



ASIA STANDARD HOTEL GROUP LIMITED

Stock Code: 292



Corporate Information

Directors

Executive

Mr. Poon Jing (*Chairman*)
Dr. Lim Yin Cheng
(Deputy Chairman and Chief Executive)
Mr. Poon Hai
Mr. Fung Siu To, Clement
Mr. Woo Wei Chun, Joseph

Independent Non-executive

Mr. Ip Chi Wai
Mr. Leung Wai Keung
Mr. Hung Yat Ming

Audit committee

Mr. Hung Yat Ming (*Chairman*)
Mr. Leung Wai Keung
Mr. Ip Chi Wai

Remuneration committee

Mr. Hung Yat Ming (*Chairman*)
Mr. Ip Chi Wai
Dr. Lim Yin Cheng

Authorised representatives

Dr. Lim Yin Cheng
Mr. Lee Tai Hay, Dominic

Company secretary

Mr. Lee Tai Hay, Dominic

Registered office

Canon's Court, 22 Victoria Street,
Hamilton HM12, Bermuda

Principal office in Hong Kong

30th Floor, Asia Orient Tower, Town Place,
33 Lockhart Road, Wanchai,
Hong Kong

| | |
|-----------|--|
| Telephone | 2866 3336 |
| Facsimile | 2866 3772 |
| Website | www.asiastandardhotelgroup.com |
| E-mail | info@asia-standard.com.hk |

Principal bankers

Industrial and Commercial Bank of China (Asia)
Bank of China (Hong Kong)
HSBC
Industrial and Commercial Bank of China (Canada)
Shanghai Commercial Bank
DBS Bank (Hong Kong)
Wing Hang Bank
Chong Hing Bank
Barclays Bank
Bank Morgan Stanley
UBS
Bank Julius Baer

Legal advisers

Stephenson Harwood
18th Floor, United Centre,
95 Queensway,
Hong Kong

Appleby
2206-19 Jardine House,
1 Connaught Place, Central,
Hong Kong

Auditor

PricewaterhouseCoopers
Certified Public Accountants
22nd Floor, Prince's Building,
Central, Hong Kong

Share registrar in Bermuda

MUFG Fund Services (Bermuda) Limited
The Belvedere Building,
69 Pitts Bay Road,
Pembroke HM08,
Bermuda

Hong Kong branch share registrar and transfer office

Computershare Hong Kong Investor
Services Limited
Shops 1712-1716, 17th Floor,
Hopewell Centre,
183 Queen's Road East,
Wanchai, Hong Kong

Financial Highlights

(in HK\$ million, except otherwise indicated)

| | Six months ended | | |
|--|------------------|------|--------|
| | 30th September | | |
| | 2015 | 2014 | Change |
| Consolidated profit and loss account | | | |
| Revenue | 354 | 378 | -6% |
| Contribution from hotel operation | 84 | 120 | -30% |
| Contribution from financial investments | 92 | 77 | +19% |
| Net investment gain | 58 | 53 | +9% |
| Depreciation | (42) | (43) | -2% |
| Net finance costs | (17) | (8) | +113% |
| Profit for the period attributable to shareholders | 153 | 172 | -11% |
| Earnings per share – basic (HK cents) | 9.8 | 11.1 | -12% |

| | 30th September 2015 | 31st March 2015 | Change |
|--|---------------------------|-----------------------|--------|
|--|---------------------------|-----------------------|--------|

Consolidated balance sheet

| | | | |
|--------------|-------|-------|------|
| Total assets | 5,485 | 5,159 | +6% |
| Net assets | 3,369 | 3,265 | +3% |
| Net debt | 1,787 | 1,567 | +14% |

Supplementary information about valuation of the four hotel properties in operation (note):

| | | | |
|---|--------|--------|-----|
| Revalued total assets | 12,847 | 12,709 | +1% |
| Revalued net assets | 10,694 | 10,782 | -1% |
| Gearing – net debt to revalued net assets | 17% | 15% | +2% |

Note: According to the Group's accounting policies, the four 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 these hotel properties and excluding the corresponding deferred income tax on Hong Kong properties as Hong Kong tax jurisdiction does not include capital gain tax.

The four hotel properties in operation in Hong Kong and Canada were revalued by Vigers Appraisal & Consulting Limited and CBRE Limited respectively, independent professional valuers, on an open market value basis as at 30th September 2015 and 31st March 2015.

Management Discussion and Analysis



Empire Hotel Hong Kong – Executive Club Lounge

Results

The Group's revenue for the six months ended 30th September 2015 amounted to HK\$354 million, decreased by 6% when compared with the same period of last year. Profit attributable to shareholders decreased by 11% to HK\$153 million, due mainly to a reduction in operating profit of our hotel operations in Hong Kong where average room rates during the period under review had recorded a drop of 22% as compared to the same period of last year.

Business review

Between April 2015 and September 2015, the cumulative arrivals to Hong Kong for all visitors and those who stayed overnight reached 29 million and 13 million, respectively, the former had a 3% decrease and the latter a 6% decrease. Although Mainland China dominated the overnight visitor arrivals with a 68% of the total share, this market registered a 7% drop from the same period of last year. Some of the reasons for this decline include the continued strengthening of the Hong Kong dollar as well as depreciation of currencies and relaxation of visa policies of other popular tourist destinations (e.g. Europe, Japan, South Korea, etc.). Furthermore, the anti-parallel

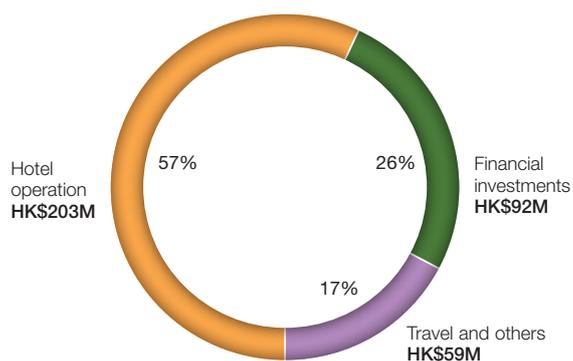
trading protests have also damaged Hong Kong's hospitable image and affected the desire of Mainland visitors to travel to Hong Kong.

On the hotel supply front, there were a total supply of about 74,000 hotel rooms as of September 2015, an increase of about 2% over the preceding year.

All our hotels in Hong Kong have been operating at approximately 96%, although average room rate dropped by 22% from that of last year because of the aforesaid negative factors affecting Hong Kong tourism.

Our hotel in Canada operated at 83% occupancy and achieved an increase of 8% in room rate from last year.

Segment revenue



Management Discussion and Analysis



Empire Hotel Kowloon – Executive Club Lounge



Empire Hotel Kowloon and the adjacent new hotel development

Hotel development projects

The development progress of our two sites located adjacent to the Group's two existing hotels in Hong Kong is on schedule. For the site in Causeway Bay, the interior fittings is under progress, which is expected to be completed by end of 2015. This new 94 rooms' hotel is scheduled for opening in first quarter of 2016. For the site in Tsim Sha Tsui, the superstructure work has commenced in May 2015. The anticipated opening time for this new 90 rooms' hotel is in first quarter of 2017.

With a total gross floor area of approximately 65,000 sq.ft. or 184 hotel guest rooms upon completion of these two sites in 2016/2017, they will provide greater operational synergies to the Group.

Travel

Revenue for the travel operations during the six months ended 30th September 2015 amounted to HK\$58 million (2014: HK\$55 million).

Financial investments

As at 30th September 2015, the Group's financial investment portfolio that all consisted of listed securities amounted to HK\$2,067 million (31st March 2015: HK\$1,777 million). The increase largely arose from a further investment of HK\$254 million, and a mark to market valuation gain.

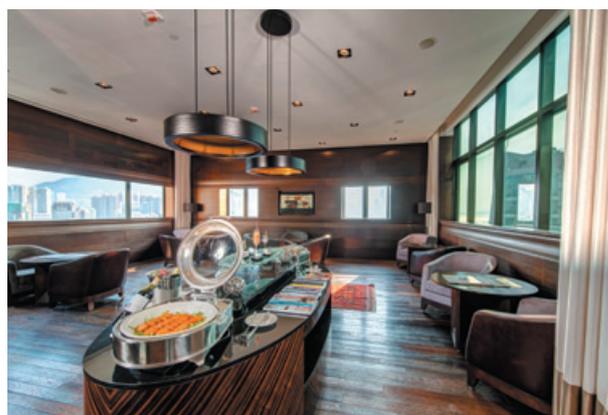
Approximately 71% of our investment portfolio comprised listed debt securities (of which approximately 93% were issued by PRC real estate companies), and approximately 29% comprised listed equity securities (all of them were issued by large banks). They were denominated in Hong Kong dollars 8%, United States dollars 77%, Sterling 10% and Euro 5%.

During the period under review, a total of HK\$92 million (2014: HK\$77 million) in interest and dividend income were generated from the investment portfolio. The increase in interest and dividend income was mostly due to the increase in portfolio size of our debt securities investment. The investment portfolio also generated a net

Management Discussion and Analysis



Empire Hotel Causeway Bay and the adjacent new hotel



Empire Hotel Causeway Bay – Executive Club Lounge

investment gain of HK\$58 million (2014: HK\$53 million), which was made up of mark to market valuation gain from debt securities, offset partially by mark to market valuation loss on equity securities. The valuation gain on debt securities were mainly from those issued by the PRC real estate companies amid a series of favorable policies such as cuts in interest rates, monetary easing measures, and relaxed restrictions on foreign purchase. The valuation loss on equity securities were caused by the general downward trend of the worldwide equity markets during the period.

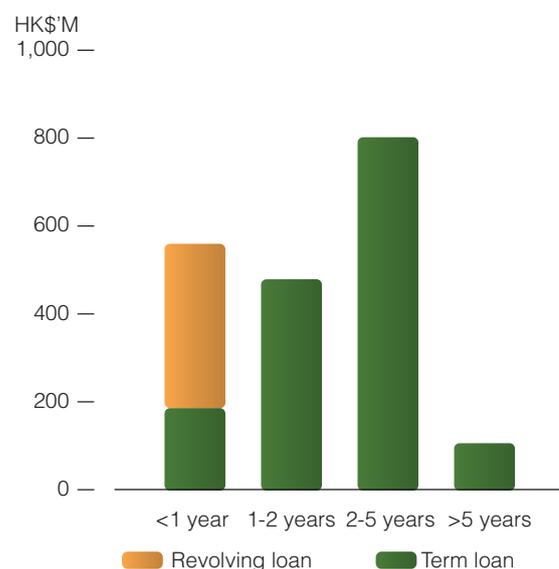
As at 30th September 2015, the listed securities at fair value pledged as collateral for short term bank loans amounted to approximately HK\$218 million (31st March 2015: HK\$113 million).

Financial review

The Group's total assets per book amounted to HK\$5,485 million (31st March 2015: HK\$5,159 million). Based on independent valuation, the total revalued amount of our hotel properties

in operation as at 30th September 2015 was HK\$9,574 million, decreased by 2% when compared with that as at 31st March 2015. The revalued total assets of the Group with hotel properties in operation at market value would be HK\$12,847 million (31st March 2015: HK\$12,709 million).

Debt maturity



Management Discussion and Analysis

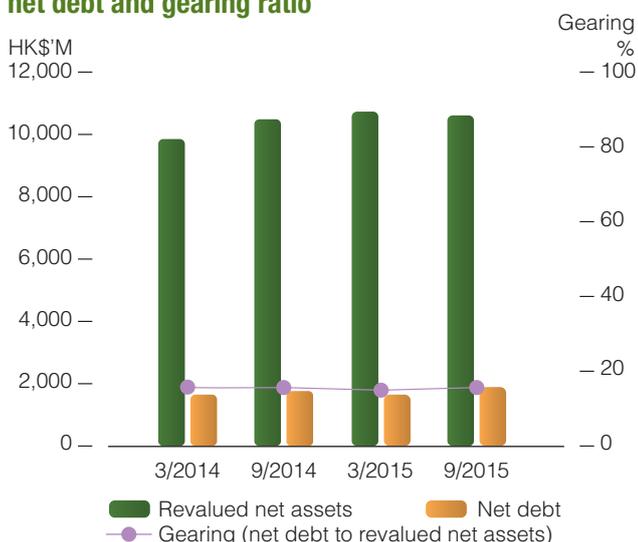
The shareholders' funds per book amounted to HK\$3,369 million (31st March 2015: HK\$3,265 million), of which the increase was mainly due to profit for the period. Taking into account the market value of the hotel properties in operation, the revalued net asset value of the Group would be HK\$10,694 million (31st March 2015: HK\$10,782 million).

The consolidated net debt was HK\$1,787 million (31st March 2015: HK\$1,567 million). 89% of the gross bank borrowings or HK\$1,730 million was denominated in Hong Kong dollars, and the remaining 11% or to the equivalent of HK\$224 million were in foreign currencies incurred in operations and investment in financial assets overseas.

The maturity of our debts spread over a long period of up to 5.5 years. 19% of total borrowings were from revolving credit facilities secured by hotel properties and financial assets. Term loan secured by hotel properties account for 81% with 10% repayable within 1 year, 25% repayable between 1-2 years, 41% repayable within 3-5 years and 5% after 5 years. At 30th September 2015, the Group had net current assets of HK\$1,514 million (31st March 2015: HK\$1,562 million).

The Group's gearing ratio, expressed as a percentage of net debt over the revalued net asset value, was 17% (31st March 2015: 15%).

Revalued net assets, net debt and gearing ratio



The aggregate net book value of hotel properties pledged as collateral for banking facilities of the Group as at 30th September 2015 amounted to HK\$2,932 million (31st March 2015: HK\$2,891 million).

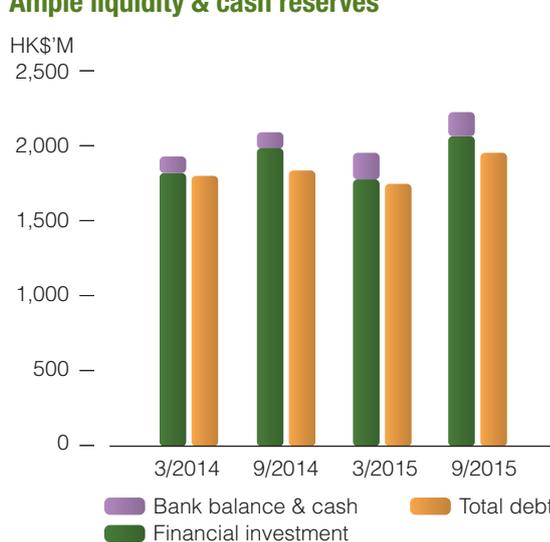
Human resources

As at 30th September 2015, the total number of full-time employees of the Company and its subsidiaries was 416 (31st March 2015: 386). In addition to salary payment, the Group provides other benefits including insurance, share options, medical scheme and retirement plans and others to its employees.

Future prospects

The decline in room rates in our hotels is a major concern for the management. The strong dollar and the weak travel sentiment for Mainland tourists visiting Hong Kong continue to give pressure to visitors' arrivals in the short to near term. The long-term prospects of the Hong Kong hospitality industry should remain positive when more tourism and infrastructure projects are completed, which will continue to support Hong Kong as a major MICE (Meetings, Incentives, Conferences, and Events) and leisure destination in the world. We continue to hold a very cautious stand in the coming times for our hotel performance.

Ample liquidity & cash reserves



Condensed Consolidated Profit and Loss Account – Unaudited

| | Note | Six months ended 30th September | |
|--|------|------------------------------------|------------------|
| | | 2015 HK\$'000 | 2014 HK\$'000 |
| Revenue | 5 | 353,995 | 377,858 |
| Cost of sales | | (129,378) | (131,062) |
| Gross profit | | 224,617 | 246,796 |
| Selling and administrative expenses | | (65,972) | (63,231) |
| Depreciation | | (42,092) | (43,439) |
| Net investment gain | 6 | 58,262 | 53,321 |
| Operating profit | | 174,815 | 193,447 |
| Net finance costs | 8 | (16,581) | (8,201) |
| Profit before income tax | | 158,234 | 185,246 |
| Income tax expense | 9 | (4,782) | (13,591) |
| Profit for the period attributable to shareholders | | 153,452 | 171,655 |
| Earnings per share (HK cents) | | | |
| Basic and diluted | 11 | 9.8 | 11.1 |

Condensed Consolidated Statement of Comprehensive Income – Unaudited

| | Six months ended 30th September | |
|--|------------------------------------|------------------|
| | 2015 HK\$'000 | 2014 HK\$'000 |
| Profit for the period | 153,452 | 171,655 |
| Other comprehensive (charge)/income | | |
| Items that have been reclassified or may be reclassified subsequently to profit or loss: | | |
| Net fair value (loss)/gain on available-for-sale investments | (26,324) | 2,886 |
| Currency translation differences | (7,000) | (2,011) |
| | (33,324) | 875 |
| Total comprehensive income for the period attributable to shareholders | 120,128 | 172,530 |

Condensed Consolidated Balance Sheet – Unaudited

| | Note | 30th September 2015 HK\$'000 | 31st March 2015 HK\$'000 |
|---|------|---------------------------------------|-----------------------------------|
| Non-current assets | | | |
| Property, plant and equipment | 12 | 3,102,528 | 3,064,217 |
| Available-for-sale investments | | 168,875 | 190,757 |
| Deferred income tax assets | | 4,638 | 5,213 |
| | | 3,276,041 | 3,260,187 |
| Current assets | | | |
| Inventories | | 15,294 | 1,290 |
| Trade and other receivables | 13 | 128,840 | 127,015 |
| Income tax recoverable | | – | 1,457 |
| Financial assets at fair value through profit or loss | 14 | 1,898,159 | 1,586,394 |
| Bank balances and cash | | 166,958 | 182,388 |
| | | 2,209,251 | 1,898,544 |
| Current liabilities | | | |
| Trade and other payables | 15 | 86,097 | 80,928 |
| Dividend payable | | 15,704 | – |
| Borrowings | 16 | 580,076 | 238,143 |
| Income tax payable | | 12,970 | 17,437 |
| | | 694,847 | 336,508 |
| Net current assets | | 1,514,404 | 1,562,036 |
| Total assets less current liabilities | | 4,790,445 | 4,822,223 |
| Non-current liabilities | | | |
| Long term borrowings | 16 | 1,373,986 | 1,510,968 |
| Deferred income tax liabilities | | 47,301 | 46,521 |
| | | 1,421,287 | 1,557,489 |
| Net assets | | 3,369,158 | 3,264,734 |
| Equity | | | |
| Share capital | 17 | 31,408 | 31,408 |
| Reserves | 18 | 3,337,750 | 3,233,326 |
| | | 3,369,158 | 3,264,734 |

Condensed Consolidated Statement of Cash Flows – Unaudited

| | Six months ended 30th September | |
|--|------------------------------------|------------------|
| | 2015 HK\$'000 | 2014 HK\$'000 |
| Cash flows from operating activities | | |
| Net cash (used in)/generated from operation | (112,518) | 19,506 |
| Income tax paid | (6,437) | (5,284) |
| Interest paid | (17,429) | (16,362) |
| Interest received from bank deposit and loan receivables | 960 | 962 |
| Net cash used in operating activities | (135,424) | (1,178) |
| Cash flows from investing activities | | |
| Net addition to property, plant and equipment | (80,590) | (35,945) |
| Net cash used in investing activities | (80,590) | (35,945) |
| Cash flows from financing activities | | |
| Net increase/(decrease) of short term borrowings | 245,565 | (229,190) |
| Drawdown of long term borrowings | 7,000 | 420,000 |
| Repayment of long term borrowings | (52,860) | (152,037) |
| Net cash generated from financing activities | 199,705 | 38,773 |
| Net (decrease)/increase in cash and cash equivalents | (16,309) | 1,650 |
| Cash and cash equivalents at the beginning of the period | 182,388 | 113,015 |
| Changes in exchange rates | 879 | 344 |
| Cash and cash equivalents at the end of the period | 166,958 | 115,009 |
| Analysis of balances of cash and cash equivalents | | |
| Bank balances and cash | 166,958 | 115,009 |

Condensed Consolidated Statement of Changes in Equity – Unaudited

| | Share capital HK\$'000 | Other reserves HK\$'000 | Revenue reserve HK\$'000 | Total HK\$'000 |
|---|---------------------------|----------------------------|-----------------------------|-------------------|
| At 31st March 2014 | 30,997 | 2,415,359 | 757,439 | 3,203,795 |
| Net fair value gain on available-for-sale investments | – | 2,886 | – | 2,886 |
| Currency translation differences | – | (2,011) | – | (2,011) |
| Profit for the period | – | – | 171,655 | 171,655 |
| Total comprehensive income for the period | – | 875 | 171,655 | 172,530 |
| 2014 final dividend | – | – | (27,122) | (27,122) |
| Total transactions with owners | – | – | (27,122) | (27,122) |
| At 30th September 2014 | 30,997 | 2,416,234 | 901,972 | 3,349,203 |
| At 31st March 2015 | 31,408 | 2,382,948 | 850,378 | 3,264,734 |
| Net fair value loss on available-for-sale investments | – | (26,324) | – | (26,324) |
| Currency translation differences | – | (7,000) | – | (7,000) |
| Profit for the period | – | – | 153,452 | 153,452 |
| Total comprehensive income for the period | – | (33,324) | 153,452 | 120,128 |
| 2015 final dividend | – | – | (15,704) | (15,704) |
| Total transactions with owners | – | – | (15,704) | (15,704) |
| At 30th September 2015 | 31,408 | 2,349,624 | 988,126 | 3,369,158 |

Notes to the Interim Financial Information

1 General information

The Company is a limited liability company incorporated in Bermuda and is listed on The Stock Exchange of Hong Kong Limited. The address of its registered office is 30th Floor, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong.

2 Basis of preparation

The unaudited condensed consolidated interim financial information for the six months ended 30th September 2015 (“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 2015, which have been prepared in accordance with Hong Kong Financial Reporting Standards.

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 2015.

There are no other amended standards or interpretations relevant to the Group for this interim period that could be expected to have a material impact on the Group.

3 Financial risk management

(i) Financial risk factors

The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and cash flow interest rate risk), credit risk and liquidity risk. There have been no changes in the overall risk management since the year ended 31st March 2015.

The Interim Financial Information does not include financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements as at 31st March 2015.

(ii) Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Notes to the Interim Financial Information

3 Financial risk management (continued)

(ii) Fair value estimation (continued)

The following table presents the Group's financial instruments that are measured at fair value.

| | Level 1 HK\$'000 | Total HK\$'000 |
|---|---------------------|-------------------|
| At 30th September 2015 | | |
| Assets | | |
| Financial assets at fair value through profit or loss | 1,898,159 | 1,898,159 |
| Available-for-sale investments | 168,875 | 168,875 |
| | 2,067,034 | 2,067,034 |
| At 31st March 2015 | | |
| Assets | | |
| Financial assets at fair value through profit or loss | 1,586,394 | 1,586,394 |
| Available-for-sale investments | 190,757 | 190,757 |
| | 1,777,151 | 1,777,151 |

Financial instruments in level 1

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price. These instruments are included in level 1.

The carrying value less impairment provision of trade receivables and payables are a reasonable approximation of their fair values.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are related to impairment of trade and other receivables, income taxes, impairment of available-for-sale investments and revenue recognition on a gross versus net basis for travel operation.

Notes to the Interim Financial Information

5 Segment information

The Group is principally engaged in hotel operation and development, travel operation and securities investment. Revenue includes revenue from hotel and travel operations, interest income and dividend income.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM is responsible for allocating resources and assessing performance of the operating segments. The operating segments were determined based on the reports reviewed by the CODM. In prior period, the hotel development operation was not separately identified internally and was not separately reported to the CODM. Since the year ended 31st March 2015, the related financial information has been separately reported to the CODM and considered as a separate reportable segment. Accordingly, comparative information of hotel property development has been re-presented. The Group is organised into four main operating segments, comprising hotel operation, hotel development, travel operation and financial investments.

| | | |
|-----------------------|---|--|
| Hotel operation | – | hotel operation in Hong Kong and Canada |
| Hotel development | – | hotel development in Hong Kong |
| Travel operation | – | sale of air ticket, arrangement of tour and package and hotel reservation service in Hong Kong |
| Financial investments | – | investments in financial instruments |

Segment assets consist primarily of property, plant and equipment, inventories, trade and other receivables, available-for-sale investments and financial assets at fair value through profit or loss. Segment liabilities comprise mainly borrowings.

| | Hotel operation HK\$'000 | Hotel development HK\$'000 | Travel operation HK\$'000 | Financial investments HK\$'000 | Others HK\$'000 | Total HK\$'000 |
|---|--------------------------------|----------------------------------|---------------------------------|--------------------------------------|--------------------|-------------------|
| Six months ended 30th September 2015 | | | | | | |
| Gross income | 202,860 | – | 151,243 | 149,350 | 1,303 | 504,756 |
| Segment revenue | 202,860 | – | 57,851 | 91,981 | 1,303 | 353,995 |
| Contribution to segment results | 83,817 | (30) | 823 | 91,795 | 509 | 176,914 |
| Depreciation | (41,518) | – | (170) | – | (404) | (42,092) |
| Net investment gain | – | – | – | 58,262 | – | 58,262 |
| Segment results | 42,299 | (30) | 653 | 150,057 | 105 | 193,084 |
| Unallocated corporate expenses | | | | | | (18,269) |
| Net finance costs | | | | | | (16,581) |
| Profit before income tax | | | | | | 158,234 |

Notes to the Interim Financial Information

5 Segment information (continued)

| | Hotel operation HK\$'000 | Hotel development HK\$'000 | Travel operation HK\$'000 | Financial investments HK\$'000 | Others HK\$'000 | Total HK\$'000 |
|--|--------------------------------|----------------------------------|---------------------------------|--------------------------------------|--------------------|-------------------|
| Six months ended 30th September 2014 (restated) | | | | | | |
| Gross income | 244,446 | – | 163,054 | 132,385 | 1,002 | 540,887 |
| Segment revenue | 244,446 | – | 55,231 | 77,179 | 1,002 | 377,858 |
| Contribution to segment results | 120,178 | (30) | 984 | 76,566 | 1,237 | 198,935 |
| Depreciation | (42,943) | – | (164) | – | (332) | (43,439) |
| Net investment gain | – | – | – | 53,321 | – | 53,321 |
| Segment results | 77,235 | (30) | 820 | 129,887 | 905 | 208,817 |
| Unallocated corporate expenses | | | | | | (15,370) |
| Net finance costs | | | | | | (8,201) |
| Profit before income tax | | | | | | 185,246 |

Notes:

(a) Hotel operation revenue

| | Six months ended 30th September | |
|--------------------|------------------------------------|------------------|
| | 2015 HK\$'000 | 2014 HK\$'000 |
| Room rentals | 167,976 | 205,417 |
| Food and beverages | 25,086 | 29,321 |
| Ancillary services | 2,148 | 2,172 |
| Space rental | 7,650 | 7,536 |
| | 202,860 | 244,446 |

(b) Management regards gross income of travel operation as gross sales proceeds from the sales of air-ticket, hotel reservation arrangement and incentive travel tours.

(c) 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.

Notes to the Interim Financial Information

5 Segment information (continued)

| | Hotel operation HK\$'000 | Hotel development HK\$'000 | Travel operation HK\$'000 | Financial investments HK\$'000 | Others HK\$'000 | Total HK\$'000 |
|--|--------------------------------|----------------------------------|---------------------------------|--------------------------------------|--------------------|-------------------|
| At 30th September 2015 | | | | | | |
| Segment assets | 2,340,123 | 813,541 | 15,223 | 2,111,071 | 33,738 | 5,313,696 |
| Other unallocated assets | | | | | | 171,596 |
| | | | | | | 5,485,292 |
| Segment liabilities | | | | | | |
| Borrowings | 1,094,372 | 564,955 | - | 294,735 | - | 1,954,062 |
| Other unallocated liabilities | | | | | | 162,072 |
| | | | | | | 2,116,134 |
| Addition to non-current assets* for the six months ended 30th September 2015 | | | | | | |
| | 9,704 | 78,374 | 16 | - | 195 | 88,289 |
| At 31st March 2015 | | | | | | |
| Segment assets | 2,364,326 | 735,100 | 25,302 | 1,817,560 | 27,385 | 4,969,673 |
| Other unallocated assets | | | | | | 189,058 |
| | | | | | | 5,158,731 |
| Segment liabilities | | | | | | |
| Borrowings | 1,136,844 | 488,955 | - | 123,312 | - | 1,749,111 |
| Other unallocated liabilities | | | | | | 144,886 |
| | | | | | | 1,893,997 |
| Addition to non-current assets* for the six months ended 30th September 2014 | | | | | | |
| | 6,454 | 36,495 | 230 | - | 60 | 43,239 |

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

Notes to the Interim Financial Information

5 Segment information (continued)

| | Six months ended 30th September | |
|----------------------------|------------------------------------|------------------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| Revenue | | |
| Hong Kong | 207,378 | 267,730 |
| Overseas | 146,617 | 110,128 |
| | 353,995 | 377,858 |
| | | |
| | 30th September | 31st March |
| | 2015 | 2015 |
| | HK\$'000 | HK\$'000 |
| Non-current assets* | | |
| Hong Kong | 2,961,949 | 2,910,970 |
| Overseas | 140,579 | 153,247 |
| | 3,102,528 | 3,064,217 |

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

Notes to the Interim Financial Information

6 Net investment gain

| | Six months ended 30th September | |
|--|------------------------------------|----------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| Financial assets at fair value through profit or loss | | |
| – net unrealised gain from market price movements | 46,434 | 69,329 |
| – net unrealised exchange gain/(loss) | 7,332 | (17,163) |
| – net realised gain (note) | 4,496 | 1,155 |
| | 58,262 | 53,321 |
| Note: | | |
| Net realised gain on financial assets at fair value through profit or loss | | |
| Gross consideration | 57,369 | 55,206 |
| Cost of investments | (50,981) | (63,996) |
| Total gain/(loss) | 6,388 | (8,790) |
| Net unrealised (gain)/loss recognised in prior years | (1,892) | 9,945 |
| Net realised gain recognised in current period | 4,496 | 1,155 |

Notes to the Interim Financial Information

7 Income and expenses by nature

| | Six months ended 30th September | |
|--|------------------------------------|------------------|
| | 2015 HK\$'000 | 2014 HK\$'000 |
| Income | | |
| Operating lease rental income for hotel buildings | 7,650 | 7,536 |
| Interest income | | |
| – Listed investments | 85,239 | 72,188 |
| – Loan receivables | 909 | 877 |
| – Bank deposits | 62 | 94 |
| Dividend income | | |
| – Listed investments | 4,877 | 4,730 |
| Expenses | | |
| Cost of goods sold | 9,160 | 10,362 |
| Employee benefit expense, including Directors' emoluments (note) | 65,366 | 65,295 |
| Loss on disposal of property, plant and equipment | 6 | 8 |
| Operating lease rental expense for land and buildings | 1,477 | 1,257 |
| Note: | | |
| Employee benefit expense | | |
| Wages and salaries | 63,103 | 62,965 |
| Retirement benefits costs | 2,263 | 2,330 |
| | 65,366 | 65,295 |

Notes to the Interim Financial Information

8 Net finance costs

| | Six months ended 30th September | |
|--|------------------------------------|------------------|
| | 2015 HK\$'000 | 2014 HK\$'000 |
| Interest expenses | | |
| Long term bank loans | (16,087) | (16,174) |
| Short term bank loans and overdrafts | (1,314) | (155) |
| Interest capitalised to hotel properties under development | 7,697 | 7,294 |
| | (9,704) | (9,035) |
| Other incidental borrowing costs | (2,018) | (1,752) |
| Net foreign exchange (loss)/gain on borrowings | (4,859) | 2,586 |
| | (16,581) | (8,201) |

9 Income tax expense

| | Six months ended 30th September | |
|---------------------------------------|------------------------------------|------------------|
| | 2015 HK\$'000 | 2014 HK\$'000 |
| Current income tax | | |
| Hong Kong profits tax | (4,025) | (12,339) |
| Overseas profits tax | (1,227) | (1,684) |
| Over/(under) provision in prior years | 1,825 | (163) |
| | (3,427) | (14,186) |
| Deferred income tax | (1,355) | 595 |
| | (4,782) | (13,591) |

Hong Kong profits tax is provided at the rate of 16.5% (2014: 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.

Notes to the Interim Financial Information

10 Dividend

The board of Directors does not recommend the payment of an interim dividend for the six months ended 30th September 2015 (2014: Nil).

11 Earnings per share

The calculation of basic earnings per share is based on the profit for the period attributable to shareholders of HK\$153,452,000 (2014: HK\$171,655,000) and divided by the weighted average number of 1,570,386,829 (2014: 1,549,842,336) shares in issue during the period.

For the six months ended 30th September 2015 and 2014, the Company'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.

12 Property, plant and equipment

| | Land and buildings HK\$'000 | Plant and equipment HK\$'000 | Total HK\$'000 |
|----------------------------------|-----------------------------------|------------------------------------|-------------------|
| Cost | | | |
| At 31st March 2015 | 3,780,533 | 544,290 | 4,324,823 |
| Currency translation differences | (19,294) | (4,466) | (23,760) |
| Additions | 78,374 | 9,915 | 88,289 |
| Disposals | – | (1,548) | (1,548) |
| At 30th September 2015 | 3,839,613 | 548,191 | 4,387,804 |
| Accumulated depreciation | | | |
| At 31st March 2015 | 873,786 | 386,820 | 1,260,606 |
| Currency translation differences | (11,763) | (4,119) | (15,882) |
| Charge for the period | 27,450 | 14,642 | 42,092 |
| Disposals | – | (1,540) | (1,540) |
| At 30th September 2015 | 889,473 | 395,803 | 1,285,276 |
| Net book value | | | |
| At 30th September 2015 | 2,950,140 | 152,388 | 3,102,528 |
| At 31st March 2015 | 2,906,747 | 157,470 | 3,064,217 |

Notes:

- (a) At 30th September 2015, hotel properties with carrying amount of HK\$2,931,743,000 (31st March 2015: HK\$2,891,062,000) were pledged to banks to secure bank borrowings.

Notes to the Interim Financial Information

12 Property, plant and equipment (continued)

(b) Supplementary information with hotel properties in operation at valuation:

According to the Group's accounting policies, the carrying amount of the four hotel properties in operation in Hong Kong and Canada were HK\$2,212,669,000 (31st March 2015: HK\$2,248,409,000).

The aggregate open market value, on a highest and best use basis, of the four hotel properties in Hong Kong and Canada based on valuations conducted by Vigers Appraisal & Consulting Limited ("Vigers") and CBRE Limited ("CBRE") respectively, independent professional valuers, amounted to HK\$9,574,056,000 (31st March 2015: HK\$9,798,616,000), is regarded as level 3 hierarchy for disclosure purpose under HKFRS 13.

The hotel properties portfolio in operation in Hong Kong comprised 3 hotels. Vigers used the discounted cash flow ("DCF") method, which is considered the most appropriate valuation approach for assessing the market value of the properties as it would better reflect specific characteristics of the income-producing properties such as occupancies, average room rates, potential income growth and all out-goings, subject to future economic conditions in the markets. The valuation for the current year has taken into account the development potential on the unused allowable gross floor area of Empire Hotel Hong Kong. The direct comparison method was also used as a check on the valuation arrived at from the DCF method. For the hotel property in operation in Canada, CBRE used the direct comparison method for assessing the market value of the property taking into account of its re-development potential. This approach directly uses market comparable transactions to determine the market value. Appropriate adjustments are applied to the comparable transactions to adjust for the discrepancies between the property and the comparables.

The supplementary information with hotel properties in operation at valuation is for readers' information only. It does not constitute a disclosure requirement under HKASs 16 and 17.

13 Trade and other receivables

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

Trade receivables of the Group amounted to HK\$35,330,000 (31st March 2015: HK\$33,006,000). 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:

| | 30th September 2015 HK\$'000 | 31st March 2015 HK\$'000 |
|--------------------|---|-----------------------------------|
| 0 – 60 days | 30,463 | 28,580 |
| 61 – 120 days | 1,211 | 967 |
| More than 120 days | 3,656 | 3,459 |
| | 35,330 | 33,006 |

Notes to the Interim Financial Information

14 Financial assets at fair value through profit or loss

| | 30th September 2015 HK\$'000 | 31st March 2015 HK\$'000 |
|-----------------------|---------------------------------------|-----------------------------------|
| Equity securities | | |
| – Listed in Europe | 206,182 | 218,088 |
| – Listed in USA | 230,826 | 239,821 |
| – Listed in Hong Kong | – | 9,927 |
| | 437,008 | 467,836 |
| Debt securities | | |
| – Listed in Singapore | 1,141,031 | 826,410 |
| – Listed in Hong Kong | 212,984 | 211,549 |
| – Listed in Europe | 107,136 | 80,599 |
| | 1,461,151 | 1,118,558 |
| | 1,898,159 | 1,586,394 |

Financial assets at fair value through profit or loss are denominated in the following currencies:

| | 30th September 2015 HK\$'000 | 31st March 2015 HK\$'000 |
|----------------------|---------------------------------------|-----------------------------------|
| United States dollar | 1,578,939 | 1,237,721 |
| Sterling | 206,182 | 218,088 |
| Euro | 107,136 | 80,599 |
| Renminbi | 5,902 | 40,059 |
| Hong Kong dollar | – | 9,927 |
| | 1,898,159 | 1,586,394 |

Note:

The debt securities carry fixed coupons ranging from 3% to 13.875% (31st March 2015: 2% to 13.875%) per annum and their nominal values are equivalent to HK\$1,622,965,000 (31st March 2015: HK\$1,343,751,000).

Notes to the Interim Financial Information

15 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 and various accruals.

Trade payables of the Group amounted to HK\$12,294,000 (31st March 2015: HK\$12,110,000).

Aging analysis of trade payables is as follows:

| | 30th September 2015 HK\$'000 | 31st March 2015 HK\$'000 |
|--------------------|---------------------------------------|-----------------------------------|
| 0 – 60 days | 11,782 | 11,340 |
| 61 – 120 days | 194 | 495 |
| More than 120 days | 318 | 275 |
| | 12,294 | 12,110 |

16 Borrowings

| | 30th September 2015 HK\$'000 | 31st March 2015 HK\$'000 |
|---|---------------------------------------|-----------------------------------|
| Current liabilities | | |
| Short term bank loans | | |
| Secured | 365,736 | 123,312 |
| Unsecured | 8,000 | – |
| | 373,736 | 123,312 |
| Current portion of long term bank loans | 187,403 | 90,376 |
| Portion of long term bank loans with a repayment on demand clause | 18,937 | 24,455 |
| | 580,076 | 238,143 |
| Non-current liabilities | | |
| Long term bank loans, secured | 1,373,986 | 1,510,968 |
| | 1,954,062 | 1,749,111 |

Notes to the Interim Financial Information

16 Borrowings (continued)

The maturities of long term bank loans, based on the scheduled repayment dates set out in the loan agreements and ignoring the effect of any repayment on demand clause, are as follows:

| | 30th September 2015 HK\$'000 | 31st March 2015 HK\$'000 |
|---|---|-----------------------------------|
| Repayable within one year | 187,403 | 90,376 |
| Repayable between one and two years | 481,392 | 439,892 |
| Repayable between two and five years | 804,542 | 968,551 |
| Repayable after five years | 106,989 | 126,980 |
| | 1,580,326 | 1,625,799 |
| Current portion included in current liabilities | (187,403) | (90,376) |
| | 1,392,923 | 1,535,423 |

The carrying amounts of the short term and long term borrowings approximate their fair values.

17 Share capital

| Shares of HK\$0.02 each | Number of shares | Amount HK\$'000 |
|--|---------------------|--------------------|
| Authorised: | | |
| At 31st March 2015 and 30th September 2015 | 35,000,000,000 | 700,000 |
| Issued and fully paid: | | |
| At 31st March 2015 and 30th September 2015 | 1,570,386,829 | 31,408 |

18 Reserves

| | Share premium HK\$'000 | Contributed surplus HK\$'000 | Available- for-sale investments reserve HK\$'000 | Currency translation reserve HK\$'000 | Share option reserve HK\$'000 | Revenue reserve HK\$'000 | Total HK\$'000 |
|--|------------------------------|------------------------------------|--|--|--|--------------------------------|-------------------|
| At 31st March 2015 | 1,135,311 | 1,134,752 | 57,281 | 30,324 | 25,280 | 850,378 | 3,233,326 |
| Net fair value loss on available-for-sale investments | - | - | (26,324) | - | - | - | (26,324) |
| Currency translation differences | - | - | - | (7,000) | - | - | (7,000) |
| Profit for the period | - | - | - | - | - | 153,452 | 153,452 |
| 2015 final dividend | - | - | - | - | - | (15,704) | (15,704) |
| At 30th September 2015 | 1,135,311 | 1,134,752 | 30,957 | 23,324 | 25,280 | 988,126 | 3,337,750 |

Notes to the Interim Financial Information

19 Capital commitments

Capital commitments at the balance sheet date are as follows:

| | 30th September 2015 HK\$'000 | 31st March 2015 HK\$'000 |
|-----------------------------------|---|-----------------------------------|
| Property, plant and equipment | | |
| Contracted but not provided for | 200,822 | 270,220 |
| Authorised but not contracted for | 112,114 | 120,227 |
| | 312,936 | 390,447 |

20 Financial guarantees

At 30th September 2015 and 31st March 2015, the Group had no financial guarantee and significant contingent liabilities.

21 Related party transactions

During the period, the following transactions were carried out with related parties:

| | Six months ended 30th September | |
|--|--|------------------|
| | 2015 HK\$'000 | 2014 HK\$'000 |
| Income | | |
| Hotel and travel service | 579 | 414 |
| Expenses | | |
| Operating lease rental and management services | 1,498 | 1,334 |
| Project management service | 2,250 | 2,040 |

No transactions have been entered into with the Directors of the Company (being the key management personnel) during the period other than the emoluments paid to them (being the key management personnel compensation) (2014: Nil).

Other Information

Directors' and chief executive's interests and short positions in shares, underlying shares and debentures

As at 30th September 2015, the interests and short positions of the Directors and Chief Executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance (the "SFO")) which (a) are required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which are taken or deemed to have under such provisions of the SFO); or (b) were recorded in the register required to be kept under Section 352 of the SFO; or (c) were required to be notified to the Company and the Stock Exchange pursuant to 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 (the "Listing Rules") on the Stock Exchange were as follows:

(I) Long positions in shares

(a) The Company

| Director | Number of shares held | | | Percentage of shares in issue (%) |
|-----------|-----------------------|--------------------|---------------|-----------------------------------|
| | Personal interest | Corporate interest | Total | |
| Poon Jing | 50,830 | 1,150,365,205 | 1,150,416,035 | 73.25 |

Note:

By virtue of Mr. Poon Jing's interest in the Company through Asia Orient Holdings Limited ("Asia Orient") and its subsidiaries as disclosed under the heading "Substantial shareholders and other persons' interests and short positions in shares and underlying shares" below, Mr. Poon is deemed to be interested in the shares of all of the Company's subsidiaries.

(b) Associated corporations

| Director | Associated corporation | Number of shares held | | | Total | Percentage of shares in issue (%) |
|----------------------|--|-----------------------|-----------------|--------------------|-------------|-----------------------------------|
| | | Personal interest | Family interest | Corporate interest | | |
| Poon Jing | Asia Orient (Note 1) | 261,967,964 | 5,092,530 | 139,036,265 | 406,096,759 | 50.05 |
| | Asia Standard International Group Limited ("ASI") (Note 2) | 1,246,979 | - | 651,225,593 | 652,472,572 | 51.32 |
| Poon Hai | Asia Orient | 10,000,000 | - | - | 10,000,000 | 1.23 |
| Fung Siu To, Clement | Asia Orient | 14,783,374 | - | - | 14,783,374 | 1.82 |
| | Mark Honour Limited | 9 | - | - | 9 | 0.01 |

Other Information

Directors' and chief executive's interests and short positions in shares, underlying shares and debentures (continued)

(I) Long positions in shares (continued)

(b) Associated corporations (continued)

Notes:

1. By virtue of Mr. Poon Jing's controlling interest (50.05%) in Asia Orient, he is deemed to be interested in the shares of the Company held by Asia Orient.
2. By virtue of Mr. Poon Jing's controlling interest in Asia Orient, he is deemed to be interested in the shares of ASI held by subsidiaries of Asia Orient.

(II) Long positions in underlying shares

Interests in share options

(a) The Company

As at 30th September 2015, details of the share options granted to the Directors under the share option scheme of the Company adopted on 28th August 2006 ("Share Option Scheme") are as follows:

| Director | Date of grant | Exercise price (HK\$) | Exercise period | Outstanding as at 1st April 2015 and 30th September 2015 |
|----------------------|-----------------|--------------------------|---------------------------------------|--|
| Fung Siu To, Clement | 29th March 2007 | 1.296 | 29th March 2007 to 28th March 2017 | 8,000,000 |
| Lim Yin Cheng | 2nd April 2007 | 1.300 | 2nd April 2007 to 1st April 2017 | 8,000,000 |
| Woo Wei Chun, Joseph | 2nd April 2007 | 1.300 | 2nd April 2007 to 1st April 2017 | 8,000,000 |

Note:

During the period, no option was granted to the Directors and the options granted to the Directors have not been exercised, cancelled or lapsed.

Other Information

Directors' and chief executive's interests and short positions in shares, underlying shares and debentures (continued)

(II) Long positions in underlying shares (continued)

Interests in share options (continued)

(b) Associated corporation – Asia Orient

| Director | Outstanding as at 1st April 2015 and 30th September 2015 |
|----------------------|--|
| Lim Yin Cheng | 2,126,301 |
| Fung Siu To, Clement | 2,126,301 |
| Woo Wei Chun, Joseph | 3,469,228 |

Notes:

- (1) Options were granted on 29th March 2007 and exercisable during the period from 29th March 2007 to 28th March 2017 at an exercise price of HK\$1.4315 (as adjusted) per share.
- (2) During the period, no option was granted to the Directors and the options granted to the Directors have not been exercised, cancelled or lapsed.

Save as disclosed above, as at 30th September 2015, none of the Directors or the Chief Executive (including their spouse and children under 18 years of age) of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of the SFO) which (a) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which are taken or deemed to have under such provisions of the SFO); or (b) were recorded in the register required to be kept under Section 352 of the SFO; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Other Information

Substantial shareholders and other persons' interests and short positions in shares and underlying shares

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 30th September 2015, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and the Chief Executive.

Long positions in shares and underlying shares of the Company

| Shareholder | Number of shares held | Percentage (%) |
|--|-----------------------|----------------|
| Asia Standard Development (Holdings) Limited ("ASDHL") | 373,712,100 | 23.79 |
| Asia Standard International Limited ("ASIL") | 728,180,083 | 46.36 |
| ASI (Note 1) | 1,102,916,383 | 70.23 |
| Asia Orient Holdings (BVI) Limited (Note 2) | 1,150,365,205 | 73.25 |
| Asia Orient (Note 3) | 1,150,365,205 | 73.25 |
| Lo Yuk Sui ("Mr. Lo") (Note 4) | 168,332,844 | 10.72 |
| YSL International Holdings Limited ("YSL") (Note 4) | 168,332,844 | 10.72 |
| Century City International Holdings Limited ("CCIHL") (Note 4) | 168,332,844 | 10.72 |
| Paliburg Holdings Limited ("PHL") (Note 4) | 168,332,844 | 10.72 |
| Regal Hotels International Holdings Limited ("RHIHL") (Note 4) | 168,332,844 | 10.72 |
| Tenshine Limited ("Tenshine") (Note 4) | 146,560,937 | 9.33 |

Notes:

- ASDHL and ASIL are the wholly owned subsidiaries of ASI. ASI is deemed to be interested in and duplicate the interest held by ASDHL and ASIL.
- Asia Orient Holdings (BVI) Limited and its subsidiaries together hold more than one-half of the issued shares of ASI and are deemed to be interested in and duplicate the interest held by ASI.
- Asia Orient Holdings (BVI) Limited is a wholly owned subsidiary of Asia Orient. Asia Orient is deemed to be interested in and duplicate the interest held by Asia Orient Holdings (BVI) Limited and its subsidiaries.
- Based on the Disclosure of Interests Forms filed with the Company, Tenshine holds the 146,560,937 shares as beneficial owner. RHIHL is deemed to be interested in an aggregate of 168,332,844 shares, which comprise 146,560,937 shares held by Tenshine and 21,771,907 shares held by its indirect wholly-owned subsidiary and its immediate holding company. PHL is deemed to be interested in the 168,332,844 shares held by RHIHL as PHL indirectly controls 66.13% of the voting power at the general meetings of RHIHL. CCIHL is deemed to be interested in the 168,332,844 shares held by PHL as CCIHL indirectly controls 62.23% of the voting power at the general meeting of PHL. YSL is also deemed to be interested in the same 168,332,844 shares held by CCIHL as YSL indirectly controls 50.89% of the voting power at the general meetings of CCIHL. Mr. Lo is also deemed to be interested in the same 168,332,844 shares held by YSL as YSL is 100% controlled by Mr. Lo.

Other Information

Substantial shareholders and other persons' interests and short positions in shares and underlying shares (continued)

Long positions in shares and underlying shares of the Company (continued)

Save as disclosed above, as at 30th September 2015, the Directors are not aware of any other persons who had interests or short positions in the shares or underlying shares of the Company which are required to be recorded in the register required to be kept under Section 336 of the SFO.

Share option scheme

Pursuant to the Share Option Scheme, the board of Directors (the "Board") of the Company may grant share options to any Director, employee, consultant, customer, supplier, agent, partner or advisers of or contractor to the Company, its subsidiary or any invested entity, their discretionary trust or the companies owned by them. There are no changes in any terms of the Share Option Scheme during the six months ended 30th September 2015. The detailed terms of the Share Option Scheme were disclosed in the 2015 annual report.

The following table discloses details of the Company's share options granted under the Share Option Scheme held by employees (including Directors):

| Grantee | Date of grant | Exercise price (HK\$) | Exercise period | Outstanding as at 1st April 2015 and 30th September 2015 |
|--------------------------------|-----------------|-----------------------|------------------------------------|--|
| Directors | 29th March 2007 | 1.296 | 29th March 2007 to 28th March 2017 | 8,000,000 |
| | 2nd April 2007 | 1.300 | 2nd April 2007 to 1st April 2017 | 16,000,000 |
| Directors of holding companies | 2nd April 2007 | 1.300 | 2nd April 2007 to 1st April 2017 | 16,000,000 |
| Employees of holding companies | 2nd April 2007 | 1.300 | 2nd April 2007 to 1st April 2017 | 23,000,000 |
| Employee of a subsidiary | 29th March 2007 | 1.296 | 29th March 2007 to 28th March 2017 | 8,000,000 |
| Employee of subsidiaries | 2nd April 2007 | 1.300 | 2nd April 2007 to 1st April 2017 | 7,999,999 |
| | | | | 78,999,999 |

Note:

During the period, no option was granted, exercised, cancelled or lapsed.

Interim dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30th September 2015 (2014: 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 purchased or sold any of the Company's listed securities during the period.

Other Information

Code of conduct regarding securities transactions by directors

The Company has adopted the Model Code and 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 2015.

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 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 hold office until the next following annual general meeting of the Company and shall then be eligible for re-election at the meeting;
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 2nd September 2015 due to his other engagements at the relevant time; and
4. 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 unaudited interim results of the Group for the six months ended 30th September 2015.

On behalf of the Board

Asia Standard Hotel Group Limited

Poon, Jing

Chairman

Hong Kong, 30th November 2015

