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ASIA STANDARD HOTEL GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code : 292)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST MARCH 2023

AND PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

FINANCIAL HIGHLIGHTS			
<i>(in HK\$ million, except otherwise indicated)</i>			
	2023	2022	Change
Revenue	927	990	-6%
Loss attributable to shareholders of the Company	(213)	(746)	-71%
Total assets	9,282	9,114	+2%
Net assets	3,006	2,183	+38%
Net debt	5,284	5,861	-10%
Supplementary information with the hotel properties in operation stated at valuation (note):			
Revalued total assets	19,226	17,884	+8%
Revalued net assets	12,950	10,952	+18%
Gearing – net debt to revalued net assets	41%	54%	-13%
Note: According to the Group's accounting policies, the hotel properties in operation were carried at cost less accumulated depreciation. To give further information on the economic substance of its hotel properties investments, the Group hereby presents supplementary unaudited financial information taking into account the fair market value of hotel properties as appraised by independent professional valuer.			

The board of directors (the “Board”) of Asia Standard Hotel Group Limited (the “Company”) announce that the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31st March 2023 together with the comparative figures for the year ended 31st March 2022 were as follows:

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31st March 2023

	<i>Note</i>	2023 HK\$'000	2022 HK\$'000
Interest revenue		741,638	902,419
Sales of goods and services and other revenue		185,015	87,328
Total revenue	2	926,653	989,747
Cost of sales		(64,078)	(41,213)
Gross profit		862,575	948,534
Selling and administrative expenses		(158,622)	(115,589)
Depreciation		(117,284)	(126,230)
Net investment gain/(loss)	3		
Net realised and unrealised gain/(loss)		28,155	(294,328)
Changes in expected credit losses		(652,313)	(1,072,595)
Operating loss		(37,489)	(660,208)
Net finance costs	5	(154,137)	(130,408)
Share of profits less losses of joint ventures		770	217
Loss before income tax		(190,856)	(790,399)
Income tax (expense)/credit	6	(21,930)	44,413
Loss for the year		(212,786)	(745,986)
Attributable to:			
Shareholders of the Company		(212,794)	(746,382)
Non-controlling interests		8	396
		(212,786)	(745,986)
Loss per share (HK cents)			
Basic	8	(10.5)	(37.0)
Diluted	8	(10.5)	(37.0)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March 2023

	2023 HK\$'000	2022 HK\$'000
Loss for the year	<u>(212,786)</u>	<u>(745,986)</u>
Other comprehensive charge		
Items that have been reclassified or may be reclassified subsequently to profit or loss:		
Debt securities at fair value through other comprehensive income		
- net fair value gain/(loss) and other net movement	1,027,991	(2,241,597)
- release of reserve upon disposal/derecognition	100,476	(10,829)
Cash flow hedges		
- net fair value gain	37,349	102,042
- deferred tax on derivative financial instruments	(6,163)	(16,837)
Currency translation differences	(76,823)	11,819
Share of currency translation differences of joint ventures	(43,833)	7,328
Item that will not be reclassified to profit or loss:		
Net fair value (loss)/gain on equity securities at fair value through other comprehensive income	(3,048)	26,517
	<u>1,035,949</u>	<u>(2,121,557)</u>
Total comprehensive income/(charge) for the year	<u>823,163</u>	<u>(2,867,543)</u>
Attributable to:		
Shareholders of the Company	827,008	(2,868,572)
Non-controlling interests	(3,845)	1,029
	<u>823,163</u>	<u>(2,867,543)</u>

CONSOLIDATED BALANCE SHEET

As at 31st March 2023

	<i>Note</i>	2023 HK\$'000	2022 HK\$'000
Non-current assets			
Property, plant and equipment		2,800,432	2,888,088
Investment in joint ventures		180,828	178,903
Amounts due from joint ventures		399,022	406,140
Financial investments		706,496	627,373
Derivative financial instruments		135,084	127,280
Deferred income tax assets		53,401	61,485
		4,275,263	4,289,269
Current assets			
Properties under development for sale		1,781,003	1,401,523
Inventories		27,949	17,881
Trade and other receivables	9	478,761	420,196
Income tax recoverable		55	60
Financial investments		2,163,308	2,393,581
Derivative financial instruments		45,199	-
Bank balances and cash			
- Restricted		168,126	348,032
- Unrestricted		342,270	243,431
		5,006,671	4,824,704
Current liabilities			
Trade and other payables	10	71,996	109,669
Contract liabilities		265,241	245,717
Amount due to non-controlling interests		52,949	48,647
Borrowings		1,148,466	2,364,946
Income tax payable		55,382	57,013
		1,594,034	2,825,992
Net current assets		3,412,637	1,998,712
Non-current liabilities			
Long term borrowings		4,389,847	3,847,933
Lease liabilities		1,864	302
Convertible notes		255,598	240,016
Deferred income tax liabilities		34,820	17,122
		4,682,129	4,105,373
Net assets		3,005,771	2,182,608
Equity			
Share capital		40,361	40,361
Reserves		2,966,742	2,139,734
Equity attributable to shareholders of the Company		3,007,103	2,180,095
Non-controlling interests		(1,332)	2,513
		3,005,771	2,182,608

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 financial assets at fair value through profit or loss (“FVPL”), financial assets at fair value through other comprehensive income (“FVOCI”) and derivative financial instruments, which are carried at fair value, and in accordance with all applicable 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 2022, except for the adoption of the following amendments to standards that are effective for the first time for this year which are relevant to the Group’s operations and are mandatory for accounting periods beginning on or after 1st January 2022:

Amendments to HKAS 16	Property, plant and equipment: Proceeds before intended use
Amendments to HKAS 37	Onerous contracts – cost of fulfilling a contract
Amendments to HKFRS 3	Reference to the conceptual framework
Amendments to HKFRS	Annual improvements to HKFRS Standards 2018-2020

The adoption of the new standard and amendments to standards stated above did not have significant impact to the consolidated financial statements in the current and prior years.

Certain new/revised standards, amendments and interpretations to HKFRS have been issued but are not yet effective for the year ended 31st March 2023 and have not been early adopted by the Group.

2. Segment information

Revenue includes revenue from hotel and travel operations, interest income and dividend income.

	Hotel operation HK\$'000	Property development HK\$'000	Financial investments HK\$'000	Others HK\$'000	Total HK\$'000
2023					
Segment revenue	166,147	209	752,626	7,671	926,653
Contribution to segment results	39,399	(17,232)	739,899	5,645	767,711
Depreciation	(108,431)	(1,155)	-	(7,698)	(117,284)
Net investment loss	-	-	(624,158)	-	(624,158)
Share of profits less losses of joint ventures	-	987	-	(217)	770
Segment results	(69,032)	(17,400)	115,741	(2,270)	27,039
Unallocated corporate expenses					(63,758)
Net finance costs					(154,137)
Loss before income tax					(190,856)
2022					
Segment revenue	73,922	725	909,618	5,482	989,747
Contribution to segment results	(20,166)	(7,668)	907,424	705	880,295
Depreciation	(110,952)	(6,526)	-	(8,752)	(126,230)
Net investment loss	-	-	(1,366,923)	-	(1,366,923)
Share of profits less losses of joint ventures	-	632	-	(415)	217
Segment results	(131,118)	(13,562)	(459,499)	(8,462)	(612,641)
Unallocated corporate expenses					(47,350)
Net finance costs					(130,408)
Loss before income tax					(790,399)

2. Segment information (continued)

	Business segments					Total HK\$'000
	Hotel operation HK\$'000	Property development HK\$'000	Financial investments HK\$'000	Others HK\$'000	Unallocated HK\$'000	
2023						
Assets	2,973,086	2,631,841	3,472,602	11,670	192,735	9,281,934
Assets include:						
Joint ventures	-	579,519	-	331	-	579,850
Addition to non-current assets*	28,792	4,224	-	-	98	33,114
Liabilities						
Borrowings	4,151,001	418,927	-	-	968,385	5,538,313
Other liabilities						737,850
						6,276,163
2022						
Assets	3,010,959	2,218,739	3,704,530	18,565	161,180	9,113,973
Assets include:						
Joint ventures	-	584,850	-	193	-	585,043
Addition to non-current assets*	149,948	2,946	-	-	65	152,959
Liabilities						
Borrowings	3,519,378	407,277	299,924	-	1,986,300	6,212,879
Other liabilities						718,486
						6,931,365

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

2. Segment information (continued)

	2023 HK\$'000	2022 HK\$'000
Revenue		
Hong Kong	174,929	104,013
Overseas	751,724	885,734
	<u>926,653</u>	<u>989,747</u>
Non-current assets*		
Hong Kong	2,798,288	2,885,266
Overseas	581,994	587,865
	<u>3,380,282</u>	<u>3,473,131</u>

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

3. Net investment gain/(loss)

	2023 HK\$'000	2022 HK\$'000
Financial assets at FVPL		
– net unrealised fair value gain/(loss)	28,515	(343,599)
– net realised gain (note (a))	36,749	-
Financial assets at FVOCI		
– net unrealised exchange gain	1,300	22,148
– net realised (loss)/gain (note (b))	(48,861)	139
– changes in expected credit losses	(652,313)	(1,072,595)
Financial assets at amortised cost		
– net unrealised exchange gain	619	-
Derivative financial instruments		
– net unrealised gain	9,833	26,984
	<u>(624,158)</u>	<u>(1,366,923)</u>

Notes:

	2023 HK\$'000	2022 HK\$'000
(a) Net realised gain on financial assets at FVPL		
Gross consideration	1,096,042	-
Cost of investments	(1,121,674)	-
Add : net unrealised loss recognised in prior year	62,381	-
Net realised gain recognised in current year	<u>36,749</u>	<u>-</u>
(b) Net realised (loss)/gain on financial assets at FVOCI		
Gross consideration	538,996	950,380
Cost of investments	(602,657)	(995,314)
Transfer from investment revaluation reserve	14,800	45,073
Net realised (loss)/gain recognised in current year	<u>(48,861)</u>	<u>139</u>

4. Income and expenses by nature

	2023 HK\$'000	2022 HK\$'000
Income		
Interest income from financial assets at FVOCI		
- Listed investments	598,237	703,373
- Unlisted investments	14,113	-
Interest income from financial assets at FVPL		
- Listed investments	111,245	191,945
- Unlisted investments	3,204	3,511
Interest income from financial assets at amortised cost		
- Listed investments	8,051	-
Dividend income from financial assets at FVOCI		
- Listed investments	7,654	5,954
	<u>6,944</u>	<u>3,171</u>
Expenses		
Cost of goods sold and services provided	<u>6,944</u>	<u>3,171</u>

5. Net finance costs

	2023 HK\$'000	2022 HK\$'000
Interest (expense)/income		
Long term bank loans	(193,376)	(100,946)
Short term bank loans and overdrafts	(25,872)	(8,814)
Lease liabilities	(246)	(149)
Convertible notes	(16,801)	(15,782)
Hedging derivative financial instruments	41,603	(24,372)
Interest capitalised	57,894	20,083
	<u>(136,798)</u>	<u>(129,980)</u>
Other incidental borrowing costs	(22,569)	(16,239)
Net foreign exchange loss on borrowings	(591)	(150)
Fair value gain on derivative financial instruments		
Cash flow hedge – ineffective portion	5,821	15,961
	<u>(154,137)</u>	<u>(130,408)</u>

6. Income tax (expense)/credit

	2023 HK\$'000	2022 HK\$'000
Current income tax expense		
Hong Kong profits tax	(242)	(6,958)
Overseas profits tax	(3,605)	(581)
Over provision in prior years	1,645	7,840
	<u>(2,202)</u>	<u>301</u>
Deferred income tax (expense)/credit	(19,728)	44,112
	<u>(21,930)</u>	<u>44,413</u>

Hong Kong profits tax is provided at the rate of 16.5% (2022: 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.

7. Dividends / Coupon on convertible notes

At a meeting held on 30th June 2023, the Board has resolved not to recommend the payment of a final dividend for the year ended 31st March 2023 (2022: Nil). No interim dividend was declared during the year (2022: Nil).

	2023 HK\$'000	2022 HK\$'000
0.1% coupon (2022: 0.1% coupon) per note to convertible note holders (note (a)) :		
- fixed coupon	1,220	1,220
- additional coupon	-	-
	<u>1,220</u>	<u>1,220</u>

Notes:

- (a) According to the deed poll of the convertible notes, the holders of convertible notes are entitled to receive additional coupon on top of fixed coupon such that the total coupon per note received is the same as dividend per share received by ordinary shareholders. The aggregate amount of HK\$1,220,000 is based on 2,693,120,010 (2022 : 2,693,120,010) convertible notes outstanding as at 30th June 2023. The fixed coupon of HK\$1,220,000 (2022 : HK\$1,220,000) is calculated as 0.1% of redemption value of the convertible notes for that period and was reflected as convertible notes interest under “net finance costs” for the year ended 31st March 2023. The holders of convertible notes did not entitle additional coupon for the year ended 31st March 2023.

Since no final dividend was declared for the year ended 31st March 2023, the payment of the coupon will be deferred until such time as a dividend of the Company is declared and paid.

8. Loss per share

The calculation of loss per share is based on loss attributable to shareholders of the Company and divided by the weighted average number shares.

The effect of the exercise of convertible note was not included in the calculation of diluted loss per share as they are anti-dilutive. Accordingly, diluted loss per share for the year ended 31st March 2023 is same as basic loss per share.

The calculation of basic and diluted loss per share for the year is based on the following:

	2023 HK\$'000	2022 HK\$'000
Loss attributable to shareholders of the Company	<u>(212,794)</u>	<u>(746,382)</u>
	Number of shares	
Weighted average number of shares for calculation of basic and diluted loss per share	<u>2,018,040,477</u>	<u>2,018,040,477</u>
Basic and diluted loss per share (HK cents)	<u>(10.5)</u>	<u>(37.0)</u>

9. Trade and other receivables

Trade and other receivables of the Group include trade receivables, accrued interest and dividend receivable, loan receivables, deposits and prepayments.

Trade receivables of the Group amounted to HK\$5,065,000 (2022: HK\$1,850,000). 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 evaluations of customers are performed periodically.

Aging analysis of trade receivables net of loss allowance is as follows:

	2023 HK\$'000	2022 HK\$'000
0 month to 6 months	4,903	1,717
More than 12 months	162	133
	<u>5,065</u>	<u>1,850</u>

10. Trade and other payables

Trade and other payables of the Group include trade payables, rental and management fee deposits, retentions payable of construction costs, interest payable, lease liabilities and various accruals.

Trade payables of the Group amounted to HK\$30,463,000 (2022: HK\$61,501,000).

Aging analysis of trade payables is as follows:

	2023 HK\$'000	2022 HK\$'000
0 month to 6 months	30,102	61,110
7 months to 12 months	60	42
More than 12 months	301	349
	<u>30,463</u>	<u>61,501</u>

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 2023 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 draft consolidated financial statements as at and for the year ended 31st March 2023. 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

For the fiscal year ended 31st March 2023, the Group posted a loss attributable to shareholders of HK\$213 million, a significant decrease from the prior year of more than 71%. This decrease was attributed in large part to a decrease in expected credit loss, a net realized and unrealized gain from investments in financial assets for the current year as opposed to a net loss last year, and an increase in revenue and, consequently, a turnaround into profit from the Group's hotel operation.

Hotel Business

The HKSAR Government has made numerous changes to COVID-19 measures and loosened international travel restrictions over the past year. Mainland Chinese tourists numbered 4 million in the reviewed year (2022: 0.1 million) while the total number of hotel rooms in Hong Kong as of March 2023 has increased by 0.3% over the same period of last year, reaching 89,254.

Compared to the previous year, our empire hotels have seen an increase in revenue and, consequently, a profit turnaround. This was partially the result of our participation in the government's hotel quarantine program during the first half of the fiscal year when cross-border travel restrictions were in full effect, and partially the result of the gradual normalization of the operating environment after the quarantine program ended in September 2022. It was also bolstered by the strong rebound in mainland tourism since February 2023 when all borders with Mainland China were fully reopened, which led to a significant increase in our hotels' occupancy and average room rates.

Development Projects

The Group's wholly-owned "Landmark On Robson" residential development in Vancouver's downtown district has a GFA of approximately 400,000 square feet and comprises 236 residential units in two towers, as well as 50,000 square feet of retail and office space and a four-level underground parking facility. The twin towers topped out in May 2022, with a projected completion date of early 2024. As of 31st March 2023, a total of approximately CAD206 million in contracted sales of residential units in this development had been achieved.

In addition, the Group's wholly owned developable land adjacent to the Landmark On Robson is in the planning stage of development, while its two joint venture residential developments on Alberni Street are in active discussions with the local city's planning department.

Financial Investments

The Group's financial investment portfolio, which consisted almost entirely of listed securities as of 31st March 2023, amounted to HK\$2,870 million (31st March 2022: HK\$3,021 million), a decrease of HK\$151 million from the previous year. Approximately 92% of our investment portfolio comprised of listed debt securities that were issued mostly by companies operating real estate business in Mainland China, approximately 6% comprised listed banking stock, and 2% in unlisted funds. They were denominated in United States dollars 80%, Renminbi 13%, Hong Kong dollars 6% and Japanese Yen 1%.

During the year, the liquidity crisis on Mainland China's real estate market persisted, having a negative impact on our financial investments. The investment portfolio generated a total of HK\$749 million (2022: HK\$908 million) in interest and dividend income and a net investment loss of HK\$624 million (2022: a net loss of HK\$1,367 million) which was primarily comprised of provision for expected credit losses charged to the profit and loss account, while a net fair value gain of HK\$ 1,128 million (2022: a net loss of HK\$ 2,252 million) was recorded in the investment reserve account. The central government has continued to enact policies favorable to real estate developers by easing fiscal policy restrictions on the sector's borrowing and refinancing channels. Distressed developers have attempted varying restructuring schemes for dealing with their debts, including maturity extension with principal amortisation and reduced coupon rates, swapping for equity, utilizing collateral as credit enhancement and maintaining no reduction on debt principal.

FINANCIAL REVIEW

The Group's financial and treasury activities are managed at the headquarter level. At 31st March 2023, the Group had about HK\$2.6 billion cash and undrawn banking facilities.

The Group's total assets and net assets per book amounted to HK\$9,282 million (31st March 2022: HK\$9,114 million) and HK\$3,006 million (31st March 2022: HK\$2,183 million), respectively, with the increases primarily due to unrealised fair value changes from certain financial investments (mostly listed debt securities) recognised in other comprehensive income under shareholders' equity. According to independent valuation, the total revalued amount of our hotel properties in Hong Kong as of 31st March 2023 was HK\$12,518 million (31st March 2022: HK\$11,424 million). Taking into account the market value of the hotel properties in operation, the Group's revalued total assets and net assets with hotel properties in Hong Kong at market value would be HK\$19,226 million (31st March 2022: HK\$17,884 million) and HK\$ 12,950 million (31st March 2022: HK\$10,952 million), respectively.

The total debt comprised HK\$5,538 million of bank borrowings and HK\$256 million convertible notes. 93% of the gross bank borrowings or HK\$5,165 million was denominated in Hong Kong dollars, with about 52% hedged against interest rate fluctuations through various interest rate swap contracts totaling HK\$2,700 million entered into in prior years. The remaining 7% or to the equivalent of HK\$373 million was in foreign currencies incurred in operations and investment in financial assets overseas.

Of the total bank borrowings, 1% were revolving loans (all of which is secured), and 99% were secured term loans. The maturity of our bank borrowings spread over a period of not more than six years with 21% repayable within one year, 12% repayable between one to two years, 61% repayable within two to five years, and 6% repayable over five years. The unsecured convertible notes comprising 4.4% of total debt are held almost entirely by the parent groups, and are repayable in February 2047. The Group entered into its first sustainability-linked loan facility for HK\$ 1.4 billion with a four-year maturity in June 2022. Six syndicated banks provided this facility, with the predefined environmental-related sustainability performance criteria including a reduction in energy and water consumption at all of the Group's hotels.

The consolidated net debt (total debt less cash balance) was HK\$5,284 million (31st March 2022: HK\$5,861 million). The Group's gearing ratio, expressed as a percentage of net debt over the revalued net asset value, was 41% (31st March 2022: 54%).

The carrying value of hotel properties, property under development for sale and financial assets pledged as collateral for banking facilities of the Group as at 31st March 2023 amounted to HK\$4,082 million (31st March 2022: HK\$4,333 million).

HUMAN RESOURCES

As of 31st March 2023, the total number of full-time employees of the Company and its subsidiaries was approximately 160 (31st March 2022: 190). In addition to salary payment, the Group provides other benefits including insurance, share options, medical scheme and retirement plans and others to its employees.

OUTLOOK

The global economy faces persistent headwinds, such as inflationary pressures, elevated borrowing costs, and the ongoing conflict in Ukraine, which continue to temper short-term growth prospects.

With the reopening of borders between Mainland China and Hong Kong, the operational environment in the coming year is fueled by the pent-up travel demand as well as the welcoming return of business travelers to the city on the back of the resumption of physical events and exhibitions. As the economies of the Greater Bay Area (GBA) cities continue to develop, Hong Kong will continue to serve as a powerful hub for cross-border commerce and leisure travel, and it is also poised to consolidate its position as an international financial center through increased interconnection and integrated trade expansion. The Group remained vigilant with regard to cost management and centered its efforts on enhancing efficiency and the quality of hotel services.

In Mainland China, the withdrawal of COVID-19 controls and the central government's support to the real estate industry will assist the sector in returning to a more steady growth path. With these improvements and the ongoing debt restructuring of distressed developers, management maintains a cautiously optimistic outlook on our debt securities investment portfolio.

Housing demand in Vancouver, British Columbia, Canada, is supported by a constrained labor market and immigration. Population growth has accelerated and is projected to remain significantly above average in the coming years, driving demand in both the homeownership and rental markets. Pent-up demand will propel activity once inflation slows and interest rates descend.

While closely monitoring macroeconomic events and any potential risks to the outlook, management remains prudently positive regarding the Group's performance in a dynamic environment.

DIVIDEND / COUPON ON CONVERTIBLE NOTES

The Board has resolved not to recommend the payment of a final dividend for the year ended 31st March 2023 (2022: Nil). No interim dividend was declared during the year (2022: Nil).

Pursuant to the deed poll in respect the issue of the convertible notes (the “Notes”) with redemption value of HK\$0.453 each carrying an interest of 0.1% due 2047, the noteholders shall be entitled to a coupon of HK\$0.0453 cent (2022: HK\$0.0453 cent) per Note (the “Coupon”). Since no final dividend was declared for the year ended 31st March 2023, the payment of the Coupon will be deferred until such time as a dividend of the Company is declared and paid.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Tuesday, 22nd August 2023 to Friday, 25th August 2023 both days inclusive, for the purpose of determining the identity of members who are entitled to attend and vote at the 2023 annual general meeting to be held on 25th August 2023 (the “Annual General Meeting”). During this 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, 21st August 2023.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, the Company had 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 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The Company has made specific enquiry of all directors regarding any non-compliance with the Model Code during the 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 2023.

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 to the Listing Rules, except the following deviations:-

- (1) Code Provision C.1.6 of the CG Code which provides that independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. Mr. Leung Wai Keung (“Mr. Leung”), an independent non-executive director of the Company, was unable to attend the adjourned annual general meeting of the Company held on 2nd September 2022 (“Adjourned AGM”) due to his other business commitments at the relevant time. The views of the Company’s shareholders had been reported to Mr. Leung after the meeting; and
- (2) Code Provision F.2.2 of the CG Code which provides that the chairman of the board should attend the annual general meetings. Mr. Poon Jing (“Mr. Poon”), the Chairman of the Board, was unable to attend the Adjourned AGM due to his other business commitments at the relevant time. The views of the Company’s shareholders had been reported to Mr. Poon after the meeting.

PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

The Board proposes to make certain amendments to the existing bye-laws of the Company (the “Existing Bye-Laws”) in order to, among other things, (i) permit the Company to hold hybrid general meetings and electronic general meetings; (ii) bring the Existing Bye-Laws in line with the relevant requirements of the Listing Rules and the applicable laws of Bermuda, including the amendments in respect of the Core Shareholder Protection Standards set out in Appendix 3 to the Listing Rules, which became effective from 1st January 2022; and (iii) introduce corresponding as well as other house-keeping amendments (collectively, the “Proposed Amendments”). Accordingly, the Board proposes to adopt the amended and restated bye-laws of the Company (the “Amended and Restated Bye-Laws”) in substitution for, and to the exclusion of, the Existing Bye-Laws.

The Proposed Amendments and the proposed adoption of the Amended and Restated Bye-Laws are subject to the approval of the shareholders of the Company by way of a special resolution at the Annual General Meeting, and will become effective upon the approval by the shareholders of the Company at the Annual General Meeting.

A circular containing, among other things, details of the Proposed Amendments and the proposed adoption of the Amended and Restated Bye-Laws, together with a notice convening the Annual General Meeting, will be despatched to the Company’s shareholders in due course.

AUDIT COMMITTEE

The Audit Committee has reviewed the annual results of the Group for the year ended 31st March 2023.

By Order of the Board
Asia Standard Hotel Group Limited
POON, JING
Chairman

Hong Kong, 30th June 2023

As at the date of this announcement, the executive directors of the Company are Mr. Poon Jing, Dr. Lim Yin Cheng, Mr. Poon Hai, Mr. Poon Yeung, Roderick, Mr. Fung Siu To, Clement and Mr. Woo Wei Chun, Joseph; and the independent non-executive directors of the Company are Mr. Leung Wai Keung, Mr. Wong Chi Keung and Mr. Koon Bok Ming, Alan.