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ASIA STANDARD HOTEL GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 292)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2020

FINANCIAL HIGHLIGHTS

(In HK\$ million, except otherwise indicated)

	Six months ended 30th September		Change
	2020	2019	
Revenue	494	643	-23%
Operating profit	378	377	-
Profit for the period attributable to shareholders of the Company	302	254	+19%
Earnings per share – basic (HK cents)	15.0	12.6	+19%
	30th September 2020	31st March 2020	
Total assets	11,914	10,689	+11%
Net assets	4,520	3,519	+28%
Equity attributable to shareholders of the Company	4,522	3,523	+28%
Net debt	6,541	6,458	+1%
Supplementary information with hotel properties in operation stated at valuation:			
Revalued total assets	20,550	19,527	+5%
Revalued net assets	13,156	12,358	+6%
Gearing – net debt to revalued net assets	50%	52%	-2%

The board of directors (the “Board”) of Asia Standard Hotel Group Limited (the “Company”) announces that the unaudited condensed consolidated results of the Company and its subsidiaries (together the “Group”) for the six months ended 30th September 2020 together with the comparative figures for the six months ended 30th September 2019 were as follows:

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT - UNAUDITED

For the six months ended 30th September

	<i>Note</i>	2020 HK\$'000	2019 HK\$'000
Interest revenue		475,794	413,053
Sales of goods and services and other revenue		18,316	229,810
Total revenue	2	494,110	642,863
Cost of sales		(12,435)	(131,867)
Gross profit		481,675	510,996
Selling and administrative expenses		(57,867)	(80,841)
Depreciation		(63,581)	(70,502)
Net investment gain	3		
Net realised and unrealised gain		18,971	11,295
Change in expected credit losses		(798)	6,516
Operating profit		378,400	377,464
Net finance costs	5	(85,791)	(121,056)
Share of profits less losses of joint ventures		647	1,330
Profit before income tax		293,256	257,738
Income tax credit/(expense)	6	9,399	(3,849)
Profit for the period		302,655	253,889
Attributable to:			
Shareholders of the Company		302,425	253,518
Non-controlling interests		230	371
		302,655	253,889
Earnings per share (HK cents)			
Basic	8	15.0	12.6
Diluted	8	6.6	5.5

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – UNAUDITED

For the six months ended 30th September

	2020 HK\$'000	2019 HK\$'000
Profit for the period	<u>302,655</u>	<u>253,889</u>
Other comprehensive income/(charge)		
Items that have been reclassified or may be reclassified subsequently to profit or loss:		
Net fair value gain/(loss) on debt securities at fair value through other comprehensive income	731,486	(257,958)
Cash flow hedges		
- net fair value loss	(50,568)	-
- deferred tax on derivative financial instruments	9,093	-
Currency translation differences	24,400	4,501
Share of currency translation differences of joint ventures	27,456	4,777
Item that will not be reclassified to profit or loss:		
Net fair value loss on equity securities at fair value through other comprehensive income	<u>(43,738)</u>	<u>(10,668)</u>
	<u>698,129</u>	<u>(259,348)</u>
Total comprehensive income/(charge) for the period	<u>1,000,784</u>	<u>(5,459)</u>
Attributable to:		
Shareholders of the Company	998,565	(6,193)
Non-controlling interests	2,219	734
	<u>1,000,784</u>	<u>(5,459)</u>

CONDENSED CONSOLIDATED BALANCE SHEET - UNAUDITED

	<i>Note</i>	30th September 2020 HK\$'000	31st March 2020 HK\$'000
Non-current assets			
Property, plant and equipment		2,922,924	2,967,396
Investment in joint ventures		155,286	143,398
Amount due from joint ventures		354,932	332,868
Financial investments		125,013	168,767
Deferred income tax assets		36,232	21,591
		3,594,387	3,634,020
Current assets			
Properties under development for sale		670,057	537,330
Inventories		19,213	20,144
Trade and other receivables	9	285,237	280,275
Income tax recoverable		55	3,629
Financial investments		7,036,855	5,882,742
Bank balances and cash		307,860	330,693
		8,319,277	7,054,813
Current liabilities			
Trade and other payables	10	166,312	70,915
Contract liabilities		210,473	197,582
Amount due to non-controlling interests		45,366	44,511
Borrowings		2,920,564	2,264,021
Income tax payable		40,824	35,121
		3,383,539	2,612,150
Net current assets		4,935,738	4,442,663
Non-current liabilities			
Long term borrowings		3,709,958	4,312,932
Lease liabilities		5,425	2,335
Convertible notes		218,628	211,845
Derivative financial instruments		63,649	4,542
Deferred income tax liabilities		12,391	25,739
		4,010,051	4,557,393
Net assets		4,520,074	3,519,290
Equity			
Share capital		40,361	40,361
Reserves		4,481,159	3,482,594
Equity attributable to shareholders of the Company		4,521,520	3,522,955
Non-controlling interests		(1,446)	(3,665)
		4,520,074	3,519,290

NOTES TO THE INTERIM FINANCIAL INFORMATION

1. Basis of preparation

The unaudited condensed consolidated interim financial information for the six months ended 30th September 2020 (“Interim Financial Information”) has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants, and should be read in conjunction with the annual financial statements for the year ended 31st March 2020, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

The accounting policies and methods of computation used in the preparation of this Interim Financial Information are consistent with those used in the annual financial statements for the year ended 31st March 2020, except the adoption of the following new standard and amendments that are effective for the financial year ending 31st March 2021 which is relevant to the Group’s operations and is mandatory for accounting periods beginning on or after 1st January 2020:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 39, HKFRS 7 and HKFRS 9	Interest Rate Benchmark Reform
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial reports

The adoption of the new standard and amendments to the standards stated above did not have any significant impact to the Group in the current and prior periods.

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
Six months ended 30th September 2020					
Segment revenue	12,438	497	474,349	6,826	494,110
Contribution to segment results	(22,103)	(1,508)	473,255	(956)	448,688
Depreciation	(56,129)	(2,692)	-	(4,760)	(63,581)
Net investment gain	-	-	18,173	-	18,173
Share of profits less losses of joint ventures	-	855	-	(208)	647
Segment results	(78,232)	(3,345)	491,428	(5,924)	403,927
Unallocated corporate expenses					(24,880)
Net finance costs					(85,791)
Profit before income tax					293,256
Six months ended 30th September 2019					
Segment revenue	149,275	424	421,912	71,252	642,863
Contribution to segment results	43,197	(2,671)	420,097	1,824	462,447
Depreciation	(56,624)	(9,270)	-	(4,608)	(70,502)
Net investment gain	-	-	17,811	-	17,811
Share of profits less losses of joint ventures	-	1,541	-	(211)	1,330
Segment results	(13,427)	(10,400)	437,908	(2,995)	411,086
Unallocated corporate expenses					(32,292)
Net finance costs					(121,056)
Profit before income tax					257,738

2. Segment information (Continued)

	Business segments				Unallocated HK\$'000	Total HK\$'000
	Hotel operation HK\$'000	Property development HK\$'000	Financial investments HK\$'000	Others HK\$'000		
As at 30th September 2020						
Assets	2,923,171	1,242,140	7,384,437	27,274	336,642	11,913,664
Assets include:						
Joint ventures	-	509,583	-	635	-	510,218
Addition to non-current assets for the six months ended 30th September 2020*	7,564	2,103	-	191	9,750	19,608
Liabilities						
Borrowings	3,452,197	72,823	578,088	-	2,527,414	6,630,522
Other unallocated liabilities						763,068
						7,393,590
<hr/>						
As at 31st March 2020						
Assets	2,974,177	1,064,965	6,326,696	44,158	278,837	10,688,833
Assets include:						
Joint ventures	-	475,624	-	642	-	476,266
Addition to non-current assets for the six months ended 30th September 2019*	8,390	12,047	-	19	5,480	25,936
Liabilities						
Borrowings	3,522,554	68,873	577,866	-	2,407,660	6,576,953
Other unallocated liabilities						592,590
						7,169,543

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

2. Segment information (Continued)

	Six months ended 30th September	
	2020 HK\$'000	2019 HK\$'000
Revenue		
Hong Kong	36,623	220,527
Overseas	457,487	422,336
	<u>494,110</u>	<u>642,863</u>
	30th September 2020 HK\$'000	31st March 2020 HK\$'000
Non-current assets*		
Hong Kong	2,911,807	2,954,705
Overseas	521,335	488,957
	<u>3,433,142</u>	<u>3,443,662</u>

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

3. Net investment gain

	Six months ended 30th September	
	2020 HK\$'000	2019 HK\$'000
Financial assets at fair value through profit or loss ("FVPL")		
- net unrealised loss from market price movements	(2,102)	(27,480)
- net unrealised exchange gain	292	465
- net realised gain (note (a))	-	33,995
	<u>(1,810)</u>	<u>6,980</u>
Financial assets at fair value through other comprehensive income ("FVOCI")		
- net unrealised exchange loss	(1,985)	(4,907)
- net realised gain (note (b))	22,766	9,222
- changes in expected credit losses	(798)	6,516
	<u>19,983</u>	<u>10,831</u>
	<u>18,173</u>	<u>17,811</u>

3. Net investment gain (Continued)

Notes:

	Six months ended 30th September	
	2020 HK\$'000	2019 HK\$'000
(a) Net realised gain on financial assets at FVPL		
Gross consideration	-	327,210
Cost of investments	-	(196,633)
Total gain	-	130,577
Less: net unrealised gain recognised in prior years	-	(96,582)
Net realised gain recognised in current period	-	33,995
(b) Net realised gain on financial assets at FVOCI		
Gross consideration	1,419,464	1,195,384
Cost of investments	(1,392,459)	(1,181,146)
Total gain	27,005	14,238
Transfer from investment revaluation reserve	(4,239)	(5,016)
Net realised gain recognised in current period	22,766	9,222

4. Income and expenses by nature

	Six months ended 30th September	
	2020 HK\$'000	2019 HK\$'000
Income		
Interest income from financial assets at FVOCI		
- Listed investments	472,159	412,332
Dividend income		
- Listed investments	-	9,304
Expenses		
Cost of goods sold	417	3,340

5. Net finance costs

	Six months ended 30th September	
	2020 HK\$'000	2019 HK\$'000
Interest expenses		
Long term bank loans	(57,300)	(93,453)
Short term bank loans and overdrafts	(6,481)	(19,467)
Lease liabilities	(109)	(159)
Convertible notes	(7,395)	(6,932)
Hedging derivative financial instruments	(4,061)	-
Interest capitalised	6,576	8,843
	<u>(68,770)</u>	<u>(111,168)</u>
Other incidental borrowing costs	(8,803)	(9,873)
Net foreign exchange gain/(loss) on borrowings	321	(15)
Fair value loss on derivative financial instruments - cash flow hedge	(8,539)	-
	<u>(85,791)</u>	<u>(121,056)</u>

6. Income tax credit/(expense)

	Six months ended 30th September	
	2020 HK\$'000	2019 HK\$'000
Current income tax expense		
Hong Kong profits tax	(7,906)	(7,395)
Under provision in prior years	(834)	(7,949)
	<u>(8,740)</u>	<u>(15,344)</u>
Deferred income tax credit	18,139	11,495
	<u>9,399</u>	<u>(3,849)</u>

Hong Kong profits tax is provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profit for the period. Income tax on overseas profits has been calculated on the estimated assessable profit for the period at the tax rates prevailing in the countries in which the Group operates.

7. Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30th September 2020 (2019: Nil).

8. Earnings per share

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

The calculation of basic and diluted earnings per share for the period is based on the following:

	Six month ended 30th September	
	2020 HK\$'000	2019 HK\$'000
Profit attributable to shareholders of the Company for calculation of basic earnings per share	302,425	253,518
Effect of dilutive potential shares:		
Interest expense saved on convertible notes	7,395	6,932
Profit attributable to shareholder of the Company for calculation of diluted earnings per share	<u>309,820</u>	<u>260,450</u>
	Number of shares	
Weighted average number of shares for calculation of basic earnings per share	2,018,040,477	2,018,040,477
Effect of dilutive potential shares:		
Share options of the Company assumed to be exercised	-	951,379
Convertible notes assumed to be converted at the beginning of the period	2,693,120,010	2,693,120,010
Weighted average number of shares for calculation of diluted earnings per share	<u>4,711,160,487</u>	<u>4,712,111,866</u>
Basic earnings per share (HK cents)	<u>15.0</u>	<u>12.6</u>
Diluted earnings per share (HK cents)	<u>6.6</u>	<u>5.5</u>

9. Trade and other receivables

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

Trade receivables of the Group amounted to HK\$3,305,000 (31st March 2020: HK\$2,246,000). 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 loss allowance is as follows:

	30th September 2020 HK\$'000	31st March 2020 HK\$'000
0 month to 6 months	3,003	2,082
7 months to 12 months	175	15
More than 12 months	127	149
	<u><u>3,305</u></u>	<u><u>2,246</u></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\$90,912,000 (31st March 2020: HK\$9,710,000).

Aging analysis of trade payables is as follows:

	30th September 2020 HK\$'000	31st March 2020 HK\$'000
0 month to 6 months	90,252	9,054
7 months to 12 months	42	80
More than 12 months	618	576
	<u><u>90,912</u></u>	<u><u>9,710</u></u>

Management Discussion and Analysis

RESULTS

The Group's total revenue for the six months ended 30th September 2020 amounted to HK\$494 million, a decrease of 23% when compared with the same period of last year. Such a decrease was mainly because of a decrease in revenue of our hotel operation due to a dramatic drop in the number of visitors because of travel restrictions and health quarantine requirements for inbound travelers against the COVID-19 pandemic during the period. This effect is partly compensated by the rise in income generated from financial investment. Profits attributable to shareholders increased by 19% to HK\$302 million as a result of more interest income from an enlarged portfolio of debt securities and a decrease in finance cost from lower market interest rates, partially offset by the loss incurred by the hotel operation.

Hotel Business

During the period under review, the hospitality industry in Hong Kong continued to suffer from intense adverse effects from the COVID-19 pandemic. The cumulative arrivals between April 2020 and September 2020 for all visitors to Hong Kong and those who stayed overnight were 61,000 and 60,000, respectively, the former had a 99.8% decrease and the latter a 99.5% decrease. Overnight visitor arrivals from Mainland China recorded a 99.7% decrease from the same period of last year. The total hotel room supply in Hong Kong as of 30th September 2020 was approximately 85,200 rooms, increased by 3% from the same period last year.

Our occupancy rate and average room rate had dropped by 82% and 66%, respectively, when compared with the same period of last year, which resulted in a significant decrease of about 92% of revenues from hotel operations, with net losses recorded. In order to manage the challenges in these difficult times, hotel management continues to pursue sensitive and swift business strategies to improve operational efficiency and to take decisive decisions to achieve cost savings across hotel operations. This negative performance, however, was more than offset by the recurrent earnings and cash flow generated from the Group's fixed income financial investment portfolio.

Development Projects

In Vancouver, the excavation and shoring works of our Landmark on Robson located close to the downtown commercial core on Robson Street were completed. The parkade structure is under construction and is expected to complete in November 2020, and the above-ground structural construction will follow immediately. As at 30th September 2020, a total of approximately CAD\$140 million contracted sales of residential units in this development has been achieved from the project sales launched at the beginning of 2018.

The other developable property located to the east of our Landmark on Robson is still in the planning stage for development.

The Group's joint venture residential development on Alberni Street obtained the Prior to Letter outlining the requirements for local city council approval to grant a development permit, and is on course to obtain the development and building permits from the local authority.

Another joint venture development that is also located at Alberni Street in downtown Vancouver passed the Urban Design Panel in Oct 2020 in our ongoing application for the rezoning approval for development into premium residential units for sale.

Financial Investments

As at 30th September 2020, the Group's financial investment portfolio, which consisted almost entirely of listed securities, amounted to HK\$7,162 million (31st March 2020: HK\$6,052 million). The increase in value of the portfolio during the period was mainly attributable to a mark to market fair value gain together with a net purchase of securities during the period.

Approximately 97% of our investment portfolio comprised of listed debt securities that were issued mostly by companies operating real estate business in China, approximately 1% comprised listed equity securities, and 2% comprised unlisted funds. They were denominated in United States dollars 99% and Hong Kong dollars 1%.

During the period under review, a total of HK\$474 million (2019: HK\$422 million) in interest income were generated from the investment portfolio. The increase in interest income was due to an enlarged debt portfolio from additional investments. A net investment gain of HK\$18 million (2019: a net gain of HK\$18 million) was credited to profit and loss account while the mark-to-market valuation gain on listed debt securities of HK\$684 million were recognised in the investment reserve account.

FINANCIAL REVIEW

The financing and treasury activities of the Group are centrally managed and controlled at the corporate level. At 30th September 2020, the Group had about HK\$2.9 billion cash and undrawn banking facilities.

The Group's total assets per book amounted to HK\$11,914 million (31st March 2020: HK\$10,689 million). Based on independent valuation, the total revalued amount of our hotel properties in Hong Kong as at 30th September 2020 was HK\$11,423 million, decreased by 2% when compared with that as at 31st March 2020. The revalued total assets of the Group with hotel properties in Hong Kong at market value would be HK\$20,550 million (31st March 2020: HK\$19,527 million).

The net assets per book amounted to HK\$4,520 million (31st March 2020: HK\$3,519 million), of which the increase was mainly due to unrealised fair value changes from certain financial investments (mostly listed debt securities) that were recognised in other comprehensive income under shareholders' equity. Taking into account the market value of the hotel properties in operation, the revalued net asset value of the Group would be HK\$13,156 million (31st March 2020: HK\$12,358 million).

The consolidated net debt (total debt less cash balance) was HK\$6,541 million (31st March 2020: HK\$6,458 million). The total debt comprised HK\$6,631 million of bank borrowings at floating rates and HK\$219 million convertible notes. As at 30th September 2020, about 49% of our floating rates debts have been hedged against interest rate fluctuations by various interest rate swap contracts of HK\$3,243 million in total. 85% of the gross bank borrowings or HK\$5,633 million was denominated in Hong Kong dollars, and the remaining 15% or to the equivalent of HK\$997 million were in United States dollars and Canadian dollars incurred in operations and investment in financial assets overseas. Total interest cost decreased as a result of decreased market interest rates.

Of the total bank borrowings, 20% were revolving loans (all of which is secured), 62% were secured term loans, and the remaining 18% were unsecured term loans. The maturity of our bank borrowings spread over a period of up to five years with 44% repayable within one year, 21% repayable between one to two years, and 35% repayable within three to five years. The unsecured convertible notes comprising 3% of total debt are held almost entirely by the parent groups, and are repayable in February 2047.

At 30th September 2020, the Group had net current assets of HK\$4,936 million (31st March 2020: HK\$4,443 million), and bank balances together with listed marketable securities of HK\$7,436 million represent 2.5 times of the bank borrowings of HK\$2,921 million due within 12 months.

The Group's gearing ratio, expressed as a percentage of net debt over the revalued net asset value, was 50% (31st March 2020: 52%).

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 30th September 2020 amounted to HK\$5,191 million (31st March 2020: HK\$4,929 million)

HUMAN RESOURCES

As at 30th September 2020, the total number of full-time employees of the Company and its subsidiaries was approximately 180 (31st March 2020: 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 pandemic outbreak was unprecedented and overwhelming for the global hospitality industry. While uncertainty persists as to the length of the pandemic and its effect on economies, management is aggressively preparing and implementing impact reduction measures for our hotel operations in Hong Kong. Once the pandemic is well under control and travel restrictions and health security initiatives are relaxed, the hospitality sector is expected to see an imminent turnaround as the suppressed demand for recreation and pent-up appetite is triggered. On the supply side, a reduction in overall hotel rooms is anticipated as COVID-19's effect has resulted in cautious supply plans for hotel-related businesses, the prospect of restructuring and consolidation, and the closing of several existing hotels; new hotel investment ventures would be discouraged with delays and potential cancellations. Management continues to take actions, both in the short and longer term, to manage costs and drive efficiency to cope with the expected recovery of tourism.

Although the global economic recovery is projected to continue, the pace will vary from nation to nation. With China's effective pandemic prevention and control, China's GDP increased by 3.2% and 4.9% in the second and third quarter, respectively, compared to the same periods of last year, spearheading recovery. China's property market was among the first to recover, and our investment in fixed income securities issued mostly by companies operating real estate business in China continues to be a strong pillar in providing us with a stable income stream and liquidity. Furthermore, with economic activity hopefully returning to pre-pandemic levels rapidly in 2021, our hotel operations will directly benefit once Hong Kong's border with mainland China is reopened.

The solid economic performance of Vancouver, Canada over the past decade has suffered a temporary setback in 2020 due to disruptions caused by the pandemic, but when Canada emerges from the COVID-19 scare, Vancouver will remain a desirable place to live, and home buyers and real estate investors would favor our premier residential development projects in downtown Vancouver.

The management, while continuously monitoring macroeconomic developments and risks to the outlook, remains cautiously optimistic towards the performance of the Group in the rapidly changing environment.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30th September 2020 (2019: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the period, the Company had not redeemed any of its shares. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the period.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The Company has made specific enquiry of all directors regarding any non-compliance with the Model Code during the period, and they all confirmed that they have fully complied with the required standard as set out in the Model Code throughout the period ended 30th September 2020.

CORPORATE GOVERNANCE CODE

During the period, the Company has complied with the code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Listing Rules, except the following deviations:-

- (1) Code Provision A.4.1 of the CG Code provides that non-executive directors should be appointed for a specific term, subject to re-election. All independent non-executive directors of the Company are not appointed for specific terms, but subject to retirement by rotations and re-elections at the annual general meeting of the Company in accordance with the Bye-Laws of the Company;
- (2) Code Provision A.5.1 of the CG Code provides that issuers should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors. The Company does not have a nomination committee. The Board as a whole is responsible for assessing the independence of independent non-executive directors, reviewing the structure, diversity, size and composition of the Board, the appointment of new directors and the nomination of directors for re-election by shareholders at the general meeting of the Company. Under the Bye-Laws of the Company, the Board may from time to time and at any 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 hold office until the next following annual general meeting of the Company and shall then be eligible for re-election at the meeting; and
- (3) Code Provision E.1.2 of the CG Code provides that the chairman of the board of the company should attend the annual general meetings. Mr. Poon Jing, the Chairman of the Board, was unable to attend the annual general meeting of the Company held on 26th August 2020 due to his other engagements at the relevant time.

AUDIT COMMITTEE

The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30th September 2020.

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

Hong Kong, 26th November 2020

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 are Mr. Ip Chi Wai, Mr. Leung Wai Keung and Mr. Hung Yat Ming.