlling interest in Asia Orient, he is deemed to be interested in the convertible notes (the "ASH Convertible Note(s)") held by Asia Orient and its subsidiaries which are convertible into 2,692,316,098 shares of Asia Standard Hotel. The ASH Convertible Notes are redeemable at the redemption value of HK\$0.453 per ASH Convertible Note. Please refer to the annual report of Asia Standard Hotel for details.

Save as disclosed above, as at 30th September 2023, none of the Directors or Chief Executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (b) were recorded in the register required to be kept by the Company under Section 352 of the SFO; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Other Information

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

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 30th September 2023, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and Chief Executive of the Company.

Long Positions in Shares of the Company

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

Notes:

1. Asia Orient BVI is a wholly-owned subsidiary of Asia Orient. Accordingly, Asia Orient is deemed to have interest and duplicate the interest in the same 631,850,883 shares held by Asia Orient BVI.
2. AOCL, companies controlled by AOCL, Kingfisher and Lipton are wholly-owned subsidiaries of Asia Orient BVI. Asia Orient BVI is deemed to be interested in and duplicate the interest held by AOCL, Kingfisher and Lipton.

Save as disclosed above, as at 30th September 2023, the Directors were not aware of any other persons (other than the Directors and Chief Executive of the Company) who had interests or short positions in shares or underlying shares of the Company which were required to be recorded in the register required to be kept by the Company under Section 336 of the SFO.

Other Information

SHARE OPTION SCHEMES

The Company

The share option scheme of the Company adopted by the Company on 27th August 2004 ("2004 Share Option Scheme") expired on the tenth anniversary of such adoption date. Following the expiry of 2004 Share Option Scheme, no further share option can be granted thereunder but all outstanding share options granted under 2004 Share Option Scheme and yet to be exercised shall remain valid and exercisable. As at 30th September 2023, there were 1,000,000 share options granted under 2004 Share Option Scheme outstanding. Movements of share options granted under 2004 Share Option Scheme during the period are as follows:

Grantee	Outstanding as at 1st April 2023 and 30th September 2023
Employee	1,000,000

Notes:

- Options were granted on 13th March 2014 and exercisable during the period from 10th March 2017 to 12th March 2024 at an exercise price of HK\$2.00 per share.
- During the period, no option was exercised, cancelled or lapsed.

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

Grantee	Outstanding as at 1st April 2023 and 30th September 2023
Directors	7,000,000

Notes:

- Options were granted on 11th December 2015 and exercisable during the period from 11th December 2015 to 10th December 2025 at an exercise price of HK\$1.38 per share.
- During the period, no option was granted, exercised, cancelled or lapsed.

Subsidiary – Asia Standard Hotel

The share option scheme of Asia Standard Hotel adopted by Asia Standard Hotel on 28th August 2006 ("2006 Asia Standard Hotel Share Option Scheme") expired on the tenth anniversary of such adoption date. Following the expiry of 2006 Asia Standard Hotel Share Option Scheme, no further share option can be granted thereunder but all outstanding share options granted under 2006 Asia Standard Hotel Share Option Scheme and yet to be exercised shall remain valid and exercisable. As at 30th September 2023, there were 28,800,000 share options granted under 2006 Asia Standard Hotel Share Option Scheme outstanding. Movements of the share options granted under 2006 Asia Standard Hotel Share Option Scheme during the period are as follows:

Grantee	Outstanding as at 1st April 2023 and 30th September 2023
Directors	28,800,000

Other Information

SHARE OPTION SCHEMES (CONTINUED)

Subsidiary – Asia Standard Hotel (Continued)

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.

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

INTERIM DIVIDEND

The Board of Directors (the “Board”) does not recommend the payment of an interim dividend for the six months ended 30th September 2023 (2022: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code and has made specific enquiry of all Directors regarding any non-compliance with the Model Code during the period, and they all confirmed that they have fully complied with the required standard as set out in the Model Code throughout the period ended 30th September 2023.

CORPORATE GOVERNANCE CODE

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

AUDIT COMMITTEE

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

On behalf of the Board

Asia Standard International Group Limited

Fung Siu To, Clement

Chairman

Hong Kong, 30th November 2023

