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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 2014

FINANCIAL HIGHLIGHTS

(In HK\$ million, except otherwise indicated)

	2014	2013	Change
Revenue	1,220	962	+27%
Operating profit	1,559	2,346	-34%
Profit attributable to shareholders of the Company	1,400	2,476	-43%
Earnings per share – basic (HK\$)	1.12	2.01	-44%
Total assets	20,651	17,172	+20%
Net assets	14,983	13,489	+11%
Equity attributable to shareholders of the Company	14,051	12,649	+11%
Net debt	3,918	2,968	+32%
Supplementary information with hotel properties in operation at valuation:			
Revalued total assets	27,359	23,500	+16%
Revalued net assets	21,652	19,792	+9%
Equity attributable to shareholders of the Company	18,724	17,065	+10%
Equity attributable to shareholders of the Company per share (HK\$)	14.92	13.80	+8%
Gearing - net debt to revalued net assets	18%	15%	+3%

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 2014 together with the comparative figures for the year ended 31st March 2013 were as follows:

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31st March 2014

	<i>Note</i>	2014 HK\$'000	2013 HK\$'000 (Restated)
Revenue	3	1,220,319	962,120
Cost of sales		(243,934)	(183,039)
Gross profit		976,385	779,081
Selling and administrative expenses		(185,420)	(198,845)
Depreciation		(86,305)	(86,588)
Net investment gain	4	639,855	732,432
Fair value gain of investment properties		214,289	1,119,805
Operating profit		1,558,804	2,345,885
Net finance costs		(78,793)	(32,613)
Share of profits less losses of Joint ventures		(4,542)	14,812
Associated companies		74,907	320,225
Profit before income tax		1,550,376	2,648,309
Income tax expense	6	(45,544)	(45,800)
Profit for the year		1,504,832	2,602,509
Attributable to:			
Shareholders of the Company		1,400,385	2,475,670
Non-controlling interests		104,447	126,839
		1,504,832	2,602,509
Dividends	7	50,193	44,527
Earnings per share (HK\$)			
Basic and diluted	8	1.12	2.01

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March 2014

	2014 HK\$'000	2013 HK\$'000
Profit for the year	1,504,832	2,602,509
Other comprehensive income		
Items that have been reclassified or may be reclassified subsequently to profit or loss:		
Net fair value (loss)/gain on available-for-sale investments	(4,567)	36,407
Impairment of available-for-sale investments charged to profit and loss account	-	395
Release of reserve upon disposal of available-for-sale investments	-	(1,319)
Cash flow hedges		
- fair value gains	10,427	-
- transfer to finance costs	3,414	-
Currency translation differences	(15,754)	(3,419)
Share of currency translation differences of joint ventures	13,033	18,805
	6,553	50,869
Total comprehensive income for the year	1,511,385	2,653,378
Attributable to:		
Shareholders of the Company	1,414,582	2,516,741
Non-controlling interests	96,803	136,637
	1,511,385	2,653,378

CONSOLIDATED BALANCE SHEET

As at 31st March 2014

	<i>Note</i>	2014 HK\$'000	2013 HK\$'000
Non-current assets			
Investment properties		5,567,131	5,418,841
Property, plant and equipment		3,170,244	3,049,588
Joint ventures		1,104,112	1,027,476
Associated companies		1,577,266	1,499,356
Available-for-sale investments		241,078	241,390
Financial assets at fair value through profit or loss		554,844	-
Derivative financial instruments		10,427	-
Mortgage loans receivable		2,797	3,790
Deferred income tax assets		3,400	805
		12,231,299	11,241,246
Current assets			
Properties under development for sale		1,737,935	1,166,672
Completed properties held for sale		3,617	55,515
Hotel and restaurant inventories		1,569	2,218
Trade and other receivables	9	291,972	354,106
Income tax recoverable		5,589	815
Financial assets at fair value through profit or loss		4,917,765	3,942,393
Bank balances and cash		1,461,233	409,426
		8,419,680	5,931,145
Current liabilities			
Trade and other payables	10	141,936	130,020
Amounts due to joint ventures		37,058	69,686
Derivative financial instruments		982	2,289
Borrowings		919,483	479,102
Income tax payable		37,139	27,214
		1,136,598	708,311
Net current assets		7,283,082	5,222,834
Total assets less current liabilities		19,514,381	16,464,080

CONSOLIDATED BALANCE SHEET

As at 31st March 2014

	2014 HK\$'000	2013 HK\$'000
Non-current liabilities		
Long term borrowings	3,849,758	2,898,786
Medium term notes	609,894	-
Deferred income tax liabilities	71,760	75,995
	<u>4,531,412</u>	<u>2,974,781</u>
Net assets	<u>14,982,969</u>	<u>13,489,299</u>
Equity		
Share capital	12,548	12,369
Reserves	14,038,261	12,636,934
Equity attributable to shareholders of the Company	14,050,809	12,649,303
Non-controlling interests	932,160	839,996
	<u>14,982,969</u>	<u>13,489,299</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 2013, except for the new derivative contracts designated as cash flow hedge instruments and the adoption of new standards, which are relevant to the Group’s operations and are applicable to the Group’s accounting periods beginning on 1st April 2013.

Changes in the fair value of derivatives that are designated and qualified as cash flow hedges are recognised in other comprehensive income. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the profit and loss account.

The following new and revised standards are relevant to the Group’s operations and are mandatory for accounting periods beginning on or after 1st January 2013:

Amendment to HKAS 1	Presentation of Items of Other Comprehensive Income
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangement
HKFRS 12	Disclosures of Interests in Other Entities
HKFRS 13	Fair Value Measurement

The adoption of new standards in the current year did not have any significant effect on the annual financial statements or result in any substantial changes in the Group’s significant accounting policies.

Certain new and revised standards have been issued but are not yet effective for the year ended 31st March 2014 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 Change of accounting on revenue recognition for the Group's travel operation

The principal activity of the Group's travel operation business is the provision of air ticket sales, hotel reservation arrangement and incentive travel tour.

During the year, the Group has reassessed its policy regarding the presentation of revenue on a gross versus a net basis in relation to its travel operation segment.

To determine whether the Group's travel operation business is acting as a principal or as an agent requires judgement and consideration of all relevant facts and circumstances. The guidance from the authoritative accounting literature indicates that evaluating the relevant factors is subject to critical accounting judgement and significant subjectivity. Management has conducted a comprehensive review for this matter and determined that it is more appropriate and in line with current market practices for the revenue to be recognised as commission earned only (net basis) for the majority of the Group's travel operation revenue transactions except for certain custom-made incentive travel tours. Previously, all of the Group's travel operation revenue was presented on a gross basis. As required by HKAS 8 "Accounting Policies, Changes in Accounting Estimate and Errors", this restatement has been made retrospectively and as presented in the table below, the impact of the change in revenue recognition is to decrease revenue and corresponding cost of sales, with no impact to gross profit, profit for the year, earnings per share in the consolidated profit and loss account or to other primary statements at all.

	For the year ended 31st March 2013 (As previously presented) HK\$'000	Effect of amendment to revenue recognition HK\$'000	For the year ended 31st March 2013 (As restated) HK\$'000
Revenue	1,161,371	(199,251)	962,120
Cost of sales	(382,290)	199,251	(183,039)
Gross profit	779,081	-	779,081

3 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
2014						
Gross income	160,000	110,236	729,989	1,689,328	16,315	2,705,868
Segment revenue	<u>160,000</u>	<u>110,236</u>	<u>517,616</u>	<u>416,152</u>	<u>16,315</u>	<u>1,220,319</u>
Contribution to segment results	107,230	101,671	248,747	415,668	5,000	878,316
Depreciation	-	-	(81,727)	-	(4,578)	(86,305)
Net investment gain	-	-	-	639,855	-	639,855
Fair value gain of investment properties	-	214,289	-	-	-	214,289
Share of profits less losses of						
Joint ventures	(3,353)	-	-	-	(1,189)	(4,542)
Associated companies	-	<u>74,935</u>	-	-	<u>(28)</u>	<u>74,907</u>
Segment results	103,877	390,895	167,020	1,055,523	(795)	1,716,520
Unallocated corporate expenses						(87,351)
Net finance costs						<u>(78,793)</u>
Profit before income tax						<u>1,550,376</u>
2013						
Gross income	833	90,861	719,492	2,352,857	26,383	3,190,426
Segment revenue (restated)	<u>833</u>	<u>90,861</u>	<u>520,241</u>	<u>323,802</u>	<u>26,383</u>	<u>962,120</u>
Contribution to segment results	131	81,288	259,135	323,802	7,936	672,292
Depreciation	-	-	(83,031)	-	(3,557)	(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						
Joint ventures	14,812	-	-	-	-	14,812
Associated companies	-	<u>320,225</u>	-	-	-	<u>320,225</u>
Segment results	14,943	1,521,318	176,104	1,056,234	4,379	2,772,978
Unallocated corporate expenses						(92,056)
Net finance costs						<u>(32,613)</u>
Profit before income tax						<u>2,648,309</u>

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.

3 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		
2014							
Assets	2,920,420	7,061,230	3,204,383	5,852,531	91,943	1,520,472	20,650,979
Assets include:							
Joint ventures and associated companies	1,178,592	1,470,128	-	-	931	31,727	2,681,378
Addition to non-current assets*	36,618	287	154,264	-	9,351	26,518	227,038
Liabilities							
Borrowings	1,968,371	444,776	1,410,553	945,541	-	-	4,769,241
Other unallocated liabilities							898,769
							<u>5,668,010</u>
<hr/>							
2013							
Assets	2,431,386	6,835,321	3,161,726	4,305,832	172,099	266,027	17,172,391
Assets include:							
Joint ventures and associated companies	1,130,713	1,395,193	-	-	926	-	2,526,832
Addition to non-current assets*	190,362	1,662	221,194	-	4,047	-	417,265
Liabilities							
Borrowings	1,115,500	474,932	1,474,202	313,254	-	-	3,377,888
Other unallocated liabilities							305,204
							<u>3,683,092</u>

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

3 Segment information (continued)

	2014 HK\$'000	2013 HK\$'000 (Restated)
Revenue		
Hong Kong	788,448	591,237
Overseas	<u>431,871</u>	<u>370,883</u>
	<u>1,220,319</u>	<u>962,120</u>
Non-current assets*		
Hong Kong	10,353,648	9,936,789
Overseas	<u>1,065,105</u>	<u>1,058,472</u>
	<u>11,418,753</u>	<u>10,995,261</u>

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

4 Net investment gain

	2014 HK\$'000	2013 HK\$'000
Financial assets at fair value through profit or loss		
- net unrealised gain from market price movements	478,592	564,202
- net unrealised exchange gain/(loss)	62,622	(49,470)
- net realised gain (note)	98,641	213,542
Available-for-sale investments		
- net realised gain	-	4,553
- impairment	-	(395)
	<u>639,855</u>	<u>732,432</u>
Note:		
Net realised gain on financial assets at fair value through profit or loss		
Gross consideration	1,273,176	2,029,055
Cost of investments	<u>(1,067,129)</u>	<u>(1,778,500)</u>
Total gain	206,047	250,555
Less: net unrealised gain recognised in prior years	<u>(107,406)</u>	<u>(37,013)</u>
Net realised gain recognised in current year	<u>98,641</u>	<u>213,542</u>

5 Income and expenses by nature

	2014 HK\$'000	2013 HK\$'000
Income		
Interest income		
- Listed investments	377,534	285,925
- Unlisted investments	-	405
- A joint venture	2,283	1,489
- Other receivables	3,476	3,749
- Bank deposit	5,677	1,180
Dividend income		
- Listed investments	36,809	37,019
Expenses		
Operating lease rental expenses for land and buildings	3,725	6,944
Cost of properties and goods sold (restated)	72,953	24,348

6 Income tax expense

	2014 HK\$'000	2013 HK\$'000
Current income tax expense		
Hong Kong profits tax	(51,267)	(33,495)
Under provision in prior years	(696)	(99)
	(51,963)	(33,594)
Deferred income tax credit/(expense)	6,419	(12,206)
	(45,544)	(45,800)

Hong Kong profits tax is provided at the rate of 16.5% (2013: 16.5%) on the estimated 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 expense of joint ventures and associated companies for the year of HK\$50,000 (2013: HK\$5,078,000) and HK\$3,588,000 (2013: HK\$4,037,000) are included in the profit and loss account as share of profits less losses of joint ventures and associated companies respectively.

7 Dividends

	2014	2013
	HK\$'000	HK\$'000
Interim, nil (2013: Nil)	-	-
Final, proposed, of HK4 cents (2013: HK3.6 cents) per share	50,193	44,527
	50,193	44,527

At a meeting held on 26th June 2014, the Board of Directors has proposed to pay a final dividend for the year ended 31st March 2014 of HK4 cents (2013: HK3.6 cents) 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 2015.

The amount of HK\$50,193,000 is based on 1,254,821,525 issued shares as at 26th June 2014.

8 Earnings per share

The calculation of basic earnings per share is based on profit attributable to shareholders of the Company of HK\$1,400,385,000 (2013: HK\$2,475,670,000) and divided by the weighted average number of 1,245,812,574 (2013: 1,233,433,138) shares in issue during the year.

For the years ended 31st March 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.

9 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\$58,016,000 (2013: HK\$83,142,000). 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:

	2014	2013
	HK\$'000	HK\$'000
0 day to 60 days	52,978	81,500
61 days to 120 days	1,083	1,642
121 days to 180 days	3,955	-
	58,016	83,142

10 Trade and other payables

Trade and other payables of the Group include trade payables, rental and management fee deposits, retentions payable of construction costs and various accruals. Trade payables of the Group amounted to HK\$15,821,000 (2013: HK\$23,330,000).

Aging analysis of trade payables is as follows:

	2014	2013
	HK\$'000	HK\$'000
0 day to 60 days	15,196	23,077
61 days to 120 days	243	119
121 days to 180 days	226	73
Over 180 days	156	61
	15,821	23,330

The figures in this preliminary announcement of the Group's results for the year ended 31st March 2014 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\$1,220 million (2013: HK\$962 million, adjusted for certain accounting changes) for the financial year with profit attributable to shareholders of the Company at HK\$1,400 million (2013: HK\$2,476 million). The decrease in profit is mainly due to the decrease in revaluation surplus of the Group's investment properties as compared to last year.

PROPERTIES SALES, DEVELOPMENT AND LEASING

In the last financial year, the HKSAR government implemented tax measures to regulate the upward trend of the property market. However, there are no adverse effects to the Group's current year result as there were no new property projects launched for sale in this year.

Sales

During the year, the Group completed and recognised the HK\$160 million sales of the inventory retail podium of Canaryside in Yau Tong. We have sold all inventory of this development.

All the inventory residential units of our 50% owned joint venture development, The Westminster Terrace, were fully sold in last financial year.

Development

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

Locally, our development at Hung Shui Kiu, Yuen Long is currently undergoing planning application process. This is a commercial and residential development on an 112,000 sq. ft. site which will provide approximately 900 residential units and retail shops with an approximate total GFA of 519,000 sq. ft. This development is conveniently located adjacent to a light rail station linked to the West Rail network. It is also positioned to be the station portal for the Hong Kong and Shenzhen Western Railway, connecting to the Qian Hai Bay Economic Zone in Shenzhen. We have another residential development at the Lam Tei station nearby which is also in the process of planning application with the government.

A joint venture luxurious high-rise development at Perkins Road, Jardine's Lookout is currently under demolition and in the same proximity we have acquired a residential development at Henderson Road of which demolition has been completed.

In Shanghai, we are building over 300 villas and apartments in a traditional high end and low-density residential neighborhood in the Qingpu district, Puxi. The Group's 50% joint venture project is now in superstructure stage. The development has a total floor area of approximately 1,080,000 sq. ft. on a 1.5 million sq. ft. site. We expect the development will be completed in 2015 and pre-sale will commence around third quarter 2014 barring unforeseen circumstances.

In Beijing, we have a 50% joint venture development in Tongzhou which 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 is located within the proposed residential/commercial Seac Pai Van zoning outline.

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\$134 million (2013: HK\$117 million), increased by 15%. Substantial rent increase was recorded by retail shops at Asia Standard Tower in Central, effective in the second half of the previous financial year.

Investment properties revaluation gain (including that generated from a property owned by an associated company) of HK\$270 million was recorded (2013: HK\$1,419 million).

HOTEL

During the year under review, overnight stay visitors to Hong Kong increased 9% to approximately 26 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%.

Revenue arising from the hotel and travel segment for the year amount to HK\$518 million (2013: HK\$520 million, adjusted for accounting changes on certain travel business). Average occupancies for the 3 Hong Kong hotels exceeded 95% for both years while average room rate were slightly dropped. Contribution to segment results before depreciation was approximately HK\$249 million (2013: HK\$259 million), with increased operating costs.

Foundation work of the new hotel adjacent to the existing one in Causeway Bay was completed, superstructure work just commenced. Foundation work of the other new hotel in Tsimshatsui is in progress and schedule to complete by early 2015. These two new developed hotels will not only add 184 rooms to the portfolio upon completion in 2016/2017 but also to gain synergy in operation as both hotel are situated next to our existing hotels.

FINANCIAL INVESTMENTS

At 31st March 2014, the Group held financial investments of approximately HK\$5,714 million (2013: HK\$4,184 million), with HK\$1,810 million (2013: HK\$1,413 million) held by the listed hotel subsidiary group. The increase arose from a mark to market valuation gain of HK\$537 million and a further investment of HK\$993 million.

Interest and dividend income for the year from these investments amounted to HK\$414 million (2013: HK\$323 million).

The Group's financial investments continue to benefit from the low-interest rate and ample liquidity environment for most part of the year. During the year, the Group recorded a net investment gain of HK\$640 million (2013: HK\$732 million) of which HK\$541 million (2013: HK\$515 million) unrealised gain arose from the mark to market valuation at year end.

These financial investments comprise 64% by listed debt securities (of which approximately 84% were issued by PRC real estate companies), and 36% by listed equity securities (of which approximately 69% were issued by large banks). They are denominated in different currencies with 59% in United States dollar, 11% in Sterling, 15% in Hong Kong dollar, 6% in Euro and 9% in Renminbi.

At 31st March 2014, an approximate value of HK\$1,140 million (2013: HK\$60 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 31st March 2014, it had approximately HK\$5.4 billion cash and undrawn banking facilities which provide the Group with strong financing flexibility to capture any project development opportunities as they arise.

At 31st March 2014, the Group's total assets were approximately HK\$20.7 billion, compared to HK\$17.2 billion at end of last financial year. The net assets were HK\$15.0 billion (2013: HK\$13.5 billion). Adopting market value of hotel properties, the revalued total assets and revalued net assets of the Group would be HK\$27.4 billion and HK\$21.7 billion, an increase of 16% and 9% compared to HK\$23.5 billion and HK\$19.8 billion respectively at the end of last financial year.

In January 2013, US\$1 billion medium term notes programme was established. In April 2013, the Group issued RMB500 million 5-years medium term notes out of this programme to various financial institutions and institutional/individual investors. In October 2013, the Group concluded a 4-year unsecured syndicated loan of HK\$1 billion. These funding will be used for project development costs, future project acquisition, and general working capital.

Net debt were HK\$3.9 billion (2013: HK\$3.0 billion), including HK\$1.7 billion (2013: HK\$1.6 billion) which belonged to the separately listed hotel subsidiary group. Gearing (net debt to revalued net asset value) is approximately 18% (2013: 15%). 76% of the debts are secured and 80% of the debts are at floating rates. As at 31st March 2014, HK\$50 million interest rate swap contract and RMB500 million cross currency interest rate swap contracts were held to hedge our borrowings. Total interest cost increased as a result of the issuance of medium term notes and increased borrowings during the year.

Currently the maturities of our debts are well spread over a long period of up to 13 years. Revolving loans account for 8% and term loans secured by financial assets repayable between one to five years account for 9%. Term loans secured by property assets account for 59% with 9% repayable within 1 year, 35% repayable between one to five years and 15% repayable after five years. The remaining 24% comprise unsecured syndicated loan and medium term notes. As at 31st March 2014, the Group had current assets of HK\$8.4 billion (2013: HK\$5.9 billion).

About 74% of the Group's borrowings are in Hong Kong dollar, 11% in Renminbi, 13% in US dollars, and the remaining 2% in other currencies.

As at 31st March 2014, property assets with an aggregated net book value of HK\$11,733 million (2013: HK\$10,902 million) were pledged to secure banking facilities of the Group. HK\$380 million (2013: HK\$339 million) guarantee was provided to financial institution against credit facilities granted to joint ventures.

EMPLOYEES AND REMUNERATION POLICIES

As at 31st March 2014, the Group employed approximately 440 (2013: 468) 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

Local regulatory tightening & punishing measures to curb demand for housing couple with US contraction in Q.E. programme in contrast with liquidity expansion stimulus in Europe all have but to send very mixed signals to the market place in the coming times. We hold a cautious stance but remain positive in the performance of the group's activities in Hong Kong, Macau, Shanghai and Beijing.

The hotel group's performance in the year is less than satisfactory with continuing slide in sales. The trend appears to be alarming in the coming years in the face of abundant supply of new hotels.

DIVIDEND

The Directors recommend a final dividend for the year ended 31st March 2014 of HK4 cents (2013: HK3.6 cents 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 (2013: Nil). Total dividend for the year amounts to HK4 cents (2013: HK3.6 cents) per share.

The Scrip Dividend Scheme will be subject to (i) the approval of the proposed final dividend at the 2014 annual general meeting to be held on 29th August 2014 (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 Wednesday, 27th August 2014 to Friday, 29th August 2014 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 Tuesday, 26th August 2014.

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 5th September 2014. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed on both days of Thursday, 4th September 2014 to Friday, 5th September 2014, 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 Wednesday, 3rd September 2014. The final dividend will be paid on 9th October 2014.

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 2014.

CORPORATE GOVERNANCE CODE

During the year, 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, 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 2014.

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

Hong Kong, 26th June 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 and 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.