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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 2013

#### FINANCIAL HIGHLIGHTS

(In HK\$ million, except otherwise indicated)

	2013	2012	Change
Revenue	<b>1,161</b>	1,174	-1%
Operating profit/(loss)	<b>2,346</b>	(21)	N/A
Profit attributable to shareholders of the Company	<b>2,476</b>	383	+5.5 times
Earnings per share – basic (HK\$)	<b>2.01</b>	0.31	+5.5 times
Total assets	<b>17,172</b>	14,989	+15%
Net assets	<b>13,489</b>	10,838	+24%
Equity attributable to shareholders of the Company	<b>12,649</b>	10,133	+25%
Net debt	<b>2,968</b>	3,492	-15%
Supplementary information with hotel properties in operation at valuation:			
Revalued total assets	<b>23,500</b>	20,670	+14%
Revalued net assets	<b>19,792</b>	16,492	+20%
Equity attributable to shareholders of the Company	<b>17,065</b>	14,095	+21%
Equity attributable to shareholders of the Company per share (HK\$)	<b>13.80</b>	11.46	+20%
Gearing - net debt to revalued net assets	<b>15%</b>	21%	-6%

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 2013 together with the comparative figures for the year ended 31st March 2012 were as follows:

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31st March 2013

	<i>Note</i>	<b>2013</b> <b>HK\$'000</b>	2012 HK\$'000
Revenue	2	<b>1,161,371</b>	1,174,243
Cost of sales		<b>(382,290)</b>	(363,385)
Gross profit		<b>779,081</b>	810,858
Selling and administrative expenses		<b>(198,845)</b>	(185,560)
Depreciation		<b>(86,588)</b>	(92,213)
Net investment gain/(loss)	3	<b>732,432</b>	(1,453,884)
Fair value gain of investment properties		<b>1,119,805</b>	900,090
Operating profit/(loss)		<b>2,345,885</b>	(20,709)
Net finance costs		<b>(32,613)</b>	(12,208)
Share of profits less losses of Jointly controlled entities		<b>14,812</b>	106,306
Associated companies		<b>320,225</b>	236,301
Profit before income tax		<b>2,648,309</b>	309,690
Income tax expense	5	<b>(45,800)</b>	(20,259)
Profit for the year		<b>2,602,509</b>	289,431
Attributable to:			
Shareholders of the Company		<b>2,475,670</b>	382,661
Non-controlling interests		<b>126,839</b>	(93,230)
		<b>2,602,509</b>	289,431
Dividends	6	<b>44,527</b>	9,841
Earnings per share (HK\$)			
Basic and diluted	7	<b>2.01</b>	0.31

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 31st March 2013

	<b>2013</b> <b>HK\$'000</b>	2012 HK\$'000
Profit for the year	<b>2,602,509</b>	289,431
Other comprehensive income/(charge)		
Net fair value gain/(loss) on available-for-sale investments	<b>36,407</b>	(37,215)
Impairment of available-for-sale investments charged to profit and loss account	<b>395</b>	2,261
Release of reserve upon disposal of available-for-sale investments	<b>(1,319)</b>	-
Currency translation differences	<b>15,386</b>	8,390
	<b>50,869</b>	(26,564)
Total comprehensive income for the year	<b>2,653,378</b>	262,867
Attributable to:		
Shareholders of the Company	<b>2,516,741</b>	368,636
Non-controlling interests	<b>136,637</b>	(105,769)
	<b>2,653,378</b>	262,867

**CONSOLIDATED BALANCE SHEET**

As at 31st March 2013

	<i>Note</i>	<b>2013</b> <b>HK\$'000</b>	2012 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		<b>3,049,588</b>	2,526,770
Investment properties		<b>5,418,841</b>	4,297,374
Jointly controlled entities		<b>1,027,476</b>	971,731
Associated companies		<b>1,499,356</b>	1,195,611
Available-for-sale investments		<b>241,390</b>	197,295
Mortgage loans receivable		<b>3,790</b>	14,073
Deferred income tax assets		<b>805</b>	1,041
		<b>11,241,246</b>	9,203,895
<b>Current assets</b>			
Properties under development for sale		<b>1,166,672</b>	1,521,261
Completed properties held for sale		<b>55,515</b>	56,216
Hotel and restaurant inventories		<b>2,218</b>	2,342
Mortgage loans receivable		<b>672</b>	1,156
Trade and other receivables	8	<b>353,434</b>	207,603
Amount due from a jointly controlled entity		<b>-</b>	91,000
Income tax recoverable		<b>815</b>	173
Financial assets at fair value through profit or loss		<b>3,942,393</b>	3,507,089
Bank balances and cash		<b>409,426</b>	398,366
		<b>5,931,145</b>	5,785,206
<b>Current liabilities</b>			
Trade and other payables	9	<b>130,020</b>	113,158
Amount due to jointly controlled entities		<b>69,686</b>	55,357
Derivative financial instruments		<b>2,289</b>	6,001
Borrowings		<b>479,102</b>	1,526,688
Income tax payable		<b>27,214</b>	21,734
		<b>708,311</b>	1,722,938
Net current assets		<b>5,222,834</b>	4,062,268
Total assets less current liabilities		<b>16,464,080</b>	13,266,163

## CONSOLIDATED BALANCE SHEET

As at 31st March 2013

	2013 HK\$'000	2012 HK\$'000
Non-current liabilities		
Long term borrowings	2,898,786	2,364,093
Deferred income tax liabilities	<u>75,995</u>	<u>64,025</u>
	<u>2,974,781</u>	<u>2,428,118</u>
Net assets	<u>13,489,299</u>	<u>10,838,045</u>
Equity		
Share capital	12,369	12,302
Reserves	<u>12,636,934</u>	<u>10,121,020</u>
Equity attributable to shareholders of the Company	<u>12,649,303</u>	<u>10,133,322</u>
Non-controlling interests	<u>839,996</u>	<u>704,723</u>
	<u>13,489,299</u>	<u>10,838,045</u>

## **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 accounting policies and methods of computation used in the preparation of these annual financial statements are consistent with those used in 2012. There are no new or revised standards or interpretations that are effective for the first time for this year which are relevant to the Group’s operation and have a material impact on the Group’s annual financial statement.

Certain new and revised standards have been issued but are not yet effective for the year ended 31st March 2013 and have not been early adopted by the Group. The Group has already commenced an assessment of the related impact to the Group. The Group is not yet in a position to state whether they will have substantial changes to the Group’s accounting policies and presentation of the consolidated financial statements.

## 2 Turnover and segment information

Revenue includes revenue from property sales and leasing, hotel and travel agency, management services, interest income and dividend income. Management regards turnover 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 and derivative financial instruments.

	Property sales HK\$'000	Property leasing HK\$'000	Hotel and travel HK\$'000	Financial investments HK\$'000	Others HK\$'000	Total HK\$'000
<b>2013</b>						
Turnover	833	90,861	734,172	2,352,857	11,703	3,190,426
Segment revenue	<u>833</u>	<u>90,861</u>	<u>734,172</u>	<u>323,802</u>	<u>11,703</u>	<u>1,161,371</u>
Contribution to segment results	131	81,288	255,368	323,802	11,703	672,292
Depreciation	-	-	(83,280)	-	(3,308)	(86,588)
Net investment gain	-	-	-	732,432	-	732,432
Fair value gain of investment properties	-	1,119,805	-	-	-	1,119,805
Share of profits less losses of						
Jointly controlled entities	14,812	-	-	-	-	14,812
Associated companies	-	<u>320,225</u>	-	-	-	<u>320,225</u>
Segment results	14,943	1,521,318	172,088	1,056,234	8,395	2,772,978
Unallocated corporate expenses						(92,056)
Net finance costs						<u>(32,613)</u>
Profit before income tax						<u>2,648,309</u>

## 2 Turnover and segment information (continued)

	Property sales HK\$'000	Property leasing HK\$'000	Hotel and travel HK\$'000	Financial investments HK\$'000	Others HK\$'000	Total HK\$'000
2012						
Turnover	38,132	88,942	698,218	3,136,557	21,267	3,983,116
Segment revenue	<u>38,132</u>	<u>88,942</u>	<u>698,218</u>	<u>327,684</u>	<u>21,267</u>	<u>1,174,243</u>
Contribution to segment results	4,714	83,028	275,323	327,684	21,267	712,016
Depreciation	-	-	(88,725)	-	(3,488)	(92,213)
Net investment loss	-	-	-	(1,453,884)	-	(1,453,884)
Fair value gain of investment properties	-	900,090	-	-	-	900,090
Share of profits less losses of						
Jointly controlled entities	106,306	-	-	-	-	106,306
Associated companies	<u>(30)</u>	<u>236,348</u>	<u>-</u>	<u>-</u>	<u>(17)</u>	<u>236,301</u>
Segment results	110,990	1,219,466	186,598	(1,126,200)	17,762	408,616
Unallocated corporate expenses						(86,718)
Net finance costs						<u>(12,208)</u>
Profit before income tax						<u>309,690</u>



## 2 Turnover and segment information (continued)

	Property sales HK\$'000	Property leasing HK\$'000	Hotel and travel HK\$'000	Financial investments HK\$'000	Others HK\$'000	Total HK\$'000
<b>2013</b>						
Segment assets	2,431,386	6,835,321	3,161,726	4,305,832	172,099	16,906,364
Other unallocated assets						<u>266,027</u>
						<u>17,172,391</u>
<b>Segment assets include:</b>						
Jointly controlled entities and associated companies	1,130,713	1,395,193	-	-	926	2,526,832
<b>Addition to non-current assets*</b>						
	190,362	1,662	221,194	-	4,047	417,265
<b>Segment liabilities</b>						
Borrowings	1,115,500	474,932	1,474,202	313,254	-	3,377,888
Other unallocated liabilities						<u>305,204</u>
						<u>3,683,092</u>
<hr/>						
<b>2012</b>						
Segment assets	2,743,988	5,395,688	2,635,462	3,781,147	175,879	14,732,164
Other unallocated assets						<u>256,937</u>
						<u>14,989,101</u>
<b>Segment assets include:</b>						
Jointly controlled entities and associated companies	1,165,960	1,091,468	-	-	914	2,258,342
<b>Addition to non-current assets*</b>						
	500,000	6,162	7,397	-	3,677	517,236
<b>Segment liabilities</b>						
Borrowings	1,543,000	486,495	1,044,007	817,279	-	3,890,781
Other unallocated liabilities						<u>260,275</u>
						<u>4,151,056</u>

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

## 2 Turnover and segment information (continued)

	2013 HK\$'000	2012 HK\$'000
<b>Revenue</b>		
Hong Kong	790,488	784,683
Overseas	<u>370,883</u>	<u>389,560</u>
	<u><b>1,161,371</b></u>	<u>1,174,243</u>
<b>Non-current assets*</b>		
Hong Kong	9,936,789	7,852,229
Overseas	<u>1,058,472</u>	<u>1,139,257</u>
	<u><b>10,995,261</b></u>	<u>8,991,486</u>

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

## 3 Net investment gain/(loss)

	2013 HK\$'000	2012 HK\$'000
Financial assets at fair value through profit or loss		
- net unrealised gain/(loss) from market price movements	564,202	(666,817)
- net unrealised exchange loss	(49,470)	(33,051)
- net realised gain/(loss) (note)	213,542	(747,392)
Available-for-sale investments		
- net realised gain	4,553	-
- impairment	(395)	(2,261)
Derivative financial instruments		
- net realised loss	<u>-</u>	<u>(4,363)</u>
	<u><b>732,432</b></u>	<u>(1,453,884)</u>
Note:		
Net realised gain/(loss) on financial assets at fair value through profit or loss		
Gross consideration	2,029,055	2,805,198
Cost of investments	<u>(1,778,500)</u>	<u>(2,729,640)</u>
Total gain	250,555	75,558
Less: net unrealised gain recognised in prior years	<u>(37,013)</u>	<u>(822,950)</u>
Net realised gain/(loss) recognised in current year	<u><b>213,542</b></u>	<u>(747,392)</u>

#### 4 Income and expenses by nature

	2013 HK\$'000	2012 HK\$'000
<b>Income</b>		
Interest income		
- Listed investments	285,925	291,532
- Unlisted investments	405	379
- A jointly controlled entity	1,489	7,948
- Other receivables	3,749	4,525
- Bank deposit	1,180	952
Dividend income		
- Listed investments	37,019	35,424
<b>Expenses</b>		
Operating lease rental expenses for land and buildings	6,944	8,041
Cost of properties and goods sold	200,944	207,495

#### 5 Income tax expense

	2013 HK\$'000	2012 HK\$'000
Current income tax		
Hong Kong profits tax	(33,495)	(16,560)
(Under)/over provision in prior years	(99)	19,433
	(33,594)	2,873
Deferred income tax	(12,206)	(23,132)
	(45,800)	(20,259)

Hong Kong profits tax is provided at the rate of 16.5% (2012: 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.

Share of income tax charge of jointly controlled entities and associated companies for the year of HK\$5,078,000 (2012: HK\$21,031,000) and HK\$4,037,000 (2012: HK\$3,561,000) are included in the profit and loss account as share of profits less losses of jointly controlled entities and associated companies respectively.

## 6 Dividends

	<b>2013</b>	2012
	<b>HK\$'000</b>	HK\$'000
Interim, paid, of nil (2012: Nil) per share	-	-
Final, proposed, of HK3.6 cents (2012: HK0.8 cent) per share	<b>44,527</b>	9,841
	<u><b>44,527</b></u>	<u>9,841</u>

At a meeting held on 25th June 2013, the Board of Directors has proposed to pay a final dividend for the year ended 31st March 2013 of HK3.6 cents (2012: HK0.8 cent) 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 2014.

The amount of HK\$44,527,000 is based on 1,236,852,853 issued shares as at 25th June 2013.

## 7 Earnings per share

The calculation of basic earnings per share is based on profit attributable to shareholders of the Company of HK\$2,475,670,000 (2012: HK\$382,661,000) and divided by the weighted average number of 1,233,433,138 (2012: 1,226,214,516) shares in issue during the year.

For the year ended 31st March 2013 and 2012, 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, accrued interest receivable and dividend receivable, loan receivables, prepayments, utility and other deposits.

Trade receivables of the Group amounted to HK\$83,142,000 (2012: HK\$34,832,000). 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>2013</b>	2012
	<b>HK\$'000</b>	HK\$'000
0 day to 60 days	<b>81,500</b>	33,780
61 days to 120 days	<b>1,642</b>	992
More than 120 days	-	60
	<u><b>83,142</b></u>	<u>34,832</u>

## 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\$23,330,000 (2012: HK\$19,307,000).

Aging analysis of trade payables is as follows:

	<b>2013</b> <b>HK\$'000</b>	2012 HK\$'000
0 day to 60 days	<b>23,077</b>	19,260
61 days to 120 days	<b>119</b>	36
More than 120 days	<b>134</b>	11
	<b>23,330</b>	19,307

## 10 Subsequent event

In April 2013, the Company issued RMB 500 million notes at coupon of 6.5% per annum for a period of 5 years under a medium term note programme established during the year. Cross currency swap contracts were entered into simultaneously to hedge the principal repayment and reduce the effective interest rate to approximately 5.5% per annum. The notes are listed on The Stock Exchange of Hong Kong Limited and the net proceeds of approximately RMB 490 million would be applied for general corporate purposes.

The figures in this preliminary announcement of the Group's results for the year ended 31st March 2013 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by PricewaterhouseCoopers 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 PricewaterhouseCoopers on this announcement.

## MANAGEMENT DISCUSSION AND ANALYSIS

### RESULTS

The Group recorded revenue of HK\$1,161 million (2012: HK\$1,174 million) for the financial year with profit attributable to shareholders of the Company at HK\$2,476 million (2012: HK\$383 million). The substantial increase is mainly due to the net investment gain achieved for the current year compared to net investment loss incurred last year.

### PROPERTIES SALES, DEVELOPMENT AND LEASING

#### *Sales*

The few remaining inventory residential units of The Westminster Terrace were sold during the year with a proceeds of HK\$159 million (2012: HK\$620 million) and a pre-tax profit of HK\$56 million (2012: HK\$270 million). By accounting convention, these sales and profit were not included in the Group's revenue and operating profit but separately accounted for as share of profit from jointly controlled entity. Total proceeds from this development amounted to HK\$2.5 billion.

The Group sold the remaining retail shops of Canaryside for HK\$160 million during the year. Completion of the sales contract occurred shortly after the financial year in April and the sales would be recognised in the coming financial year.

#### *Development*

The Group is at present developing 5 residential projects with an attributable GFA of 4.0 million sq. ft., spanning over Hong Kong, Shanghai, Beijing and Macau.

In Hong Kong, our Hung Shui Kiu development is currently undergoing land exchange process. This is a major residential and commercial development on an 110,000 sq. ft. site, which will provide approximately 800 residential units and retail shops with an approximate total GFA of 590,000 sq. ft. Our development is strategically located adjacent to a light rail station linked to the MTR network, and is positioned to be the station portal for the Hong Kong and Shenzhen Western Railway. Furthermore, it is only 15 minutes away from the Qian Hai Bay Economic Zone in Shenzhen.

During the year, the Group entered into a joint venture and acquired a residential building in Jardine's Lookout for redevelopment. This development marks our third signature project with our strategic partner, the Grosvenor Group. It will be a brand new premium residence of approximately 75,000 sq. ft. GFA on a 23,000 sq. ft. site. The Group owns 20% interest in this project.

In Shanghai, we are building approximately 250 detached & semi-detached houses in a traditional high end and low-density residential neighborhood in the Qingpu district, Puxi. The development is exclusively located, surrounded by more than nine international schools, being minutes away from the Hongqiao transportation Hub and only thirty minutes away from the Nanjing West Road CBD. The Group's 50% joint venture project is now in superstructure stage. The development has a total floor area of approximately 1,080,000sq. ft. on an approximately 1.5 million sq. ft. site. We expect the development will be completed in 2015.

In Beijing, our group was successful in gaining planning approvals from the local government of Tongzhou. Our 50% joint venture development is a waterfront residential/commercial development with a total floor area of approximately 2,360,000 sq. ft.. Land premium has been paid and land clearances are currently under preparation.

In Macau, planning application for the 190,000 sq. ft. site is underway. This site application is located within the proposed residential/commercial Seac Pai Van zoning outline indicated by the Government.

Subsequent to the financial year end, the Group entered into a sales and purchase agreement to acquire an existing detached house in Jardine's Lookout. The building will be redeveloped into a brand new ultra-luxurious house of approximately 9,000 sq. ft. GFA.

### ***Leasing***

The Group's leasing portfolio comprises of 353,000 sq. ft. retail/commercial buildings in Central, Wan Chai and Causeway Bay. Rental income increased by 4.5% to approximately HK\$117 million for the year attributable to the Group (2012: HK\$112 million). Substantial rent increase was recorded by retail shops at Asia Standard Tower in Central, effective in the second half of the financial year. We expect the rental income attributable to the Group next year will increase further with the full year effect of the above mentioned rent increase. We will continue to optimise our properties' tenant mix and maximize rental income for the group.

Revaluation gain (including that generated from properties owned by an associated company) of HK\$1,419 million was recorded, compared to HK\$1,118 million of last year.

### **HOTEL**

Revenue arising from the hotel and travel segment increased 5% from HK\$698 million of last year to HK\$734 million of current year. Average occupancies for the 3 Hong Kong hotels exceeded 95% compared to 92% last year. Contribution to segment results before depreciation was approximately HK\$255 million (2012: HK\$275 million).

The Group has acquired two buildings adjacent to our existing hotels in Tsim Sha Tsui and Causeway Bay. These will be redeveloped into new hotels and upon completion in 2016/2017, will add 184 rooms to the portfolio.

A net investment gain of HK\$218 million was registered by the hotel subsidiary group, as opposed to a net investment loss of HK\$567 million last year.

Overall, the hotel group recorded a profit of HK\$424 million (2012: loss of HK\$311 million) on total revenue of HK\$846 million (2012: HK\$823 million).

### **FINANCIAL INVESTMENTS**

At 31st March 2013, the Group held financial investments of approximately HK\$4,184 million (2012: HK\$3,704 million), with HK\$1,413 million (2012: HK\$1,421 million) held by the listed hotel subsidiary group.

Interest and dividend income for the year from these investments amounted to HK\$323 million (2012: HK\$327 million). During the year, the Group recorded a net investment gain of HK\$732 million (2012: HK\$1,454 million loss) of which HK\$515 million unrealised gain arose from the mark to market valuation at year end (2012: HK\$700 million unrealised loss).

These financial investments comprise 61% by debt securities and 39% by equity securities. They are denominated in different currencies with 56% in United States dollar, 22% in Sterling, 14% in Hong Kong dollar, 4% in Euro and 4% in RMB.

At 31st March 2013, an approximate value of HK\$60 million (2012: HK\$340 million) of these investments were pledged to banks as collateral for credit facilities granted to the Group.

## **FINANCIAL REVIEW**

At 31st March 2013, the Group's total assets were approximately HK\$17.2 billion, compared to HK\$15.0 billion at end of last financial year. Net assets were HK\$13.5 billion (2012: HK\$10.8 billion). Adopting market value of hotel properties in operation, the revalued total assets and revalued net assets of the Group would be HK\$23.5 billion and HK\$19.8 billion respectively, an increase of 14% and 20% compared to HK\$20.7 billion and HK\$16.5 billion at the end of last financial year.

Net debt were reduced to HK\$3.0 billion (2012: HK\$3.5 billion), including HK\$1.6 billion (2012: HK\$1.5 billion) which belonged to the separately listed hotel subsidiary group. Net debt to revalued net asset value further improved to approximately 15% (2012: 21%). All the debts are at floating rates and secured. As at 31st March 2013, a total of HK\$150 million interest rate swap contracts were held to hedge our borrowings. Total interest cost decreased by 4%, along with the decrease in average loan balance.

The maturity of our debts are well spread over a long period of up to 13 years. 6% are revolving loans, 94% are term loans secured by property assets with 6% repayable within 1 year, 47% repayable between one to five years and 41% repayable after five years. As at 31st March 2013, the Group had current assets of HK\$5.9 billion (2012: HK\$5.8 billion).

About 95% of the Group's borrowings are in Hong Kong dollar. With the weakening of the foreign currencies in which the remaining borrowings are denominated, the Group recorded HK\$12 million exchange gain during the year and credited to finance costs.

In January 2013, the Company has established a medium term note programme under which it may issue notes in series of aggregate principal amount up to US\$ 1 billion (or its equivalent in other currencies). Subsequent to the financial year-end, the Company in April issued notes under the programme amounting to RMB 500 million at effective interest rate of approximately 5.5% p.a. (after hedging) for a period of 5 years.

As at 31st March 2013, property assets with an aggregated net book value of HK\$10,902 million (2012: HK\$9,336 million) were pledged to secure banking facilities of the Group. HK\$339 million guarantee was provided to financial institution against credit facilities granted to jointly controlled entities (2012: HK\$149 million).

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31st March 2013, the Group employed 468 (2012: 488) employees. The remuneration packages including basic salary, annual bonus, share options, retirement and other benefits are commensurate with their job nature and level of experience.

## **FUTURE PROSPECT**

The Hong Kong property market continues to benefit from the ongoing unprecedented liquidity and very low long term interest rates by Central Banks around the world. However, the local government has during the year instituted various tightening measures to counteract the rising demand first in the residential segment then in the commercial segment, which aimed to prevent formation and outburst of property bubble and to bring long term stability in the property market.

At the same time, the PRC property market recovers steadily as illustrated by the tremendous sales turnover announced by numerous mainland developers. The positive demand for housing will be aided by the announced State objective to double per capita income between year 2010-2020. We remain confident on the Mainland economy and long term positive demand of the property market in the PRC.



As a result of successful amalgamation of adjoining lands, we are expanding our hotel business in proven locations and are optimistic on the performance of our hotel operations as mainland households income continue to rise.

## **DIVIDEND**

The Directors recommend a final dividend for the year ended 31st March 2013 of HK3.6 cents (2012: HK0.8 cent with scrip option) 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”). No interim dividend was declared during the year (2012: Nil). Total dividend for the year, amounts to HK3.6 cents (2012: HK0.8 cent) per share.

The Scrip Dividend Scheme will be subject to (i) the approval of the proposed final dividend at the 2013 annual general meeting to be held on 22nd August 2013 (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, 20th August 2013 to Thursday, 22nd August 2013 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, 19th August 2013.

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 28th August 2013. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed on both days of Tuesday, 27th August 2013 to Wednesday, 28th August 2013, 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 Monday, 26th August 2013. The final dividend will be paid on 30th September 2013.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the year, the Company has not redeemed any of its shares. Neither the Company nor any of its subsidiaries have 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 2013.

## **CORPORATE GOVERNANCE CODE**

During the year, the Company has complied with both the code provisions of the Code on Corporate Governance Practices (effective until 31st March 2012) (“CG Practices”) and the Corporate Governance Code (effective from 1st April 2012) (“CG Code”) as set out in Appendix 14 of the Listing Rules, except the following deviations :-

- (1) Code Provision of A.4.1 of CG Practices and CG Code provide 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; and
- (2) Code Provision of A.5.1 of 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 reviewing the structure, 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 annual results of the Group for the year ended 31st March 2013.

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

Hong Kong, 25th June 2013

*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.*