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## ASIA STANDARD INTERNATIONAL GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 129)

### ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2014

#### FINANCIAL HIGHLIGHTS

(In HK\$ million, except otherwise indicated)

	Six months ended		Change
	30th September 2014	2013	
Revenue	629	661	-5%
Operating profit	753	1,083	-30%
Profit attributable to shareholders of the Company	709	972	-27%
Earnings per share – basic (HK\$)	0.57	0.79	-28%
	30th September 2014	31st March 2014	
Total assets	21,980	20,651	+6%
Net assets	15,667	14,983	+5%
Equity attributable to shareholders of the Company	14,691	14,051	+5%
Net debt	4,455	3,918	+14%
Supplementary information with hotel properties in operation at valuation:			
Revalued total assets	29,160	27,359	+7%
Revalued net assets	22,811	21,652	+5%
Equity attributable to shareholders of the Company	19,697	18,724	+5%
Equity attributable to shareholders of the Company per share (HK\$)	15.70	14.92	+5%
Gearing - net debt to revalued net assets	20%	18%	+2%

The Board of Directors (the “Board”) of Asia Standard International Group Limited (the “Company”) announces that the unaudited consolidated results of the Company and its subsidiaries (together the “Group”) for the six months ended 30th September 2014 together with the comparative figures for the six months ended 30th September 2013 were as follows:

### CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT - UNAUDITED

For the six months ended 30th September

	<i>Note</i>	<b>2014</b> <b>HK\$'000</b>	2013 HK\$'000 (Restated)
Revenue	2	<b>629,404</b>	661,058
Cost of sales		<b>(133,960)</b>	(150,849)
Gross profit		<b>495,444</b>	510,209
Selling and administrative expenses		<b>(92,772)</b>	(92,462)
Depreciation		<b>(44,645)</b>	(43,016)
Net investment gain	3	<b>29,526</b>	611,176
Fair value gain of investment properties		<b>365,474</b>	97,190
Operating profit		<b>753,027</b>	1,083,097
Net finance costs		<b>(54,697)</b>	(38,874)
Share of profits less losses of Joint ventures		<b>(3,069)</b>	(1,722)
Associated companies		<b>87,620</b>	35,880
Profit before income tax		<b>782,881</b>	1,078,381
Income tax expense	5	<b>(22,124)</b>	(35,816)
Profit for the period		<b>760,757</b>	1,042,565
Attributable to:			
Shareholders of the Company		<b>709,136</b>	971,791
Non-controlling interests		<b>51,621</b>	70,774
		<b>760,757</b>	1,042,565
Earnings per share (HK\$)			
Basic and diluted	7	<b>0.57</b>	0.79

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - UNAUDITED**  
For the six months ended 30th September

	<b>2014</b> <b>HK\$'000</b>	2013 HK\$'000
Profit for the period	<b>760,757</b>	1,042,565
Other comprehensive income		
Items that have been reclassified or may be reclassified subsequently to profit or loss:		
Net fair value gain on available-for-sale investments	<b>3,913</b>	8,246
Cash flow hedges		
- Fair value (loss)/gains	<b>(15,560)</b>	6,557
- Transfer to finance costs	<b>(5,975)</b>	(4,471)
Currency translation differences	<b>(1,845)</b>	(2,202)
Share of currency translation differences of joint ventures	<b>1,289</b>	-
	<b>(18,178)</b>	8,130
Total comprehensive income for the period	<b>742,579</b>	1,050,695
Attributable to:		
Shareholders of the Company	<b>690,696</b>	978,757
Non-controlling interests	<b>51,883</b>	71,938
	<b>742,579</b>	1,050,695

## CONDENSED CONSOLIDATED BALANCE SHEET - UNAUDITED

	<i>Note</i>	<b>30th September 2014 HK\$'000</b>	31st March 2014 HK\$'000
<b>Non-current assets</b>			
Investment properties		<b>5,932,890</b>	5,567,131
Property, plant and equipment		<b>3,175,857</b>	3,170,244
Joint ventures		<b>1,174,304</b>	1,104,112
Associated companies		<b>1,641,820</b>	1,577,266
Available-for-sale investments		<b>251,291</b>	241,078
Financial assets at fair value through profit or loss		<b>453,410</b>	554,844
Derivative financial instruments		-	10,427
Mortgage loans receivable		<b>2,724</b>	2,797
Deferred income tax assets		<b>4,800</b>	3,400
		<b>12,637,096</b>	12,231,299
<b>Current assets</b>			
Properties under development for sale		<b>1,760,434</b>	1,737,935
Completed properties held for sale		<b>3,617</b>	3,617
Hotel and restaurant inventories		<b>1,516</b>	1,569
Trade and other receivables	8	<b>639,700</b>	291,972
Income tax recoverable		<b>5,624</b>	5,589
Financial assets at fair value through profit or loss		<b>5,703,961</b>	4,917,765
Bank balances and cash		<b>1,227,580</b>	1,461,233
		<b>9,342,432</b>	8,419,680
<b>Current liabilities</b>			
Trade and other payables	9	<b>137,475</b>	141,936
Dividend payable		<b>58,311</b>	-
Amount due to a joint venture		<b>77,023</b>	37,058
Amount due to an associated company		<b>224,400</b>	-
Derivative financial instruments		<b>499</b>	982
Borrowings		<b>665,925</b>	919,483
Income tax payable		<b>49,291</b>	37,139
		<b>1,212,924</b>	1,136,598
Net current assets		<b>8,129,508</b>	7,283,082
Total assets less current liabilities		<b>20,766,604</b>	19,514,381

**CONDENSED CONSOLIDATED BALANCE SHEET - UNAUDITED**

	<b>30th September 2014 HK\$'000</b>	<b>31st March 2014 HK\$'000</b>
Non-current liabilities		
Long term borrowings	<b>4,301,865</b>	3,849,758
Medium term notes	<b>714,430</b>	609,894
Derivative financial instruments	<b>5,133</b>	-
Deferred income tax liabilities	<b>77,883</b>	71,760
	<b>5,099,311</b>	4,531,412
Net assets	<b>15,667,293</b>	14,982,969
Equity		
Share capital	<b>12,548</b>	12,548
Reserves	<b>14,678,820</b>	14,038,261
Equity attributable to shareholders of the Company	<b>14,691,368</b>	14,050,809
Non-controlling interests	<b>975,925</b>	932,160
	<b>15,667,293</b>	14,982,969

## **NOTES TO THE INTERIM FINANCIAL INFORMATION**

### **1 Basis of preparation**

The unaudited condensed consolidated interim financial information for the six months ended 30th September 2014 (“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 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards.

The accounting policies and methods of computation 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 2014.

As described in the annual financial statements for the year ended 31st March 2014, the Group has changed its policy regarding the recognition of revenue for travel operation on net basis for the commission earned as an agent, and on a gross basis for custom-made incentive tours. The comparatives have been restated by decreasing revenue and corresponding cost of sales of HK\$114,800,000 with no impact to gross profit.

There are no other amended standards or interpretations relevant to the Group for this interim period that could be expected to have a material impact on the Group.

## 2 Segment information

Revenue includes revenue from property sales and leasing, hotel and travel operation, management services, interest income and dividend income.

	Property sales HK\$'000	Property leasing HK\$'000	Hotel and travel HK\$'000	Financial investments HK\$'000	Others HK\$'000	Total HK\$'000
<b>Six months ended 30th September 2014</b>						
Gross income	-	58,793	407,500	603,583	7,227	1,077,103
Segment revenue	-	58,793	299,677	263,707	7,227	629,404
Contribution to segment results	-	56,579	124,321	262,186	7,462	450,548
Depreciation	-	-	(42,400)	-	(2,245)	(44,645)
Net investment gain	-	-	-	29,526	-	29,526
Fair value gain of investment properties	-	365,474	-	-	-	365,474
Share of profits less losses of Joint ventures	(2,500)	-	-	-	(569)	(3,069)
Associated companies	-	87,688	-	-	(68)	87,620
Segment results	(2,500)	509,741	81,921	291,712	4,580	885,454
Unallocated corporate expenses						(47,876)
Net finance costs						(54,697)
Profit before income tax						782,881
<b>Six months ended 30th September 2013</b>						
Gross income	160,000	52,962	378,955	294,337	8,458	894,712
Segment revenue (restated)	160,000	52,962	264,155	175,483	8,458	661,058
Contribution to segment results	107,230	48,066	128,453	175,200	(1,663)	457,286
Depreciation	-	-	(41,080)	-	(1,936)	(43,016)
Net investment gain	-	-	-	611,176	-	611,176
Fair value gain of investment properties	-	97,190	-	-	-	97,190
Share of profits less losses of Joint ventures	(1,177)	-	-	-	(545)	(1,722)
Associated companies	-	35,880	-	-	-	35,880
Segment results	106,053	181,136	87,373	786,376	(4,144)	1,156,794
Unallocated corporate expenses						(39,539)
Net finance costs						(38,874)
Profit before income tax						1,078,381

Notes:

- Management regards gross income of travel operation as gross sales proceeds from the sales of air-ticket, hotel reservation arrangement and incentive travel tours.
- Management regards gross income of financial investments as comprising these revenue as defined under generally accepted accounting principles together with gross consideration from disposal of financial assets at fair value through profit or loss.

## 2 Segment information (continued)

	Business segments						Unallocated HK\$'000	Total HK\$'000
	Property sales	Property leasing	Hotel and travel	Financial investments	Others			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000			
<b>As at 30th September 2014</b>								
Assets	3,218,144	7,495,052	3,192,786	6,689,104	87,193	1,297,249	21,979,528	
<b>Assets include:</b>								
Joint ventures and associated companies	1,249,382	1,534,716	-	-	936	31,090	2,816,124	
<b>Addition to non-current assets for the six months ended 30th September 2014*</b>								
	-	285	42,949	-	9,530	-	52,764	
<b>Liabilities</b>								
Borrowings	1,436,656	453,266	1,678,727	714,891	-	684,250	4,967,790	
Other unallocated liabilities							1,344,445	
							<u>6,312,235</u>	

As at 31st March 2014

Assets	2,920,420	7,061,230	3,204,383	5,852,531	91,943	1,520,472	20,650,979
<b>Assets include:</b>							
Joint ventures and associated companies	1,178,592	1,470,128	-	-	931	31,727	2,681,378
<b>Addition to non-current assets for the six months ended 30th September 2013*</b>							
	7,456	287	36,652	-	25,772	-	70,167
<b>Liabilities</b>							
Borrowings	1,968,371	444,776	1,410,553	945,541	-	-	4,769,241
Other unallocated liabilities							898,769
							<u>5,668,010</u>

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



## 2 Segment information (continued)

	Six months ended 30th September	
	2014 HK\$'000	2013 HK\$'000 (Restated)
<b>Revenue</b>		
Hong Kong	343,953	453,482
Overseas	<u>285,451</u>	<u>207,576</u>
	<u><b>629,404</b></u>	<u><b>661,058</b></u>
	30th September 2014 HK\$'000	31st March 2014 HK\$'000
<b>Non-current assets*</b>		
Hong Kong	10,804,334	10,353,648
Overseas	<u>1,120,537</u>	<u>1,065,105</u>
	<u><b>11,924,871</b></u>	<u><b>11,418,753</b></u>

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

## 3 Net investment gain

	Six months ended 30th September	
	2014 HK\$'000	2013 HK\$'000
Financial assets at fair value through profit or loss		
- net unrealised gain from market price movements	67,886	539,400
- net unrealised exchange (loss)/gain	(39,920)	71,277
- net realised gain (note)	<u>1,560</u>	<u>499</u>
	<u><b>29,526</b></u>	<u><b>611,176</b></u>
Note:		
Net realised gain on financial assets at fair value through profit or loss		
Gross consideration	339,875	118,854
Cost of investments	<u>(258,112)</u>	<u>(100,194)</u>
Total gain	81,763	18,660
Less: net unrealised gain recognised in prior years	<u>(80,203)</u>	<u>(18,161)</u>
Net realised gain recognised in current period	<u><b>1,560</b></u>	<u><b>499</b></u>

#### 4 Income and expenses by nature

	Six months ended 30th September	
	2014 HK\$'000	2013 HK\$'000
<b>Income</b>		
Interest income		
- Listed investments	246,778	165,694
- Unlisted investments	-	4
- Other receivables	1,728	1,759
- Bank deposit	4,769	2,735
Dividend income		
- Listed investments	<u>16,044</u>	<u>9,704</u>
<b>Expenses</b>		
Cost of properties and goods sold (restated)	10,362	60,612
Operating lease rental expenses for land and buildings	<u>692</u>	<u>4,853</u>

#### 5 Income tax expense

	Six months ended 30th September	
	2014 HK\$'000	2013 HK\$'000
Current income tax		
Hong Kong profits tax	(16,533)	(40,697)
Overseas profits tax	(1,684)	(571)
Over provision in prior years	<u>816</u>	<u>112</u>
	(17,401)	(41,156)
Deferred income tax	<u>(4,723)</u>	<u>5,340</u>
	<u>(22,124)</u>	<u>(35,816)</u>

Hong Kong profits tax is provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profit for the period. Income tax on overseas profits has been calculated on the estimated assessable profit for the period at the rates of tax prevailing in the countries in which the Group operates.

Share of income tax expenses of joint ventures and associated companies for the period of nil (2013: HK\$54,000) and HK\$1,588,000 (2013: HK\$1,817,000) are included in the profit and loss account as share of profits less losses of joint ventures and associated companies respectively.

## 6 Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30th September 2014 (2013: Nil).

## 7 Earnings per share

The calculation of basic earnings per share is based on profit attributable to shareholders of the Company of HK\$709,136,000 (2013: HK\$971,791,000) and divided by the weighted average number of 1,254,821,525 (2013: 1,236,852,853) shares in issue during the period.

For the six months ended 30th September 2014 and 2013, the Company's and its listed subsidiary's outstanding share options did not have a dilution effect on the earnings per share, so the basic and diluted earnings per share were equal.

## 8 Trade and other receivables

Trade and other receivables of the Group include trade receivables, loans receivable, utility and other deposits, accrued interest, dividend receivable together with the purchase deposit and related stamp duty in respect of a property acquisition

Trade receivables of the Group amounted to HK\$191,106,000 (31st March 2014: HK\$58,016,000). The credit terms given to the customers vary and are generally based on the financial strengths of individual customers. In order to effectively manage the credit risks associated with trade receivables, credit evaluation of customers are performed periodically.

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

	<b>30th September 2014 HK\$'000</b>	31st March 2014 HK\$'000
0 day to 60 days	<b>186,434</b>	52,978
61 days to 120 days	<b>1,013</b>	1,083
121 days to 180 days	<b>392</b>	3,955
Over 180 days	<b>3,267</b>	-
	<b>191,106</b>	58,016

## 9 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\$16,917,000 (31st March 2014: HK\$15,821,000).

Aging analysis of trade payables is as follows:

	<b>30th September 2014 HK\$'000</b>	31st March 2014 HK\$'000
0 day to 60 days	<b>16,210</b>	15,196
61 days to 120 days	<b>369</b>	243
121 days to 180 days	<b>291</b>	226
Over 180 days	<b>47</b>	156
	<b>16,917</b>	15,821

## 10 Event after the reporting period

The Group has during the period entered into a transaction to acquire a commercial building with a consideration of HK\$1,105 million, as disclosed in the announcement of 23rd July 2014. As at 30th September 2014, a 10% deposit and related stamp duty totaling HK\$204.4 million had been paid (included under trade and other receivables in the balance sheet) and the remaining unpaid consideration was included in capital commitment.

In October 2014, the transaction was completed and the acquired building will be classified under investment properties in the Group's annual financial statements for the year ending 31st March 2015.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **RESULTS**

The Group recorded revenue of HK\$629 million (2013: HK\$661 million, adjusted for certain accounting changes) for the first half of financial year with profit attributable to shareholders of the Company at HK\$709 million (2013: HK\$972 million). The decrease in profit is mainly due to the decrease in mark-to-market valuation gain of the Group's financial investment as compared to the same period last year.

### **PROPERTIES SALES, DEVELOPMENT AND LEASING**

#### **Sales**

The Group is actively progressing along its development pipeline during the period, with the current schedule that its 50% joint venture luxurious residential development in Shanghai will be put on market for sale in the near term. The Group did not contract any sale nor launch any new development during the interim period, while a HK\$160 million sale of the inventory retail podium of Canaryside in Yau Tong was recognised in the same period last year.

#### **Development**

At Perkins Road in Hong Kong, the joint venture project will be redeveloped into an ultra-luxurious high rise residential building and is currently under foundation construction. Another detached residential development in the same proximity at Henderson Road is also at foundation construction stage.

The commercial and residential development at Hung Shui Kiu, Yuen Long is currently undergoing land exchange process. Approval for a development scheme under Town Planning Board was obtained. The 112,000 sq. ft. site will provide approximately 900 residential units and retail shops with an approximate total GFA of 519,000 sq. ft., which are conveniently located adjacent to a light rail station linked to the West Rail network. Another residential development at the Lam Tei station nearby is in the process of planning application with the government.

We are progressing well with the superstructure construction in the traditional high end and low-density residential neighborhood in the Qingpu district, Puxi in Shanghai. This 1.5 million sq. ft. site will be developed into over 300 villas and apartments with total construction floor area of 1,080,000 sq. ft. This 50% joint venture development is scheduled to be completed towards end 2015 and pre-sale will commence in the near term, barring unforeseen circumstances.

During the period, we focused and have obtained all the building planning permits for the 2,360,000 sq. ft. floor area waterfront residential/commercial development in Beijing. Land clearances and resettlement for this 50% joint venture development in Tongzhou are currently under preparation. Structural and foundation design has commenced and demolition will start once resettlement completes.

With urban planning legislation became effective in March this year in Macau, our formal application for the development of the 190,000 sq. ft. site in Seac Pac Van zoning outline was submitted. The application is now under process and evaluation by the relevant authorities.

## **Leasing**

Attributable rental income from the Group's 353,000 sq. ft. retail/commercial buildings leasing portfolio in Central, Wan Chai and Causeway Bay amount to HK\$72 million (2013: HK\$65 million), increased by 11%.

Investment properties revaluation gain (including that generated from a building owned by an associated company) of HK\$445 million (2013: HK\$124 million) was recorded.

During the period, the Group succeeded in the acquisition of the commercial building adjacent to our building in Wanchai, which adds approximately 80,000 sq. ft. to the leasing portfolio. The buildings are structurally connected to each other, resulting in a much larger floor plate accommodation.

## **HOTEL**

During the six months period, overnight stay visitors to Hong Kong increased 7% to approximately 14 million. Growth has come from short haul markets where mainland China continues to be the most important inbound source. In the same period, hotel rooms supply increase 5% to approximate 72,000 rooms.

Revenue arising from the hotel and travel segment for the period amount to HK\$300 million (2013: HK\$ 264 million, adjusted for accounting changes on certain travel business). Average occupancies for the 3 Hong Kong hotels exceeded 95% for both interim periods while average room rate slightly dropped. Contribution to segment results before depreciation was approximately HK\$124 million (2013: HK\$128 million).

Foundation work of the adjacent new hotel in Causeway Bay was completed during the period and superstructure works have commenced. This will add 94 rooms upon completion in 2016. At the same time, foundation work of the other new hotel in Tsimshatsui is in progress and scheduled to complete by early 2015, adding another 90 rooms to the portfolio upon full completion in 2017.

## **FINANCIAL INVESTMENTS**

For the period under review, the Group's financial investments continue to benefit from the low interest rate and ample liquidity environment.

At 30th September 2014, the Group held financial investments of approximately HK\$6,409 million (31st March 2014: HK\$5,714 million), with HK\$1,994 million (31st March 2014: HK\$1,810 million) held by the listed hotel subsidiary group. The increase arose from a mark to market valuation gain of HK\$32 million and a further investment of HK\$663 million.

Interest and dividend income for the year from these investments amounted to HK\$263 million (2013: HK\$175 million). The increase is mostly due to the increase in portfolio size of our debt securities investment.

These financial investments comprise 67% by listed debt securities (of which approximately 92% were issued by PRC real estate companies), and 32% by listed equity securities (of which approximately 74% were issued by large banks). They are denominated in different currencies with 61% in United States dollar, 12% in Hong Kong dollar, 11% in Sterling, 11% in Renminbi and 5% in Euro.

At 30th September 2014, an approximate value of HK\$890 million (31st March 2014: HK\$1,140 million) of these investments were pledged to banks as collateral for credit facilities granted to the Group.

## **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 corporate level. At 30th September 2014, it had approximately HK\$6.0 billion cash and undrawn banking facilities which provide the Group with strong financing flexibility to capture any project development opportunities as they arise.

At 30th September 2014, the Group's total assets were approximately HK\$22.0 billion, compared to HK\$20.7 billion at end of last financial year. The net assets were HK\$15.7 billion (31st March 2014: HK\$15.0 billion). Adopting market value of hotel properties, the revalued total assets and revalued net assets of the Group would be HK\$29.2 billion and HK\$22.8 billion, an increase of 7% and 5% compared to HK\$27.4 billion and HK\$21.7 billion respectively at the end of last financial year.

In July 2014, the Group issued HK\$100 million 5-years medium term notes out of its medium term note programme, adding to the existing RMB500 million issued in April 2013.

Net debt were HK\$4.5 billion (31st March 2014: HK\$3.9 billion), including HK\$1.7 billion (31st March 2014: HK\$1.7 billion) which belonged to the separately listed hotel subsidiary group. Gearing (net debt to revalued net asset value) is approximately 20% (31st March 2014: 18%). 75% of the debts are secured and 79% of the debts are at floating rates. As at 30th September 2014, HK\$50 million interest rate swap contract and RMB500 million cross currency swap contracts were held to hedge our borrowings. Total interest cost increased as a result of increased borrowings during the year.

Currently the maturities of our debts are well spread over a long period of up to 12 years. Revolving loans account for 3% and term loans secured by financial assets repayable between one to five years account for 8%. Term loans secured by property assets account for 64% with 8% repayable within 1 year, 39% repayable between one to five years and 17% repayable after five years. The remaining 25% comprise unsecured club loan and medium term notes. As at 30th September 2014, the Group had net current assets of HK\$8.1 billion (31st March 2014: HK\$7.3 billion).

About 79% of the Group's borrowings are in Hong Kong dollar, 11% in Renminbi, 9% in US dollars, and the remaining 1% in other currencies.

As at 30th September 2014, property assets with an aggregated net book value of HK\$12,193 million (31st March 2014: HK\$11,733 million) were pledged to secure banking facilities of the Group. HK\$402 million (31st March 2014: HK\$380 million) guarantee was provided to financial institution against credit facilities granted to joint ventures.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30th September 2014, the Group employed approximately 450 (31st March 2014: 440) 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**

With the slow recovery of US economy, the US Federal Reserve has ended its asset purchase programme. Despite that, relatively loose monetary conditions are widely expected in major developed economies to be maintained for extended time, with Japan and Europe being the new-comers. The continual expectation of delay in interest rate increase continues to support the local property market.

Management is indeed concerns about the disappointment in hotel operation result during the period and the impact of the local political turmoil to the result of the second half of the financial year.

Financial investment continues to be a steady performer.

Overall, management holds a cautious stance and is affirmative with the Group's performance.

## **INTERIM DIVIDEND**

The Board does not recommend the payment of an interim dividend for the six months ended 30th September 2014 (2013: 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 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 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 of Hong Kong Limited (the "Listing Rules"). The Company 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 2014.

## **CORPORATE GOVERNANCE CODE**

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

1. Code Provision A.4.1 of the CG Code provides that non-executive directors should be appointed for a specific term, subject to re-election. All 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; and
2. Code Provision A.5.1 of the CG Code provides that issuers should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors. The Company does not have a nomination committee. The Board as a whole is responsible for assessing the independence of independent non-executive directors, reviewing the structure, diversity, size and composition of the Board, the appointment of new directors and the nomination of directors for re-election by shareholders at the general meeting of the Company. Under the Bye-Laws of the Company, the Board may at any time, and from time to time, to appoint any person as a director, either to fill a casual vacancy, or as an addition to the Board. Any director so appointed shall retire at the next annual general meeting but shall then be eligible for re-election at the meeting.



## **AUDIT COMMITTEE**

The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30th September 2014.

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

Hong Kong, 25th November 2014

*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. Poon Hai, Mr. Lun Pui Kan, Mr. Kwan Po Lam, Phileas, and the independent non-executive directors are Mr. Koon Bok Ming, Alan, Mr. Leung Wai Keung and Mr. Wong Chi Keung.*