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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 2016

FINANCIAL HIGHLIGHTS

(In HK\$ million, except otherwise indicated)

	2016	2015	Change
Revenue	1,316	1,256	+5%
Operating profit	1,134	1,002	+13%
Profit attributable to shareholders of the Company	721	967	-25%
Earnings per share – basic (HK\$)	0.56	0.77	-27%
Total assets	24,609	22,994	+7%
Net assets	16,566	15,863	+4%
Equity attributable to shareholders of the Company	15,564	14,918	+4%
Net debt	6,676	5,465	+22%
Supplementary information with hotel properties in operation at valuation:			
Revalued total assets	32,126	30,589	+5%
Revalued net assets	24,028	23,424	+3%
Equity attributable to shareholders of the Company	20,805	20,228	+3%
Gearing - net debt to revalued net assets	28%	23%	+5%

The Directors of Asia Standard International Group Limited (the “Company”) announce that the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31st March 2016 together with the comparative figures for the year ended 31st March 2015 were as follows:

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31st March 2016

	<i>Note</i>	2016 HK\$'000	2015 HK\$'000
Revenue	2	1,316,413	1,256,294
Cost of sales		(242,661)	(232,772)
Gross profit		1,073,752	1,023,522
Selling and administrative expenses		(223,104)	(203,188)
Depreciation		(87,119)	(89,676)
Net investment gain/(loss)	3	362,303	(594,865)
Fair value gain of investment properties		8,096	865,943
Operating profit		1,133,928	1,001,736
Net finance costs	5	(203,388)	(94,252)
Share of profits less losses of Joint ventures Associated companies		(7,039) (112,019)	(11,144) 127,466
Profit before income tax		811,482	1,023,806
Income tax expense	6	(15,553)	(20,767)
Profit for the year		795,929	1,003,039
Attributable to:			
Shareholders of the Company		721,333	967,016
Non-controlling interests		74,596	36,023
		795,929	1,003,039
Earnings per share (HK\$)			
Basic	8	0.56	0.77
Diluted	8	0.56	0.77

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March 2016

	2016 HK\$'000	2015 HK\$'000
Profit for the year	795,929	1,003,039
Other comprehensive (charge)/income		
Items that have been reclassified or may be reclassified subsequently to profit or loss:		
Net fair value loss on available-for-sale investments	(51,975)	(31,218)
Cash flow hedges		
- fair value loss	(8,005)	(50,537)
- transfer to finance costs	24,646	(468)
Currency translation differences	4,733	(20,963)
Share of currency translation differences of joint ventures	(53,457)	310
	(84,058)	(102,876)
Total comprehensive income for the year	711,871	900,163
Attributable to:		
Shareholders of the Company	651,719	880,606
Non-controlling interests	60,152	19,557
	711,871	900,163

CONSOLIDATED BALANCE SHEET

As at 31st March 2016

	<i>Note</i>	2016 HK\$'000	2015 HK\$'000
Non-current assets			
Investment properties		7,531,794	7,627,318
Property, plant and equipment		3,381,582	3,175,896
Properties held for development for sale		798,743	797,485
Joint ventures and associated companies		3,377,687	2,860,805
Loan receivables		294,704	2,629
Available-for-sale investments		170,896	216,159
Financial assets at fair value through profit or loss		240,601	296,187
Deferred income tax assets		33,554	20,399
		15,829,561	14,996,878
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Current assets			
Properties under development for sale		1,026,348	990,786
Completed properties held for sale		3,511	3,617
Hotel and restaurant inventories		15,342	1,290
Trade and other receivables	9	311,956	351,178
Income tax recoverable		11,550	12,565
Financial assets at fair value through profit or loss		6,673,070	5,566,465
Bank balances and cash		737,211	1,071,537
		8,778,988	7,997,438
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Current liabilities			
Trade and other payables	10	171,676	151,672
Amount due to a joint venture		62,403	71,767
Amount due to an associated company		224,400	224,400
Income tax payable		14,632	17,558
Borrowings		1,104,751	1,037,613
		1,577,862	1,503,010
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Net current assets		7,201,126	6,494,428
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Non-current liabilities			
Long term borrowings		5,371,214	4,787,666
Medium term notes		936,894	711,020
Derivative financial instruments		48,115	40,110
Deferred income tax liabilities		108,961	89,428
		6,465,184	5,628,224
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Net assets		16,565,503	15,863,082
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Equity			
Share capital		12,991	12,712
Reserves		15,551,005	14,905,359
Equity attributable to shareholders of the Company		15,563,996	14,918,071
Non-controlling interests		1,001,507	945,011
		16,565,503	15,863,082
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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 all applicable Hong Kong Financial Reporting Standards.

The accounting policies and methods of computation used in the preparation of these annual financial statements are consistent with those used in 2015. 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 statements.

Certain new and revised standards have been issued but are not yet effective for the year ended 31st March 2016 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 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
2016						
Gross income	630	136,721	651,944	2,132,581	18,193	2,940,069
Segment revenue	<u>630</u>	<u>136,721</u>	<u>484,833</u>	<u>676,036</u>	<u>18,193</u>	<u>1,316,413</u>
Contribution to segment results	(137)	123,737	158,653	674,887	16,746	973,886
Depreciation	-	-	(82,739)	-	(4,380)	(87,119)
Net investment gain	-	-	-	362,303	-	362,303
Fair value gain of investment properties	-	8,096	-	-	-	8,096
Share of profits less losses of						
Joint ventures	(3,896)	-	-	-	(3,143)	(7,039)
Associated companies	<u>-</u>	<u>(111,888)</u>	<u>-</u>	<u>-</u>	<u>(131)</u>	<u>(112,019)</u>
Segment results	(4,033)	19,945	75,914	1,037,190	9,092	1,138,108
Unallocated corporate expenses						(123,238)
Net finance costs						<u>(203,388)</u>
Profit before income tax						<u>811,482</u>
2015						
Gross income	-	128,944	726,750	1,898,441	11,158	2,765,293
Segment revenue	<u>-</u>	<u>128,944</u>	<u>535,867</u>	<u>580,325</u>	<u>11,158</u>	<u>1,256,294</u>
Contribution to segment results	6,924	115,779	213,222	577,868	13,139	926,932
Depreciation	-	-	(85,347)	-	(4,329)	(89,676)
Net investment loss	-	-	-	(594,865)	-	(594,865)
Fair value gain of investment properties	-	865,943	-	-	-	865,943
Share of profits less losses of						
Joint ventures	(3,918)	-	-	-	(7,226)	(11,144)
Associated companies	<u>-</u>	<u>127,457</u>	<u>-</u>	<u>-</u>	<u>9</u>	<u>127,466</u>
Segment results	3,006	1,109,179	127,875	(16,997)	1,593	1,224,656
Unallocated corporate expenses						(106,598)
Net finance costs						<u>(94,252)</u>
Profit before income tax						<u>1,023,806</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.

2 Segment information (continued)

	Business segments					Unallocated	Total
	Property sales	Property leasing	Hotel and travel	Financial investments	Others		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
2016							
Assets	3,739,241	9,024,473	3,482,824	7,224,066	382,173	755,772	24,608,549
Assets include:							
Joint ventures and associated companies	1,910,373	1,462,596	-	-	1,043	3,675	3,377,687
Addition to non-current assets*	470,074	18,964	157,872	-	62,629	801	710,340
Liabilities							
Borrowings	1,650,996	973,499	1,694,789	1,178,739	280,000	697,942	6,475,965
Other unallocated liabilities							<u>1,567,081</u>
							<u>8,043,046</u>
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*	-	1,200,182	99,793	-	18,521	-	1,318,496
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>7,131,234</u>

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

2 Segment information (continued)

	2016 HK\$'000	2015 HK\$'000
Revenue		
Hong Kong	567,499	592,198
Overseas	<u>748,914</u>	<u>664,096</u>
	<u>1,316,413</u>	<u>1,256,294</u>
Non-current assets*		
Hong Kong	13,645,742	13,364,176
Overseas	<u>1,444,064</u>	<u>1,097,328</u>
	<u>15,089,806</u>	<u>14,461,504</u>

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

3 Net investment gain/(loss)

	2016 HK\$'000	2015 HK\$'000
Financial assets at fair value through profit or loss		
- net unrealised gain/(loss) from market price movements	281,378	(448,029)
- net unrealised exchange loss	(27,086)	(141,044)
- net realised gain/(loss) (note)	<u>108,011</u>	<u>(5,792)</u>
	<u>362,303</u>	<u>(594,865)</u>

Note:

Net realised gain/(loss) on financial assets at fair value through profit or loss		
Gross consideration	1,456,545	1,318,116
Cost of investments	<u>(1,270,919)</u>	<u>(1,174,742)</u>
Total gain	185,626	143,374
Less: net unrealised gain recognised in prior years	<u>(77,615)</u>	<u>(149,166)</u>
Net realised gain/(loss) recognised in current year	<u>108,011</u>	<u>(5,792)</u>

4 Income and expenses by nature

	2016 HK\$'000	2015 HK\$'000
Income		
Interest income		
Listed investments	634,028	533,340
Loan receivables	15,730	3,437
Bank deposit	1,495	6,685
Dividend income		
Listed investments	25,271	40,098
	<u> </u>	<u> </u>
Expenses		
Cost of properties and goods sold	76,847	71,480
Operating lease rental expenses for land and buildings	1,176	1,387
	<u> </u>	<u> </u>

5 Net finance costs

	2016 HK\$'000	2015 HK\$'000
Interest expense		
Long term bank loans	(134,867)	(120,495)
Short term bank loans and overdrafts	(4,722)	(1,791)
Medium term notes	(52,628)	(44,128)
Interest income from hedging derivative financial instruments	4,730	5,802
Interest capitalised	39,486	47,012
	<u> </u>	<u> </u>
Other incidental borrowing costs	(23,407)	(113,600)
Net foreign exchange (loss)/gain on borrowings	(7,334)	(20,185)
Fair value (loss)/gain on derivative financial instruments		
Cash flow hedge, transfer from reserve	(24,646)	468
Not applying hedge accounting	-	981
	<u> </u>	<u> </u>
	<u>(203,388)</u>	<u>(94,252)</u>

6 Income tax expense

	2016 HK\$'000	2015 HK\$'000
Current income tax expense		
Hong Kong profits tax	(13,383)	(23,925)
Over provision in prior years	<u>4,208</u>	<u>3,827</u>
	(9,175)	(20,098)
Deferred income tax expense	<u>(6,378)</u>	<u>(669)</u>
	<u>(15,553)</u>	<u>(20,767)</u>

Hong Kong profits tax is provided at the rate of 16.5% (2015: 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 nil (2015: Nil) and HK\$4,198,000 (2015: HK\$2,741,000) are included in the profit and loss account as share of profits less losses of joint ventures and associated companies respectively.

7 Dividends

	2016 HK\$'000	2015 HK\$'000
Interim, nil (2015: Nil)	-	-
Final, proposed, of HK3.5 cents (2015: HK4 cents) per share	<u>45,470</u>	<u>50,849</u>
	<u>45,470</u>	<u>50,849</u>

At a meeting held on 24th June 2016, the Board of Directors has proposed to pay a final dividend for the year ended 31st March 2016 of HK3.5 cents (2015: HK4 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 2017.

The amount of HK\$45,470,000 is based on 1,299,150,233 issued shares as at 24th June 2016.

8 Earnings per share

The calculation of basic earnings per share is based on profit attributable to shareholders of the Company of HK\$721,333,000 (2015: HK\$967,016,000) and divided by the weighted average number of 1,283,972,396 (2015: 1,262,601,165) shares in issue during the year.

The calculation of diluted earnings per share for the year ended 31st March 2016 was based on HK\$721,284,000 equalling to the profit attributable to shareholders of the Company of HK\$721,333,000 less HK\$49,000 assuming the Company's listed subsidiary's share options had been converted at the beginning of the year and divided by 1,283,972,396 shares. The Company's outstanding share options did not have a dilutive effect on the earnings per share.

For the year ended 31st March 2015, 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 accrued dividend receivable, loan receivables, prepayments, utility and other deposits.

Trade receivables of the Group amounted to HK\$48,287,000 (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:

	2016	2015
	HK\$'000	HK\$'000
0 month to 6 months	45,047	50,229
7 months to 12 months	-	614
More than 12 months	3,240	2,946
	48,287	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 and various accruals. Trade payables of the Group amounted to HK\$19,275,000 (2015: HK\$15,230,000).

Aging analysis of trade payables is as follows:

	2016	2015
	HK\$'000	HK\$'000
0 day to 60 days	18,725	14,460
61 days to 120 days	141	495
More than 120 days	409	275
	19,275	15,230

The figures in respect of the Group's consolidated balance sheet, consolidated profit and loss account, consolidated statement of comprehensive income, and the related notes thereto for the year ended 31st March 2016 as set out in this preliminary announcement 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\$1,316 million (2015: HK\$1,256 million) for the financial year with profit attributable to shareholders of the Company at HK\$721 million (2015: HK\$967 million). The decrease in profit is a combination of increased finance cost and net fair value loss (including that from associated companies) from revaluation of investment properties against surplus of last year, but partially compensated by current year's mark-to-market valuation gain against last year's valuation loss of its financial investment.

PROPERTIES SALES, DEVELOPMENT AND LEASING

Sales

The Group's 50% joint venture development in Shanghai commenced presale in July 2015 and contracted over RMB2.0 billion since then. 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 completion certificate has been obtained after financial year end and the units will soon be ready for delivery to the buyers.

Development

Foundation of the luxurious residential joint venture re-development at Perkins Road in Hong Kong is completed and superstructure construction just commenced. The development will provide 69,000 sq. ft. GFA upon completion 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 station nearby is in the process of land exchange application with the government.

During the year, 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 existing building is completed and site investigation for foundation is underway.

Re-development for the 50% joint venture project at Tongzhou in Beijing is currently under preparation. We have contracted to acquire resettlement buildings for the villagers and resettlement is expected to take place in the latter half 2016. Structural and foundation design are ongoing and construction will start once resettlement completes.

The land concession of the Group's development site in Seac Pai Van, Macau expired in December 2015 and has applied for extension of the lease. Further details are given in the Notes to the Financial Statements relating to "Properties held for development for sale".

In December 2015, the subsidiary hotel group entered into an agreement to form a joint venture 40% owned by the subsidiary group. The joint venture paid C\$170 million for the land and buildings located in the West End area of downtown in Vancouver. The site is intended to be redeveloped into a high-end residential complex for sale. The completion of the transaction took place on 1st April 2016.

Leasing

Attributable rental income from the Group's 433,000 sq. ft. retail/commercial buildings leasing portfolio in Central, Wan Chai and Causeway Bay amounted to HK\$167 million (2015: HK\$152 million), increased by 10%. Substantial renovation and improvement work of about HK\$100 million is being carried out for the two structurally connected towers in Wanchai to provide much larger floor plate accommodation. The tenant mix is therefore substantially changed and rent increase is expected after renovation.

Investment properties revaluation deficit (mostly from a building owned by an associated company) of HK\$126 million (2015: HK\$978 million gain) was recorded.

HOTEL

During the financial year, overnight stay visitors to Hong Kong decreased 5% to approximately 26 million. Strong Hong Kong Dollars, anti-mainland visitors campaigns, relaxed visa policies of other tourists destinations all contributed to the decrease. Hotel rooms supply increased 1% to approximately 74,000 rooms as of end March 2016.

Revenue arising from the hotel and travel segment for the year amounted to HK\$485 million (2015: HK\$536 million). Average occupancies for the 3 Hong Kong hotels were approximately 96% for both years while average room rates dropped by 16%. As a result, contribution to segment results before depreciation decreased from HK\$213 million to HK\$159 million.

Superstructure construction of the adjacent new hotel in Causeway Bay was completed, occupation permit obtained in November 2015 and hotel license issued in May 2016. With interior fittings about to finish, 94 rooms will be added upon expected opening in third quarter 2016. Superstructure work of the other new hotel in Tsimshatsui has commenced during the year, adding another 90 rooms to the portfolio upon completion in 2017.

FINANCIAL INVESTMENTS

At 31st March 2016, the Group held financial investments of approximately HK\$7,085 million (2015: HK\$6,079 million), with HK\$1,962 million (2015: HK\$1,777 million) held by the listed hotel subsidiary group. The investment portfolio comprise 81% by listed debt securities (mostly were issued by PRC-based real estate companies), and 19% by listed equity securities (of which approximately 79% were issued by major banks). They are denominated in different currencies with 81% in United States dollar, 6% in Sterling, 7% in Renminbi, 5% in Hong Kong dollar and 1% in Euro.

The portfolio increase largely arose from a further investment of HK\$804 million and a mark-to-market valuation net gain of HK\$202 million, comprising HK\$616 million gain from debt securities and HK\$414 million loss from equity securities. The debt securities of the PRC-based real estate companies have benefitted from the monetary easing, interest rate cut and relaxed restrictions on foreign purchase in the Mainland, while our equity securities have dropped following the general downward trend of the equity securities of global banking sector during the period.

Interest and dividend income from these investments amounted to HK\$659 million (2015: HK\$573 million). The increase is mostly due to the increase in portfolio size of our debt securities investment.

At 31st March 2016, an approximate value of HK\$1,310 million (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 31st March 2016, it had over HK\$6.4 billion cash and undrawn banking facilities.

At 31st March 2016, the Group's total assets were approximately HK\$24.6 billion, compared to HK\$23.0 billion at end of last financial year. The net assets were HK\$16.6 billion (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\$32.1 billion and HK\$24.0 billion, an increase of 5% and 3% 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.

In February 2016, the Group concluded a 5-year unsecured syndicated bank loan of HK\$1.5 billion, adding liquidity towards general corporate requirements.

Net debt were HK\$6.7 billion (2015: HK\$5.5 billion), including HK\$1.9 billion (2015: HK\$1.6 billion) which belonged to the separately listed hotel subsidiary group. The increase is mainly due to investment in joint venture development project and further financial investment. Gearing (net debt to revalued net asset value) is approximately 28% (2015: 23%). 72% of the debts are secured and 85% of the debts are at floating rates. As at 31st March 2016, 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 against exchange gain of last year.

Currently the maturities of our debts are well spread over a long period of up to 11 years. Revolving loans account for 8% and term loans secured by financial assets repayable between one to five years account for 5%. Term loans secured by property assets account for 61% with 8% repayable within 1 year, 42% repayable between one to five years and 11% repayable after five years. The remaining 26% comprise unsecured term loans and medium term notes. As at 31st March 2016, the Group had net current assets of HK\$7.2 billion (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 31st March 2016, property assets with an aggregated net book value of HK\$14,000 million (2015: HK\$13,960 million) were pledged to secure banking facilities of the Group. HK\$881 million (2015: HK\$617 million) guarantee was provided to financial institution against credit facilities granted to joint ventures.

EMPLOYEES AND REMUNERATION POLICIES

At 31st March 2016, the Group employed approximately 440 (2015: 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

Transactions for mass residential are sluggish as still under the effect of tightening mortgage ratios, punitive tax measures and the interest rates hikes expectation. Luxury segment is less affected, particularly 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 following drop in mainland visitors.

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

Hotel performance is continually under pressure as still adversely affected by the lingering effect of unfriendly atmosphere towards mainland visitors, strong currency and relaxed visas policies from our competing destinations.

Performance for our investment portfolio is generally steady.

Improving rental performance is seen following a new tenant mix upon the gradual completion of upgrading works in our Wanchai office building.

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

DIVIDEND

The Board of Directors recommend a final dividend for the year ended 31st March 2016 of HK3.5 cents (2015: HK4 cents) per share with scrip option. 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 (2015: Nil). Total dividend for the year amounts to HK3.5 cents (2015: HK4 cents) per share.

The Scrip Dividend Scheme will be subject to (i) the approval of the proposed final dividend at the 2016 annual general meeting to be held on 8th September 2016 (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, 6th September 2016 to Thursday, 8th September 2016 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, 5th September 2016.

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 19th September 2016. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 15th September 2016 to Monday, 19th September 2016 both days inclusive, 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 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 Wednesday, 14th September 2016. The final dividend will be paid on 24th October 2016.

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 set out in the Model Code throughout the year ended 31st March 2016.

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;
- (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; 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 balanced 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 annual results of the Group for the year ended 31st March 2016.

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

Hong Kong, 24th June 2016

As at the date of this announcement, the executive directors of the Company are Mr. Fung Siu To, Clement, Mr. Poon Jing, Mr. Poon Hai, Mr. Poon Yeung, Roderick, 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.