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ASIA STANDARD INTERNATIONAL GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code:129)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST MARCH 2011

FINANCIAL HIGHLIGHTS

(In HK\$ million, except otherwise indicated)

	2011	2010	Change
Revenue	1,065	1,865	-43%
Operating profit	1,997	2,510	-20%
Profit attributable to shareholders of the Company	2,040	2,383	-14%
Total assets	14,622	10,934	+34%
Net assets	10,073	7,986	+26%
Equity attributable to shareholders of the Company	9,258	7,239	+28%
Net debt	3,571	2,145	+66%
Supplementary information with hotel properties at valuation:			
Revalued total assets	18,881	13,557	+39%
Revalued net assets	13,632	10,178	+34%
Equity attributable to shareholders of the Company	11,745	8,717	+35%
Equity attributable to shareholders of the Company per share (HK\$)	9.61	7.00	+37%
Gearing - net debt to revalued net asset value	26%	21%	+5%

The Directors of Asia Standard International Group Limited (the “Company”) announce that the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31st March 2011 together with the comparative figures for the year ended 31st March 2010 were as follows:

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31st March 2011

	<i>Note</i>	2011 HK\$'000	2010 HK\$'000
Revenue	2	1,065,244	1,864,888
Cost of sales		(391,193)	(977,456)
Gross profit		674,051	887,432
Selling and administrative expenses		(173,947)	(168,145)
Depreciation		(89,848)	(97,563)
Net investment gain	3	706,225	1,330,928
Fair value change of investment properties		887,987	568,674
Other gain and charges	4	(7,336)	(11,478)
Operating profit		1,997,132	2,509,848
Finance costs		(77,941)	(51,369)
Share of profits less losses of Jointly controlled entities Associated companies		151,522 259,210	138,892 91,718
Profit before income tax		2,329,923	2,689,089
Income tax expense	6	(189,987)	(165,014)
Profit for the year		2,139,936	2,524,075
Attributable to:			
Shareholders of the Company		2,039,675	2,383,270
Non-controlling interests		100,261	140,805
		2,139,936	2,524,075
Dividends	7	30,644	31,178
Earnings per share (HK\$)			
Basic	8	1.64	1.99
Diluted	8	1.64	1.99

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March 2011

	2011 HK\$'000	2010 HK\$'000
Profit for the year	2,139,936	2,524,075
Other comprehensive income		
Net fair value gain on available-for-sale investments	8,152	93,430
Impairment of available-for-sale investments charged to profit and loss account	551	1,531
Release of reserve upon disposal of available-for-sale investments	(9,008)	21,735
Currency translation differences	10,574	36,568
	10,269	153,264
Total comprehensive income for the year	2,150,205	2,677,339
Total comprehensive income attributable to:		
Shareholders of the Company	2,046,844	2,486,616
Non-controlling interests	103,361	190,723
	2,150,205	2,677,339

CONSOLIDATED BALANCE SHEET

As at 31st March 2011

	31st March	31st March	1st April
	2011	2010	2009
<i>Note</i>	HK\$'000	HK\$'000	HK\$'000
		(Restated)	(Restated)
Non-current assets			
Property, plant and equipment	2,617,038	2,672,342	2,653,230
Investment properties	3,391,122	2,419,600	1,849,000
Jointly controlled entities	568,871	674,409	524,965
Associated companies	877,211	654,581	565,343
Available-for-sale investments	230,257	228,258	186,830
Goodwill	-	5,103	5,103
Mortgage loans receivable	81,729	143,035	24,747
Deferred income tax assets	5,252	9,764	35,239
	7,771,480	6,807,092	5,844,457
Current assets			
Properties under development for sale	1,122,355	431,322	400,768
Completed properties held for sale	90,289	159,127	698,709
Hotel and restaurant inventories	2,341	2,206	2,160
Mortgage loans receivable	3,664	35,315	1,874
Trade and other receivables	230,845	241,590	232,958
Amount due from a jointly controlled entity	65,000	-	-
Income tax recoverable	513	880	79
Financial assets at fair value through profit or loss	5,020,218	3,028,862	693,075
Derivative financial instruments	-	-	13,429
Bank balances and cash	315,300	227,657	244,783
	6,850,525	4,126,959	2,287,835
Current liabilities			
Trade and other payables	133,590	145,919	137,497
Amount due to an associated company	14,850	51,150	51,150
Amount due to a non-controlling shareholder	-	-	105,303
Derivative financial instruments	26,242	17,961	22,344
Warrant liabilities	-	17,000	8,481
Borrowings	1,615,997	1,615,257	1,229,749
Income tax payable	36,857	64,382	28,743
	1,827,536	1,911,669	1,583,267
Net current assets	5,022,989	2,215,290	704,568
Total assets less current liabilities	12,794,469	9,022,382	6,549,025

CONSOLIDATED BALANCE SHEET

As at 31st March 2011

	31st March 2011 HK\$'000	31st March 2010 HK\$'000 (Restated)	1st April 2009 HK\$'000 (Restated)
Non-current liabilities			
Warrant liabilities	-	-	7,893
Long term borrowings	2,270,071	757,370	1,087,688
Deferred income tax liabilities	450,916	279,355	177,779
	2,720,987	1,036,725	1,273,360
Net assets	10,073,482	7,985,657	5,275,665
Equity			
Share capital	12,224	12,471	113,664
Reserves	9,245,597	7,226,466	4,556,311
Equity attributable to shareholders of the Company	9,257,821	7,238,937	4,669,975
Non-controlling interests	815,661	746,720	605,690
	10,073,482	7,985,657	5,275,665

NOTES TO THE FINANCIAL STATEMENTS

1 Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties, available-for-sale investments, financial assets at fair value through profit or loss and derivative financial instruments, which are carried at fair value, and in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

The following new and revised standards, amendments to existing standards and interpretation (“new HKFRS”) are relevant to the Group’s operations and are mandatory for accounting periods beginning on or after 1st January 2010:

HKAS 1 (Amendment)	Presentation of Financial Statements
HKAS 17 (Amendment)	Leases
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 36 (Amendment)	Impairment of Assets
HKFRS 3 (Revised)	Business Combinations
HK-Int 5	Presentation of Financial Statements – Classification by The Borrower of a Term Loan that Contains a Repayment on Demand Clause

Except for certain changes in accounting policies as described below, the adoption of the above new HKFRS in the current year did not have any significant effect on the consolidated financial statements or result in any substantial changes in the Group’s significant accounting policies.

- HKAS 1 (Amendment) provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time.

In order to comply with the requirements of HK-Int 5, the Group has changed its accounting policy on the classification of term loans that contain a repayment on demand clause. Under the new policy, term loans with clauses which give the lender the unconditional right to call the loan at any time are classified as current liabilities in the consolidated balance sheet. Previously such term loans were classified in accordance with the agreed repayment schedule unless the Group had breached any of the loan covenants set out in the agreement as of the reporting date or otherwise had reason to believe that the lender would invoke its rights under the immediate repayment clause within the foreseeable future.

The new accounting policy has been applied retrospectively by re-presenting the opening balances at 1st April 2009, with consequential reclassification adjustments to comparatives for the year ended 31st March 2010. The reclassification has had no effect on reported profit or loss, total comprehensive income or equity for any period presented.

1 Basis of preparation (continued)

- HKAS 17 (Amendment) deletes specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating using the general principles of HKAS 17. Prior to the amendment, land interest which title is not expected to pass to the Group by the end of the lease term was classified as operating lease under “Leasehold land”, and amortised over the lease term. HKAS 17 (Amendment) has been applied retrospectively for annual periods beginning 1st January 2010 in accordance with the effective date and transitional provisions of the amendment. The Group has reassessed the classification of leasehold land on the basis of information existing at the inception of those leases, and recognised the leasehold land in Hong Kong as finance lease retrospectively. As a result of the reassessment, the Group has reclassified the leasehold land from operating lease to finance lease. Since the property interest is held for own use, that land interest classified as finance lease is accounted for as land and hotel buildings and is depreciated from the land interest available for its intended use over the lease term. In addition, leasehold land included in properties under development for sale and completed properties held for sale would be accounted for in accordance with HKAS 2. No amortisation on leasehold land was recognised and the leasehold land was measured at the lower of cost and net realisable value. However, no retrospective adjustment was made to prior year financial statements as this change had no material impact to the consolidated financial statements.
- HKAS 27 (Revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value and a gain or loss is recognised in the profit and loss account. The change in the accounting policy in respect of the adoption of HKAS 27 (Revised) has been applied prospectively to transactions during the year ended 31st March 2011.
- HKAS 36 (Amendment) clarifies that the largest cash-generating unit (or group of units) to which goodwill should be allocated for the purposes of impairment testing is an operating segment, as defined by paragraph 5 of HKFRS 8, ‘Operating segments’ (that is, before the aggregation of segments with similar economic characteristics).
- HKFRS 3 (Revised) continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the consolidated profit and loss account. There is a choice on an acquisition by acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s net assets. All acquisition-related costs should be expensed.

Certain new and revised standards, interpretations and amendments to existing standards have been issued but not yet effective for the year ended 31st March 2011 and have not been early adopted by the Group.

2 Turnover and segment information

Turnover comprises revenue from property sales and leasing, hotel and travel agency, management services, interest income and dividend income, together with gross proceeds from disposal of financial assets at fair value through profit or loss and derivative financial instruments. Revenue includes revenue from property sales and leasing, hotel and travel agency, management services, interest income and dividend income.

	Property sales HK\$'000	Property leasing HK\$'000	Hotel and travel HK\$'000	Investments HK\$'000	Others HK\$'000	Total HK\$'000
2011						
Turnover	133,685	78,997	631,505	1,068,955	26,604	1,939,746
Segment revenue	<u>133,685</u>	<u>78,997</u>	<u>631,505</u>	<u>194,453</u>	<u>26,604</u>	<u>1,065,244</u>
Contribution to segment results	78,608	73,927	194,211	194,453	26,604	567,803
Depreciation	-	-	(87,632)	-	(2,216)	(89,848)
Net investment gain	-	-	-	706,225	-	706,225
Fair value change of investment properties	-	887,987	-	-	-	887,987
Other gain and charges	<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,664</u>	<u>(7,336)</u>
Segment results	58,608	961,914	106,579	900,678	37,052	2,064,831
Unallocated corporate expenses						<u>(67,699)</u>
Operating profit						1,997,132
Finance costs						(77,941)
Share of profits less losses of						
Jointly controlled entities	151,523	-	-	-	(1)	151,522
Associated companies	489	258,736	-	-	(15)	<u>259,210</u>
Profit before income tax						2,329,923
Income tax expense						<u>(189,987)</u>
Profit for the year						<u>2,139,936</u>

2 Turnover and segment information (continued)

	Property sales HK\$'000	Property leasing HK\$'000	Hotel and travel HK\$'000	Investments HK\$'000	Others HK\$'000	Total HK\$'000
2010						
Turnover	1,053,098	71,776	522,225	1,456,594	17,763	3,121,456
Segment revenue	<u>1,053,098</u>	<u>71,776</u>	<u>522,225</u>	<u>200,026</u>	<u>17,763</u>	<u>1,864,888</u>
Contribution to segment results	375,361	67,114	127,875	200,026	17,763	788,139
Depreciation	(9,321)	-	(87,416)	-	(826)	(97,563)
Net investment gain	-	-	-	1,330,928	-	1,330,928
Fair value change of investment properties	-	568,674	-	-	-	568,674
Other gain and charges	<u>(4,126)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,352)</u>	<u>(11,478)</u>
Segment results	361,914	635,788	40,459	1,530,954	9,585	2,578,700
Unallocated corporate expenses						<u>(68,852)</u>
Operating profit						2,509,848
Finance costs						(51,369)
Share of profits less losses of						
Jointly controlled entities	138,899	-	-	-	(7)	138,892
Associated companies	10,451	81,278	-	-	(11)	<u>91,718</u>
Profit before income tax						2,689,089
Income tax expense						<u>(165,014)</u>
Profit for the year						<u>2,524,075</u>

2 Turnover and segment information (continued)

	Property sales HK\$'000	Property leasing HK\$'000	Hotel and travel HK\$'000	Investments HK\$'000	Others HK\$'000	Total HK\$'000
2011						
Segment assets	1,951,195	4,169,097	2,695,054	5,358,447	244,584	14,418,377
Other unallocated assets						<u>203,628</u>
						<u>14,622,005</u>
Segment assets include:						
Jointly controlled entities and associated companies	737,108	773,043	-	-	931	1,511,082
Addition to non-current assets*	-	10,225	29,373	-	44,348	83,946
Segment liabilities						
Borrowings	775,000	498,484	1,097,683	1,514,901	-	3,886,068
Other unallocated liabilities						<u>662,455</u>
						<u>4,548,523</u>
<hr/>						
2010						
Segment assets	1,425,165	3,018,642	2,719,831	3,319,728	294,879	10,778,245
Other unallocated assets						<u>155,806</u>
						<u>10,934,051</u>
Segment assets include:						
Jointly controlled entities and associated companies	777,435	550,607	-	-	948	1,328,990
Addition to non-current assets*	-	1,926	53,579	-	409	55,914
Segment liabilities						
Borrowings	-	499,239	967,374	906,014	-	2,372,627
Other unallocated liabilities						<u>575,767</u>
						<u>2,948,394</u>

* The amounts exclude financial instruments and deferred income tax assets

2 Turnover and segment information (continued)

	2011 HK\$'000	2010 HK\$'000
Revenue		
Hong Kong	792,198	1,589,827
Overseas	<u>273,046</u>	<u>275,061</u>
	<u>1,065,244</u>	<u>1,864,888</u>
Non-current assets*		
Hong Kong	6,884,036	5,882,105
Overseas	<u>570,206</u>	<u>543,930</u>
	<u>7,454,242</u>	<u>6,426,035</u>

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

3 Net investment gain

	2011 HK\$'000	2010 HK\$'000
Financial assets at fair value through profit or loss		
- net unrealised gain from market value movements	553,001	1,032,125
- net unrealised exchange gain/(loss)	133,280	(53,247)
- net realised gain	28,642	357,826
- provision for interest receivable	-	(37,855)
Available-for-sale investments		
- net realised gain	2,314	28,702
- impairment	(551)	(1,531)
Derivative financial instruments		
- net unrealised (loss)/gain	(10,461)	8,552
- net realised loss	<u>-</u>	<u>(3,644)</u>
	<u>706,225</u>	<u>1,330,928</u>

During the year, HK\$404,912,000 unrealised gain (2010: HK\$134,795,000 unrealised loss) on financial assets at fair value through profit or loss accumulated in prior years had been realised upon disposal.

4 Other gain and charges

	2011 HK\$'000	2010 HK\$'000
Net provision for diminution in value of properties under development for sale/completed properties held for sale	(20,000)	(4,126)
Loss on deemed disposal of interest in a listed subsidiary	-	(4,822)
Net fair value gain/(loss) on warrant liabilities	<u>12,664</u>	<u>(2,530)</u>
	<u>(7,336)</u>	<u>(11,478)</u>

5 Income and expenses by nature

	2011 HK\$'000	2010 HK\$'000
Income		
Interest income		
- Listed investments	153,637	93,362
- Unlisted investments	560	373
- A jointly controlled entity	16,524	8,367
- Other receivables	3,764	3,136
- Bank deposit	811	240
Dividend income		
- Listed investments	40,256	101,772
- Unlisted investments	-	4,519
	<u>247,328</u>	<u>740,087</u>
Expenses		
Operating lease rental expenses for land and buildings	6,285	6,158
Cost of properties and goods sold	<u>247,328</u>	<u>740,087</u>

6 Income tax expense

	2011 HK\$'000	2010 HK\$'000
Current income tax		
Hong Kong profits tax	(14,434)	(37,733)
Over/(under) provision in prior years	<u>520</u>	<u>(230)</u>
	<u>(13,914)</u>	<u>(37,963)</u>
Deferred income tax	<u>(176,073)</u>	<u>(127,051)</u>
	<u>(189,987)</u>	<u>(165,014)</u>

Hong Kong profits tax is provided at the rate of 16.5% (2010: 16.5%) on the estimate assessable profit for the year. Income tax on overseas profits has been calculated on the estimated assessable profit for the year at the rates of tax prevailing in the countries in which the Group operates.

6 Income tax expense (continued)

Share of income tax charge of jointly controlled entities and associated companies for the year of HK\$28,541,000 (2010: HK\$29,184,000) and HK\$50,944,000 (2010: HK\$15,409,000) are included in the profit and loss account as share of profits less losses of jointly controlled entities and associated companies respectively.

7 Dividends

	2011 HK\$'000	2010 HK\$'000
Interim, paid, of HK0.5 cent (2010: HK1.0 cent) per share	6,197	12,471
Final, proposed, of HK2.0 cents (2010: HK1.5 cents) per share	24,447	18,707
	<u>30,644</u>	<u>31,178</u>

At a meeting held on 24th June 2011, the Board of Directors has proposed to pay a final dividend of HK2.0 cents (2010: HK1.5cents) per share with a scrip option. The proposed dividend is not reflected in the financial statements, but will be reflected as an appropriation of revenue reserve in the year ending 31st March 2012.

The amount of HK\$24,447,000 is based on 1,222,371,832 issued shares as at 24th June 2011.

8 Earnings per share

The calculation of basic earnings per share is based on profit attributable to shareholders of the Company of HK\$2,039,675,000 (2010: HK\$2,383,270,000) and divided by the weighted average number of 1,240,344,588 (2010: 1,199,106,377) shares in issue during the year.

The calculation of diluted earnings per share for the year ended 31st March 2011 is based on HK\$2,038,307,000 equalling to the profit attributable to shareholders of the Company of HK\$2,039,675,000 with a decrease in share of profit after tax of HK\$1,368,000 from the Company's listed subsidiary arising from potential conversion of its warrants and divided by the 1,240,344,588 shares in issue during the year. The Company's and its listed subsidiary's outstanding share options did not have a diluted effect on the earnings per share.

For the year ended 31st March 2010, the Company's and its listed subsidiary's outstanding share options and warrants did not have a diluted effect on the earnings per share, the basic and diluted earnings per share were equal.

9 Trade and other receivables

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

Trade receivables of the Group amounted to HK\$68,287,000 (2010: HK\$70,608,000). 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.

9 Trade and other receivables (continued)

Aging analysis of trade receivables net of provision for impairment is as follows:

	2011	2010
	HK\$'000	HK\$'000
0 day to 60 days	67,764	69,651
61 days to 120 days	500	957
More than 120 days	23	-
	<u>68,287</u>	<u>70,608</u>

10 Trade and other payables

Trade and other payables of the Group include trade payables, rental and management fee deposits, retentions payable of construction costs and various accruals. Trade payables of the Group amounted to HK\$56,009,000 (2010: HK\$15,808,000).

Aging analysis of trade payables is as follows:

	2011	2010
	HK\$'000	HK\$'000
0 day to 60 days	55,945	15,593
61 days to 120 days	47	12
More than 120 days	17	203
	<u>56,009</u>	<u>15,808</u>

11 Comparative figures

Certain comparative figures have been restated as a result of the adoption of new HKFRS and to conform with current year's presentation.

The figures in this preliminary announcement of the Group's results for the year ended 31st March 2011 have been agreed by the Group's auditor, PricewaterhouseCoopers ("PwC HK") to the amounts set out in the Group's consolidated financial statements for the year. The work performed by PwC HK in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PwC HK for this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

The Group recorded a revenue of HK\$1,065 million (2010: HK\$1,865 million) for the financial year with profit attributable to shareholders of the Company at HK\$2,040 million (2010: HK\$2,383 million). The drop in group revenue occurred mainly in property sales more detailed below.

PROPERTIES SALES, DEVELOPMENT AND LEASING

Sales

Revenue from property sales amounted to HK\$134 million (2010: HK\$1,053 million) with operating profit of HK\$79 million (2010: HK\$375 million). The decrease in sales and profit arise from decrease in sales of property held by subsidiary companies.

Property sales this year was focused in The Westminster Terrace, a 50% joint venture luxurious residential development. Total sales of this project for the year amounted to HK\$824 million (2010: HK\$877 million) with a pre-tax profit of HK\$375 million (2010: HK\$370 million). By accounting convention, the relevant sales was not included in the Group's revenue and segment results but separately accounted for as share of profit from jointly controlled entity. Up to 31st March 2011, 68% of total units were sold. Sales continue for the remaining 32%, which is expected to generate further proceeds of some HK\$800 million.

Development

The lease modification discussion of the residential development at Hung Shui Kiu, New Territories, which yield approximately 590,000 sq. ft. GFA has been in progress with Government. Planning parameters have recently been approved at our 50% joint venture in Beijing for an approximately 2 million sq. ft. GFA residential/commercial development. During the year, the Group acquired a 186,000 sq. ft. site in Macau which is under planning application for residential development. Subsequent to financial year end, the Group jointly with its partner acquired another 1.5 million sq. ft. site in Shanghai, planning to be developed into low rise residential buildings and villas. The Group has a 47.5% stake in this project.

Leasing

Rental income attributable to the Group was approximately HK\$94 million compared to HK\$86 million last year, a result mainly of improved leasing occupancy.

Revaluation gain net of deferred tax (including that generated from properties owned by an associated company) of HK\$989 million was recorded, compared to HK\$546 million of last year.

HOTEL

Revenue arising from the hotel operation increased by 21% from HK\$522 million of last year to HK\$632 million of current year. Occupancy increases across the fleet and room rates surge for all Hong Kong located hotels. Full year operation of Empire Causeway Bay Hotel newly opened in last financial year also account for the increase. Operating profit of HK\$194 million before depreciation was recorded for the year compared to HK\$128 million of last year.

An investment gain of HK\$223 million (2010: HK\$400 million) from its financial asset investment was registered.

Overall to the hotel group, a net profit of HK\$326 million (2010: HK\$435 million) on total revenue of HK\$696 million (2010: HK\$594 million) was recorded.

During the year our Group's shareholdings in the hotel subsidiary increased by 2.5% to 69.9%, mainly a result of exercise of hotel warrants, a negative goodwill of HK\$44 million is recognised in reserves.

INVESTMENTS

At 31st March 2011, the Group held financial investments of approximately HK\$5,250 million (2010: HK\$3,257 million), of which HK\$1,919 million (2010: HK\$1,157 million) were held by the listed hotel subsidiary group. The Group recorded a net unrealised fair value gain of HK\$676 million (2010: HK\$948 million), together with a net realised gain of HK\$30 million (2010: HK\$383 million) from disposals. Income during the period from these investments amounted to HK\$194 million (2010: HK\$200 million).

As at 31st March 2011, the Group's financial investments are denominated in different currencies, with 46% in Sterling, 33% in US\$, 13% in Hong Kong dollar and 8% in Euro. During the year, HK\$133 million unrealised exchange gain (2010: HK\$53 million unrealised exchange loss) was recorded.

At 31st March 2011, an approximate value of HK\$1,040 million (2010: HK\$55 million) of these investments were pledged to banks as collateral for credit facilities granted to the Group.

FINANCIAL REVIEW

At 31st March 2011, the Group's total assets were approximately HK\$14.6 billion, compared to HK\$10.9 billion at end of last financial year. The net assets increased by 26% to HK\$10.1 billion. Adopting market value of hotel properties instead of amortised cost, the revalued total assets and revalued net assets of the Group would be HK\$18.9 billion and HK\$13.6 billion, an increase of 39% and 34% compared to HK\$13.6 billion and HK\$10.2 billion respectively at the end of last financial year.

Net debt increased to HK\$3.6 billion (2010: HK\$2.1 billion), including HK\$1.7 billion (2010: HK\$1.4 billion) which belonged to the separately listed hotel subsidiary group. Net debt to revalued net asset value is approximately 26% (2010: 21%). Total interest expense increased by 14% due to increased borrowings.

About 78% of the Group's borrowings are in Hong Kong dollar. All the debts are at floating rates and interest rate fluctuation is partly managed through interest rate swaps. As at 31st March 2011, a total of HK\$200 million interest rate swap contracts were held for hedging purpose against our borrowings. The maturity of our debts spread over a long period of up to 15 years, with approximately 40% repayable within one year and 44% repayable after five years. As at 31st March 2011, the Group had net current assets of HK\$5,023 million (2010: HK\$2,215 million).

As at 31st March 2011, property assets with an aggregated net book value of HK\$7,779 million (2010: HK\$6,022 million) were pledged to secure banking facilities of the Group. There were no guarantees provided to financial institutions (2010: HK\$108 million to a jointly controlled entity).

EMPLOYEES AND REMUNERATION POLICIES

As at 31st March 2011, the Group employed 480 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

Visitors arrivals continue to be robust, benefiting from Mainland's Individual Visit Scheme and Hong Kong's position as a business hub of the region. With most currencies appreciate against Hong Kong Dollar, its attractiveness further increase as a relatively cheaper place of spending.

Hong Kong properties have witnessed an unprecedented growth in capital values in recent years due to inflation hedge and international capital inflows looking for capital protections and gains in the face of abundant credit supply at historically low interest rates.

The Group continues to hold a cautious approach in seeking investment opportunities.

DIVIDEND

The Directors recommend a final dividend for the year ended 31st March 2011 of HK2.0 cents (2010: 1.5 cents) per share. The shareholders will be given an option to elect to receive shares of the Company credited as fully paid in lieu of cash in respect of part or all of the proposed final dividend (the "Scrip Dividend Scheme"). Total dividend for the year, including interim dividend of HK0.5 cent (2010: HK1.0 cent) per share, amounts to HK2.5 cents (2010: HK2.5 cents in scrip) per share.

The Scrip Dividend Scheme will be subject to (i) the approval of the proposed final dividend at the 2011 annual general meeting to be held on 25th August 2011 (the "Annual General Meeting"); and (ii) The Stock Exchange of Hong Kong Limited (the "Stock Exchange") granting listing of and permission to deal in the new shares to be allotted thereunder. Full details of the Scrip Dividend Scheme will be set out in a circular to be despatched to the shareholders.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Tuesday, 23rd August 2011 to Thursday, 25th August 2011 both days inclusive, for the purpose of determining the identity of members who are entitled to attend and vote at the Annual General Meeting. During which period no transfer of shares of the Company will be registered and no shares will be allotted and issued on the exercise of the subscription rights attached to the outstanding share options granted by the Company. In order to qualify for attending the Annual General Meeting, all transfers of shares of the Company accompanied by the relevant share certificates and the appropriate transfer forms must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 22nd August 2011.

The proposed final dividend is subject to the approval of the shareholders at the Annual General Meeting. The record date for entitlement to the proposed final dividend is 1st September 2011. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed on both days of Wednesday, 31st August 2011 to Thursday, 1st September 2011, during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 30th August 2011. The final dividend will be paid on 3rd October 2011.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, the Company purchased a total of 28,802,000 shares of HK\$0.01 each on the Stock Exchange at an aggregate consideration of HK\$48,887,060 with the highest and lowest price paid per share being HK\$1.98 and HK\$1.25 respectively.

The Directors considered that the aforesaid shares were purchased at a discount to the net asset value per share and resulted in an increase in the net asset value per share then in issue.

Saved as disclosed herein, the Company had not redeemed any of its shares. Neither the Company nor any of its subsidiaries purchased or sold any of the Company's listed securities during the year.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted 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"). The Company has made specific enquiry of all directors regarding any non-compliance with the Model Code during the year, and they all confirmed that they have fully complied with the required standard as set out in the Model Code throughout the year ended 31st March 2011.

CODE ON CORPORATE GOVERNANCE PRACTICES

During the year, the Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules, except for the deviation from code provision A.4.1 which states that non-executive directors should be appointed for a specific term, subject to re-election. All non-executive director and independent non-executive directors of the Company are not appointed for specific terms, but subject to retirement by rotations and re-elections at the annual general meeting of the Company in accordance with the Bye-Laws of the Company.

AUDIT COMMITTEE

The Audit Committee has reviewed the annual results of the Group for the year ended 31st March 2011.

By Order of the Board
Asia Standard International Group Limited
Fung Siu To, Clement
Chairman

Hong Kong, 24th June 2011

As at the date of this announcement, the executive directors of the Company are Mr. Fung Siu To, Clement, Dr. Lim Yin Cheng, Mr. Poon Jing, Mr. Lun Pui Kan, Mr. Kwan Po Lam, Phileas; the non-executive directors are Mr. Au Yat Chuen and Mr. Loup, Nicholas James and the independent non-executive directors are Mr. Koon Bok Ming, Alan, Mr. Leung Wai Keung and Mr. Wong Chi Keung.