

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 2015

FINANCIAL HIGHLIGHTS

(In HK\$ million, except otherwise indicated)

| | Six months ended | | Change |
|--|------------------|--------|--------|
| | 2015 | 2014 | |
| Revenue | 675 | 629 | +7% |
| Operating profit | 590 | 753 | -22% |
| Profit attributable to shareholders of the Company | 392 | 709 | -45% |
| Earnings per share – basic (HK\$) | 0.31 | 0.57 | -46% |
| | 30th | 31st | |
| | September | March | |
| | 2015 | 2015 | |
| Total assets | 24,138 | 22,994 | +5% |
| Net assets | 16,192 | 15,863 | +2% |
| Equity attributable to shareholders of the Company | 15,216 | 14,918 | +2% |
| Net debt | 6,764 | 5,465 | +24% |

Supplementary information with hotel properties in operation at valuation:

| | | | |
|--|--------|--------|-----|
| Revalued total assets | 31,543 | 30,589 | +3% |
| Revalued net assets | 23,560 | 23,424 | +1% |
| Equity attributable to shareholders of the Company | 20,391 | 20,228 | +1% |
| Gearing - net debt to revalued net assets | 29% | 23% | +6% |

The Board of Directors (the “Board”) of Asia Standard International Group Limited (the “Company”) announces that the unaudited condensed consolidated results of the Company and its subsidiaries (together the “Group”) for the six months ended 30th September 2015 together with the comparative figures for the six months ended 30th September 2014 were as follows:

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT - UNAUDITED

For the six months ended 30th September

| | <i>Note</i> | 2015 HK\$'000 | 2014 HK\$'000 |
|---|-------------|--------------------------------|------------------|
| Revenue | 2 | 674,763 | 629,404 |
| Cost of sales | | (133,753) | (133,960) |
| Gross profit | | 541,010 | 495,444 |
| Selling and administrative expenses | | (102,672) | (92,772) |
| Depreciation | | (42,885) | (44,645) |
| Net investment gain | 3 | 83,463 | 29,526 |
| Fair value gain of investment properties | | 111,107 | 365,474 |
| Operating profit | | 590,023 | 753,027 |
| Net finance costs | | (111,069) | (54,697) |
| Share of profits less losses of Joint ventures | | (5,921) | (3,069) |
| Associated companies | | (25,352) | 87,620 |
| Profit before income tax | | 447,681 | 782,881 |
| Income tax expense | 5 | (10,179) | (22,124) |
| Profit for the period | | 437,502 | 760,757 |
| Attributable to: | | | |
| Shareholders of the Company | | 391,827 | 709,136 |
| Non-controlling interests | | 45,675 | 51,621 |
| | | 437,502 | 760,757 |
| Earnings per share (HK\$) | | | |
| Basic and diluted | 7 | 0.31 | 0.57 |

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

| | 2015 HK\$'000 | 2014 HK\$'000 |
|--|--------------------------------|------------------|
| Profit for the period | 437,502 | 760,757 |
| Other comprehensive income/(charge) | | |
| Items that have been reclassified or may be reclassified subsequently to profit or loss: | | |
| Net fair value (loss)/gain on available-for-sale investments | (25,254) | 3,913 |
| Cash flow hedges | | |
| - Fair value gain/(loss) | 321 | (15,560) |
| - Transfer to finance costs | 15,959 | (5,975) |
| Currency translation differences | (7,408) | (1,845) |
| Share of currency translation differences of joint ventures | (36,633) | 1,289 |
| | (53,015) | (18,178) |
| Total comprehensive income for the period | 384,487 | 742,579 |
| Attributable to: | | |
| Shareholders of the Company | 348,731 | 690,696 |
| Non-controlling interests | 35,756 | 51,883 |
| | 384,487 | 742,579 |

CONDENSED CONSOLIDATED BALANCE SHEET - UNAUDITED

| | <i>Note</i> | 30th September 2015 HK\$'000 | 31st March 2015 HK\$'000 |
|---|-------------|---|-----------------------------------|
| Non-current assets | | | |
| Investment properties | | 7,742,524 | 7,627,318 |
| Property, plant and equipment | | 3,219,353 | 3,175,896 |
| Property held for development for sale | 8 | 798,266 | 797,485 |
| Joint ventures and associated companies | | 3,312,176 | 2,860,805 |
| Available-for-sale investments | | 195,347 | 216,159 |
| Financial assets at fair value through profit or loss | | 181,973 | 296,187 |
| Loan receivables | | 284,062 | 2,629 |
| Deferred income tax assets | | 18,844 | 20,399 |
| | | <u>15,752,545</u> | <u>14,996,878</u> |
| Current assets | | | |
| Properties under development for sale | | 1,006,392 | 990,786 |
| Completed properties held for sale | | 3,617 | 3,617 |
| Hotel and restaurant inventories | | 15,294 | 1,290 |
| Trade and other receivables | 9 | 326,561 | 351,178 |
| Income tax recoverable | | 9,466 | 12,565 |
| Financial assets at fair value through profit or loss | | 6,487,749 | 5,566,465 |
| Bank balances and cash | | 536,540 | 1,071,537 |
| | | <u>8,385,619</u> | <u>7,997,438</u> |
| Current liabilities | | | |
| Trade and other payables | 10 | 153,036 | 151,672 |
| Dividend payable | | 55,524 | - |
| Amount due to a joint venture | | 66,773 | 71,767 |
| Amount due to an associated company | | 224,400 | 224,400 |
| Income tax payable | | 13,218 | 17,558 |
| Borrowings | | 1,710,439 | 1,037,613 |
| | | <u>2,223,390</u> | <u>1,503,010</u> |
| Net current assets | | <u>6,162,229</u> | <u>6,494,428</u> |
| Total assets less current liabilities | | <u>21,914,774</u> | <u>21,491,306</u> |

CONDENSED CONSOLIDATED BALANCE SHEET - UNAUDITED

| | 30th September 2015 HK\$'000 | 31st March 2015 HK\$'000 |
|--|---|---|
| Non-current liabilities | | |
| Long term borrowings | 4,647,018 | 4,787,666 |
| Medium term notes | 943,030 | 711,020 |
| Derivative financial instruments | 39,789 | 40,110 |
| Deferred income tax liabilities | 92,836 | 89,428 |
| | <u>5,722,673</u> | <u>5,628,224</u> |
| Net assets | <u>16,192,101</u> | <u>15,863,082</u> |
| Equity | | |
| Share capital | 12,712 | 12,712 |
| Reserves | 15,203,297 | 14,905,359 |
| Equity attributable to shareholders of the Company | <u>15,216,009</u> | <u>14,918,071</u> |
| Non-controlling interests | 976,092 | 945,011 |
| | <u>16,192,101</u> | <u>15,863,082</u> |

NOTES TO THE INTERIM FINANCIAL INFORMATION

1 Basis of preparation

The unaudited condensed consolidated interim financial information for the six months ended 30th September 2015 (“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 2015, 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 2015.

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 |
|--|-------------------------------|---------------------------------|---------------------------------|--------------------------------------|--------------------|-------------------|
| Six months ended 30th September 2015 | | | | | | |
| Gross income | - | 71,513 | 354,103 | 924,324 | 4,308 | 1,354,248 |
| Segment revenue | - | 71,513 | 260,711 | 338,231 | 4,308 | 674,763 |
| Contribution to segment results | (235) | 66,652 | 84,610 | 337,702 | 3,641 | 492,370 |
| Depreciation | - | - | (40,718) | - | (2,167) | (42,885) |
| Net investment gain | - | - | - | 83,463 | - | 83,463 |
| Fair value gain of investment properties | - | 111,107 | - | - | - | 111,107 |
| Share of profits less losses of Joint ventures | (2,766) | - | - | - | (3,155) | (5,921) |
| Associated companies | - | (25,260) | - | - | (92) | (25,352) |
| Segment results | (3,001) | 152,499 | 43,892 | 421,165 | (1,773) | 612,782 |
| Unallocated corporate expenses | | | | | | (54,032) |
| Net finance costs | | | | | | (111,069) |
| Profit before income tax | | | | | | 447,681 |
| Six months ended 30th September 2014 | | | | | | |
| 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 |

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 HK\$'000 | Property leasing HK\$'000 | Hotel and travel HK\$'000 | Financial investments HK\$'000 | Others HK\$'000 | | |
| As at 30th September 2015 | | | | | | | |
| Assets | 3,567,643 | 9,315,698 | 3,296,881 | 7,022,208 | 383,054 | 552,680 | 24,138,164 |
| Assets include: | | | | | | | |
| Joint ventures and associated companies | 1,759,092 | 1,549,225 | - | - | 1,025 | 2,834 | 3,312,176 |
| Addition to non-current assets for the six months ended 30th September 2015* | | | | | | | |
| | 470,074 | 4,100 | 88,094 | - | 6,163 | - | 568,431 |
| Liabilities | | | | | | | |
| Borrowings | 1,632,311 | 983,138 | 1,659,327 | 981,434 | 288,000 | 813,247 | 6,357,457 |
| Other unallocated liabilities | | | | | | | <u>1,588,606</u> |
| | | | | | | | <u><u>7,946,063</u></u> |

As at 31st March 2015

| | | | | | | | |
|---|-----------|-----------|-----------|-----------|--------|-----------|-------------------------|
| Assets | 3,102,949 | 9,229,695 | 3,256,806 | 6,221,895 | 85,637 | 1,097,334 | 22,994,316 |
| Assets include: | | | | | | | |
| Joint ventures and associated companies | 1,260,785 | 1,574,485 | - | - | 1,025 | 24,510 | 2,860,805 |
| Addition to non-current assets for the six months ended 30th September 2014* | | | | | | | |
| | - | 285 | 42,949 | - | 9,530 | - | 52,764 |
| Liabilities | | | | | | | |
| Borrowings | 1,449,808 | 992,651 | 1,625,799 | 1,070,146 | - | 686,875 | 5,825,279 |
| Other unallocated liabilities | | | | | | | <u>1,305,955</u> |
| | | | | | | | <u><u>7,131,234</u></u> |

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

2 Segment information (continued)

| | Six months ended 30th September | |
|----------------------------|--|--------------------------------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| Revenue | | |
| Hong Kong | 289,402 | 343,953 |
| Overseas | <u>385,361</u> | <u>285,451</u> |
| | <u>674,763</u> | <u>629,404</u> |
| | 30th September 2015 | 31st March 2015 |
| | HK\$'000 | HK\$'000 |
| Non-current assets* | | |
| Hong Kong | 13,820,653 | 13,364,176 |
| Overseas | <u>1,251,666</u> | <u>1,097,328</u> |
| | <u>15,072,319</u> | <u>14,461,504</u> |

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

3 Net investment gain

| | Six months ended 30th September | |
|--|--|----------------------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| Financial assets at fair value through profit or loss | | |
| - net unrealised gain from market price movements | 49,719 | 67,886 |
| - net unrealised exchange gain/(loss) | 5,633 | (39,920) |
| - net realised gain (note) | <u>28,111</u> | <u>1,560</u> |
| | <u>83,463</u> | <u>29,526</u> |
| Note: | | |
| Net realised gain on financial assets at fair value through profit or loss | | |
| Gross consideration | 586,093 | 339,875 |
| Cost of investments | <u>(530,465)</u> | <u>(258,112)</u> |
| Total gain | 55,628 | 81,763 |
| Less: net unrealised gain recognised in prior years | <u>(27,517)</u> | <u>(80,203)</u> |
| Net realised gain recognised in current period | <u>28,111</u> | <u>1,560</u> |

4 Income and expenses by nature

| | Six months ended 30th September | |
|--|------------------------------------|---------------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| Income | | |
| Interest income | | |
| - Listed investments | 312,070 | 246,778 |
| - Loan receivables | 2,728 | 1,725 |
| - Bank deposit | 1,171 | 4,769 |
| Dividend income | | |
| - Listed investments | <u>17,300</u> | <u>16,044</u> |
| Expenses | | |
| Cost of properties and goods sold | 9,160 | 10,362 |
| Operating lease rental expenses for land and buildings | <u>571</u> | <u>692</u> |

5 Income tax expense

| | Six months ended 30th September | |
|-------------------------------|------------------------------------|-----------------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| Current income tax | | |
| Hong Kong profits tax | (5,813) | (16,533) |
| Overseas profits tax | (1,227) | (1,684) |
| Over provision in prior years | 1,825 | 816 |
| | <u>(5,215)</u> | <u>(17,401)</u> |
| Deferred income tax | <u>(4,964)</u> | <u>(4,723)</u> |
| | <u>(10,179)</u> | <u>(22,124)</u> |

Hong Kong profits tax is provided at the rate of 16.5% (2014: 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 (2014: Nil) and HK\$2,106,000 (2014: HK\$1,588,000) 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 2015 (2014: Nil).

7 Earnings per share

The calculation of basic earnings per share is based on profit attributable to shareholders of the Company of HK\$391,827,000 (2014: HK\$709,136,000) and divided by the weighted average number of 1,271,235,217 (2014: 1,254,821,525) shares in issue during the period.

For the six months ended 30th September 2015 and 2014, 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 Property held for development for sale

The amount represents a 100% interest, acquired by the Group in 2010, in a piece of land situated in Seac Pai Van, Coloane, Macau. The land concession was granted for a term of 25 years from 7th December 1990, for industrial use, and is renewable, under certain conditions, for further terms until 19th December 2049. In 1993, the government had determined to change the district to residential use. Since then, despite repeated request, the government has not issued the new master zoning plan of the district and so the land has not been developed. The land concession period is ending on 6th December 2015, and the Group has already submitted to the Macau government a request for renewal of the land concession.

The land is included by Macau government in a list that non-development of the land is not the responsibility of the concessionaires. However, in November 2015, it was reported in the news that the Secretary of Transports and Public Works indicated that the government will resume the undeveloped lands in Seac Pai Van upon expiry of the land concession.

The Group has been seeking legal advice and clarification from the government on the matter. Management is actively pursuing the development rights of the project and extension of the land concession. Based on the above, the Directors considered it premature to determine any impairment that may be necessary and accordingly no provision is made as at 30th September 2015.

9 Trade and other receivables

Trade and other receivables of the Group include trade receivables, loans receivable, utility and other deposits, accrued interest receivable and accrued dividend receivable. The comparative figure also included deposit for setting up a joint venture.

Trade receivables of the Group amounted to HK\$55,178,000 (31st March 2015: HK\$53,789,000). 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:

| | 30th September 2015 HK\$'000 | 31st March 2015 HK\$'000 |
|---------------------|---|-----------------------------------|
| 0 day to 60 days | 50,266 | 49,336 |
| 61 days to 120 days | 1,256 | 994 |
| More than 120 days | 3,656 | 3,459 |
| | 55,178 | 53,789 |

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, interest payable and various accruals. Trade payables of the Group amounted to HK\$13,265,000 (31st March 2015: HK\$15,230,000).

Aging analysis of trade payables is as follows:

| | 30th September 2015 HK\$'000 | 31st March 2015 HK\$'000 |
|---------------------|---|-----------------------------------|
| 0 day to 60 days | 12,753 | 14,460 |
| 61 days to 120 days | 194 | 495 |
| More than 120 days | 318 | 275 |
| | <u>13,265</u> | <u>15,230</u> |

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

The Group recorded revenue of HK\$675 million (2014: HK\$629 million) for the first half of financial year with profit attributable to shareholders of the Company at HK\$392 million (2014: HK\$709 million). The decrease in profit is mainly due to the decrease in valuation gain of the Group's investment properties as compared to interim period of last year.

PROPERTIES SALES, DEVELOPMENT AND LEASING

Sales

The Group's 50% joint venture development in Shanghai, Queen's Gate, has commenced presale of the phase I batch of units in July and contracted approximately RMB600 million up to the end of September 2015. The project is situated in the traditional high end and low-density residential neighborhood of Qingpu district providing over 300 villas and apartments with total construction floor area of approximately 1,080,000 sq. ft. Construction is at the final stage and is applying for the completion certificate. Presale consent for the phase II is also being applied.

Development

Foundation of the luxurious residential joint venture redevelopment at Perkins Road in Hong Kong is ongoing and estimated to complete in the first quarter 2016. The development will provide 69,000 sq. ft. GFA upon completion of the redevelopment in latter half 2017.

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. Another residential development at the Lam Tei light rail station nearby is in the process of land exchange application with the government.

During the period, we entered into a 40% joint venture residential project at Po Shan Road in mid-levels, another high rise luxurious re-development. Demolition of the original building is completed and site investigation is underway.

Land clearances and resettlement for the 50% joint venture development in Tongzhou are currently under preparation and expected to take place in the second half of the financial year. Structural and foundation design are ongoing and construction will start once resettlement completes.

In Macau, the Group is waiting for the issuance of the master zoning plan in the Seac Pai Van district from the government. The Group's development site in Seac Pai Van is expiring in the coming December and has applied for extension of the lease. Further details are given in the Notes to the Interim Financial Information relating to "property held for development for sale".

Leasing

Attributable rental income from the Group's 433,000 sq. ft. retail/commercial buildings leasing portfolio in Central, Wan Chai and Causeway Bay amount to HK\$88 million (2014: HK\$72 million), increased by 22%. Majority of the increase is due to acquisition of an adjacent commercial building in Wanchai in October last year, and substantial renovation and improvement work is being carried out for these two structurally connected towers.

Investment properties revaluation gain (including the deficit generated from a building owned by an associated company) of HK\$75 million (2014: HK\$445 million) was recorded.

HOTEL

During the period, overnight stay visitors to Hong Kong decreased 6% to approximately 13 million, compared to interim period last year. Strong Hong Kong Dollars, anti-parallel trading protest, relaxed visa policies of other tourists destinations all contributed to the decrease. Hotel rooms supply increased 2% (comparing to September 2014) to approximately 74,000 rooms as of end September 2015.

Revenue arising from the hotel and travel segment for the period amounted to HK\$261 million (2014: HK\$300 million). Average occupancies for the 3 Hong Kong hotels continued to exceed 95% for both periods while average room rates dropped by 22%. As a result, contribution to segment results before depreciation decreased from HK\$124 million to HK\$85 million.

Superstructure construction of the adjacent new hotel in Causeway Bay was completed during the period. Occupation permit has just been obtained and interior fittings are under progress. This will add 94 rooms upon expected opening in the first half of 2016. Superstructure work of the other new hotel in Tsimshatsui has commenced during the period, adding another 90 rooms to the portfolio upon completion in 2017.

FINANCIAL INVESTMENTS

At 30th September 2015, the Group held financial investments of approximately HK\$6,865 million (31st March 2015: HK\$6,079 million), with HK\$2,067 million (31st March 2015: HK\$1,777 million) held by the listed hotel subsidiary group. The investment portfolio comprise 76% by listed debt securities (of which approximately 95% were issued by PRC real estate companies), and 24% by listed equity securities (of which approximately 85% were issued by large banks). They are denominated in different currencies with 74% in United States dollar, 8% in Sterling, 8% in Renminbi, 6% in Hong Kong dollar and 4% in Euro.

The portfolio increase largely arose from a further investment of HK\$756 million and a mark-to-market valuation net gain of HK\$30 million, comprising HK\$228 million gain from debt securities and HK\$198 million loss from equity securities. The debt securities of the PRC property companies have benefitted from the monetary easing and the interest rate cut in the Mainland, while our equity securities have dropped following the general downward trend of the worldwide equity markets during the period.

Interest and dividend income from these investments amounted to HK\$338 million (2014: HK\$263 million). The increase is mostly due to the increase in portfolio size of our debt securities investment.

At 30th September 2015, an approximate value of HK\$900 million (31st March 2015: HK\$1,490 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 2015, it had over HK\$4 billion cash and undrawn banking facilities.

At 30th September 2015, the Group's total assets were approximately HK\$24.1 billion, compared to HK\$23.0 billion at end of last financial year. The net assets were HK\$16.2 billion (31st March 2015: HK\$15.9 billion). Adopting market value of hotel properties, the revalued total assets and revalued net assets of the Group would be HK\$31.5 billion and HK\$23.6 billion, an increase of 3% and 1% compared to HK\$30.6 billion and HK\$23.4 billion respectively at the end of last financial year.

In April 2015, the Group issued HK\$250 million 5-year floating rate medium term notes out of its medium term note programme, adding to the existing RMB500 million issued in April 2013 and HK\$100 million issued in July 2014.

Net debt were HK\$6.8 billion (31st March 2015: HK\$5.5 billion), including HK\$1.8 billion (31st March 2015: HK\$1.6 billion) which belonged to the separately listed hotel subsidiary group. The increase is mainly due to investment in JV development project and further financial investment. Gearing (net debt to revalued net asset value) is approximately 29% (31st March 2015: 23%). 69% of the debts are secured and 85% of the debts are at floating rates. As at 30th September 2015, RMB500 million cross currency swap contracts were held to hedge the repayment of the Renminbi medium term notes. Total finance cost increased as a result of increased borrowings and exchange loss on foreign currency borrowings.

Currently the maturities of our debts are well spread over a long period of up to 11 years. Revolving loans account for 16% and term loans secured by financial assets repayable between one to five years account for 5%. Term loans secured by property assets account for 54% with 3% repayable within 1 year, 39% repayable between one to five years and 12% repayable after five years. The remaining 25% comprise unsecured term loans and medium term notes. As at 30th September 2015, the Group had net current assets of HK\$6.2 billion (31st March 2015: HK\$6.5 billion).

About 84% of the Group's borrowings are in Hong Kong dollar, 8% in Renminbi, 7% in United States dollar and the remaining 1% in other currencies.

As at 30th September 2015, property assets with an aggregated net book value of HK\$14,110 million (31st March 2015: HK\$13,960 million) were pledged to secure banking facilities of the Group. HK\$881 million (31st March 2015: HK\$617 million) guarantee was provided to financial institution against credit facilities granted to joint ventures.

EMPLOYEES AND REMUNERATION POLICIES

At 30th September 2015, the Group employed approximately 470 (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

Demand for residential segments are hurt by tightening mortgage ratios, punitive tax measures save and except for luxury segment as record prices are transacted and registered in single lot homes and apartments. Record transacted prices for enbloc commercial properties are reported and registered which reinforce Hong Kong is still a favoured destination for large and SOE corporations. Retail rental inevitably suffered as rental yields continue to drop.

Hotel performance is substantially affected by unfriendly atmosphere, strong dollars, ever tightening visas protocols have all contributed to a sluggish performance.

Mainland developments however are showing positive and strong recovery due to a more favourable mortgage policy and a series of monetary easing in the banking industry. We expect this trend to continue.

Performance for our investment portfolio is generally steady.

Rental performance is expected to improve particularly in view of an upgrading works is finished in our Wanchai office building.

We are hopeful with our development mix, rental portfolio in Hong Kong and mainland.

We remain positive to the coming periods as we are counting on a gradual but slow U.S. interest rate hikes, while expecting continue quantitative easing by European, Japanese and Mainland central banks.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30th September 2015 (2014: 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 2015.

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;
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; and
3. Code Provision A.6.7 of the CG Code provides that independent non-executive directors and other non-executive directors should attend general meetings and develop a balance understanding of the views of shareholders. Mr. Leung Wai Keung, an independent non-executive director, was unable to attend the annual general meeting of the Company held on 2nd September 2015 due to his other engagement at the relevant time.

AUDIT COMMITTEE

The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30th September 2015.

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

Hong Kong, 30th November 2015

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.