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ASIA STANDARD INTERNATIONAL GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 129)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2021

FINANCIAL HIGHLIGHTS

(In HK\$ million, except otherwise indicated)

	Six months ended		Change
	30th September 2021	2020	
Revenue	1,278	1,262	+1%
Operating profit	292	884	-67%
Profit attributable to shareholders of the Company	147	652	-78%
Earnings per share – basic (HK\$)	0.11	0.49	-78%
	30th September 2021	31st March 2021	
Total assets	37,131	42,320	-12%
Net assets	17,613	22,617	-22%
Equity attributable to shareholders of the Company	17,105	21,721	-21%
Net debt	16,346	15,348	+7%
Supplementary information with hotel properties at valuation:			
Revalued total assets	45,895	51,028	-10%
Revalued net assets	26,377	31,325	-16%
Equity attributable to shareholders of the Company	24,352	28,922	-16%
Gearing - net debt to revalued net assets	62%	49%	+13%

The board of directors (the “Board”) of Asia Standard International 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 2021 together with the comparative figures for the six months ended 30th September 2020 were as follows:

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT - UNAUDITED

For the six months ended 30th September

	Note	2021 HK\$'000	2020 HK\$'000
Interest revenue		1,144,795	1,135,840
Sales of goods and services, leasing and other revenue		133,136	126,597
Total revenue	2	<u>1,277,931</u>	<u>1,262,437</u>
Cost of sales		<u>(36,046)</u>	<u>(33,202)</u>
Gross profit		1,241,885	1,229,235
Selling and administrative expenses		(114,230)	(110,231)
Depreciation		(66,052)	(61,504)
Net investment (loss)/gain	3		
Net realised and unrealised (loss)/gain		(152,822)	38,215
Changes in expected credit losses		(933,566)	5,349
Fair value gain/(loss) of investment properties		316,707	(216,831)
Operating profit		291,922	884,233
Net finance costs	5	(182,887)	(219,988)
Share of profits less losses of			
Joint ventures		(45,308)	110,780
Associated companies		42,466	(58,392)
Profit before income tax		106,193	716,633
Income tax credit/(expense)	6	15,086	(12,200)
Profit for the period		<u>121,279</u>	<u>704,433</u>
Attributable to:			
Shareholders of the Company		146,556	651,886
Non-controlling interests		(25,277)	52,547
		<u>121,279</u>	<u>704,433</u>
Earnings per share (HK\$)			
Basic	8	0.11	0.49
Diluted	8	0.11	0.49

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - UNAUDITED

For the six months ended 30th September

	2021 HK\$'000	2020 HK\$'000
Profit for the period	121,279	704,433
Other comprehensive (charge)/income		
Items that have been reclassified or may be reclassified subsequently to profit or loss:		
Net fair value (loss)/gain on debt securities at fair value through other comprehensive income	(4,780,102)	1,808,603
Share of net fair value loss on debt securities at fair value through other comprehensive income of joint ventures	(143,489)	-
Cash flow hedges		
- net fair value loss	(1,365)	(144,742)
- deferred tax on derivative financial instruments	225	29,667
Currency translation differences	(1,055)	25,891
Share of currency translation differences of joint ventures	26,163	99,439
Items that will not be reclassified to profit or loss:		
Net fair value loss on equity securities at fair value through other comprehensive income	(181,166)	(2,506)
	<u>(5,080,789)</u>	<u>1,816,352</u>
Total comprehensive (charge)/income for the period	<u>(4,959,510)</u>	<u>2,520,785</u>
Attributable to:		
Shareholders of the Company	(4,576,461)	2,345,817
Non-controlling interests	(383,049)	174,968
	<u>(4,959,510)</u>	<u>2,520,785</u>

CONDENSED CONSOLIDATED BALANCE SHEET – UNAUDITED

	Note	30th September 2021 HK\$'000	31st March 2021 HK\$'000
Non-current assets			
Investment properties		9,844,143	9,527,323
Property, plant and equipment		4,753,593	4,616,204
Investment in joint ventures and associated companies		4,901,064	4,755,023
Amount due from joint ventures and associated companies		1,928,014	2,126,982
Loan receivables		951	1,052
Financial investments		3,736,440	4,361,339
Derivative financial instruments		17,491	26,965
Deferred income tax assets		131,955	125,267
		25,313,651	25,540,155
Current assets			
Properties under development for sale		3,833,440	3,457,801
Completed properties held for sale		3,481	3,481
Hotel and restaurant inventories		18,507	18,546
Trade and other receivables	9	697,259	614,016
Income tax recoverable		2,005	855
Financial investments		5,440,809	10,790,816
Bank balances and cash		1,822,148	1,894,684
		11,817,649	16,780,199
Current liabilities			
Trade and other payables	10	182,485	1,231,555
Contract liabilities		224,254	224,843
Amount due to joint ventures		292,370	337,775
Amount due to an associated company		216,150	219,450
Amount due to non-controlling interests		47,906	46,640
Income tax payable		184,078	154,598
Borrowings		3,454,494	4,217,947
		4,601,737	6,432,808
Net current assets		7,215,912	10,347,391

CONDENSED CONSOLIDATED BALANCE SHEET – UNAUDITED

	30th September 2021 HK\$'000	31st March 2021 HK\$'000
Non-current liabilities		
Borrowings	14,704,919	13,017,132
Convertible notes	8,273	8,015
Derivative financial instruments	103,389	106,607
Lease liabilities	359	843
Deferred income tax liabilities	99,575	137,480
	14,916,515	13,270,077
Net assets	17,613,048	22,617,469
Equity		
Share capital	13,197	13,197
Reserves	17,091,718	21,707,772
Equity attributable to shareholders of the Company	17,104,915	21,720,969
Non-controlling interests	508,133	896,500
	17,613,048	22,617,469

NOTES TO THE INTERIM FINANCIAL INFORMATION

1 Basis of preparation

The unaudited condensed consolidated interim financial information for the six months ended 30th September 2021 (“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 2021, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

The accounting policies 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 2021, except for the adoption of the following new standard and amendments that are effective for the financial year ending 31st March 2022 which is relevant to the Group’s operations and is mandatory for accounting periods beginning on or after 1st January 2021:

Amendments to HKFRS 16	COVID-19-related rent concessions beyond 30 June 2021
Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest rate benchmark reform – phase 2

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

2 Segment information

Revenue includes revenue from property sales and leasing, hotel and travel operation, management services, interest income and dividend income.

	Property sales HK\$'000	Property leasing HK\$'000	Hotel and travel HK\$'000	Financial investments HK\$'000	Others HK\$'000	Total HK\$'000
Six months ended 30th September 2021						
Segment revenue	-	88,088	27,327	1,153,460	9,056	1,277,931
Contribution to segment results	(2,658)	69,035	(19,042)	1,145,524	9,004	1,201,863
Depreciation	(3,219)	-	(51,353)	-	(11,480)	(66,052)
Net investment loss	-	-	-	(1,086,388)	-	(1,086,388)
Fair value gain of investment properties	-	316,707	-	-	-	316,707
Share of profits less losses of						
Joint ventures	(45,344)	-	-	-	36	(45,308)
Associated companies	-	42,968	-	-	(502)	42,466
Segment results	(51,221)	428,710	(70,395)	59,136	(2,942)	363,288
Unallocated corporate expenses						(74,208)
Net finance costs						(182,887)
Profit before income tax						106,193
Six months ended 30th September 2020						
Segment revenue	-	104,715	17,819	1,111,863	28,040	1,262,437
Contribution to segment results	(2,006)	83,949	(22,649)	1,109,490	26,181	1,194,965
Depreciation	(2,692)	-	(49,814)	-	(8,998)	(61,504)
Net investment gain	-	-	-	43,564	-	43,564
Fair value loss of investment properties	-	(216,831)	-	-	-	(216,831)
Share of profits less losses of						
Joint ventures	110,952	-	-	-	(172)	110,780
Associated companies	-	(58,059)	-	-	(333)	(58,392)
Segment results	106,254	(190,941)	(72,463)	1,153,054	16,678	1,012,582
Unallocated corporate expenses						(75,961)
Net finance costs						(219,988)
Profit before income tax						716,633

2 Segment information (Continued)

	Business segments						Unallocated HK\$'000	Total HK\$'000
	Property sales	Property leasing	Hotel and travel	Financial investments	Others			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
As at 30th September 2021								
Assets	9,663,588	11,116,000	2,922,929	9,714,360	88,962	3,625,461	37,131,300	
Assets include:								
Joint ventures and associated companies	5,558,762	1,235,746	-	-	34,570	-	6,829,078	
Addition to non-current assets for the six months ended 30th September 2021*								
	260,609	113	135,419	-	62,899	4,915	463,955	
Liabilities								
Borrowings	5,022,092	1,775,023	3,566,773	1,461,230	-	6,334,295	18,159,413	
Other unallocated liabilities							<u>1,358,839</u>	
							<u>19,518,252</u>	

As at 31st March 2021

Assets	9,222,011	10,755,411	2,830,012	15,611,620	81,009	3,820,291	42,320,354
Assets include:							
Joint ventures and associated companies	5,654,350	1,192,778	-	-	34,375	502	6,882,005
Addition to non-current assets for the six months ended 30th September 2020*							
	2,103	2,373	7,564	-	191	10,628	22,859
Liabilities							
Borrowings	4,615,009	1,788,371	3,609,603	1,731,913	-	5,490,183	17,235,079
Other unallocated liabilities							<u>2,467,806</u>
							<u>19,702,885</u>

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

2 Segment information (Continued)

	Six months ended	
	30th September	
	2021	2020
	HK\$'000	HK\$'000
Revenue		
Hong Kong	136,838	184,126
Overseas	<u>1,141,093</u>	<u>1,078,311</u>
	<u><u>1,277,931</u></u>	<u><u>1,262,437</u></u>
	30th	31st
	September	March
	2021	2021
	HK\$'000	HK\$'000
Non-current assets*		
Hong Kong	18,643,091	17,982,787
Overseas	<u>2,783,723</u>	<u>3,042,745</u>
	<u><u>21,426,814</u></u>	<u><u>21,025,532</u></u>

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

3 Net investment (loss)/gain

	Six months ended	
	30th September	
	2021	2020
	HK\$'000	HK\$'000
Financial assets at fair value through profit or loss (“FVPL”)		
- net unrealised (loss)/gain from market price movements	(264,294)	1,921
- net unrealised exchange gain	78,705	304
- net realised (loss)/gain (note (a))	(8,592)	836
Financial assets at fair value through other comprehensive income (“FVOCI”)		
- net unrealised exchange gain/(loss)	15,095	(4,208)
- net realised gain (note (b))	28,586	39,362
- changes in expected credit losses	(933,566)	5,349
Derivative financial instruments		
- net unrealised loss	<u>(2,322)</u>	-
	<u><u>(1,086,388)</u></u>	<u><u>43,564</u></u>

3 Net investment (loss)/gain (Continued)

	Six months ended 30th September	
	2021 HK\$'000	2020 HK\$'000
Notes:		
(a) Net realised (loss)/gain on financial assets at FVPL		
Gross consideration	33,958	10,289
Cost of investments	<u>(38,955)</u>	<u>(9,413)</u>
Total (loss)/gain	(4,997)	876
Less: net unrealised gain recognised in prior years	<u>(3,595)</u>	<u>(40)</u>
Net realised (loss)/gain recognised in current period	<u><u>(8,592)</u></u>	<u><u>836</u></u>
(b) Net realised gain on financial assets at FVOCI		
Gross consideration	1,550,320	3,676,111
Cost of investments	<u>(1,495,771)</u>	<u>(3,617,891)</u>
Total gain	54,549	58,220
Transfer from investment revaluation reserve	<u>(25,963)</u>	<u>(18,858)</u>
Net realised gain recognised in current period	<u><u>28,586</u></u>	<u><u>39,362</u></u>

4 Income and expenses by nature

	Six months ended 30th September	
	2021 HK\$'000	2020 HK\$'000
Income		
Interest income from financial assets at FVOCI		
- Listed investments	876,303	1,103,271
Interest income from financial assets at FVPL		
- Listed investments	261,011	-
- Unlisted investments	767	5,866
Interest income from financial assets that are measured at amortised cost		
- Amount due from joint ventures	6,024	24,095
- Loan receivables	320	2,155
- Bank deposits	370	453
Dividend income		
- Listed investments	<u>2,334</u>	<u>2,622</u>
Expenses		
Cost of properties and goods sold	<u><u>553</u></u>	<u><u>417</u></u>

5 Net finance costs

	Six months ended 30th September	
	2021 HK\$'000	2020 HK\$'000
Interest expense		
Long term bank loans	(149,171)	(163,642)
Short term bank loans and overdrafts	(2,791)	(19,688)
Medium term notes	-	(756)
Lease liabilities	(35)	(64)
Derivative financial instruments (interest rate swaps)	(39,179)	(12,157)
Amount due to a joint venture	(1,090)	(834)
Interest capitalised	43,180	19,523
	<u>(149,086)</u>	<u>(177,618)</u>
Other incidental borrowing costs	(29,881)	(22,676)
Net foreign exchange (loss)/gain on borrowings	(1,351)	125
Fair value loss on derivative financial instruments (interest rate swaps)		
Cash flow hedge	(2,569)	(19,819)
	<u>(182,887)</u>	<u>(219,988)</u>

6 Income tax credit/(expense)

	Six months ended 30th September	
	2021 HK\$'000	2020 HK\$'000
Current income tax expense		
Hong Kong profits tax	(36,091)	(22,033)
Overseas profits tax	(581)	-
Over/(under) provision in prior years	7,825	(834)
	<u>(28,847)</u>	<u>(22,867)</u>
Deferred income tax credit	43,933	10,667
	<u>15,086</u>	<u>(12,200)</u>

Hong Kong profits tax is provided at the rate of 16.5% (2020: 16.5%) on the estimated assessable profit for the period. Overseas profits tax 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 2021 (2020: Nil).

8 Earnings per share

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

	Six months ended	
	30th September	
	2021	2020
	HK\$'000	HK\$'000
Profit attributable to shareholders of the Company	<u>146,556</u>	<u>651,886</u>
	Number of shares	
Weighted average number of shares in issue	<u>1,319,782,288</u>	<u>1,319,782,288</u>

The diluted earnings per share is equal to the basic earnings per share since there exist no dilutive potential share during the six months ended 30th September 2021 and 2020.

9 Trade and other receivables

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

Trade receivables of the Group amounted to HK\$38,158,000 (31st March 2021: HK\$33,919,000). 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:

	30th	31st
	September	March
	2021	2021
	HK\$'000	HK\$'000
0 month to 6 months	35,488	32,823
7 months to 12 months	2,428	964
More than 12 months	<u>242</u>	<u>132</u>
	<u>38,158</u>	<u>33,919</u>

10 Trade and other payables

Trade and other payables of the Group include trade payables, rental and management fee deposits, lease liabilities, retentions payable of construction costs, interest payable and various accruals. Trade payables of the Group amounted to HK\$46,047,000 (31st March 2021: HK\$1,114,426,000).

Aging analysis of trade payables is as follows:

	30th September 2021 HK\$'000	31st March 2021 HK\$'000
0 month to 6 months	45,559	1,113,692
7 months to 12 months	25	192
More than 12 months	463	542
	46,047	1,114,426

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

The Group recorded a revenue of HK\$1,278 million (2020: HK\$1,262 million) for the first half of the financial year with profit attributable to shareholders of the Company at HK\$147 million (2020: HK\$652 million). While there is a slight increase in revenue, the Group's provision for expected credit loss on its financial investments increased substantially, following the liquidity crisis facing PRC real estate developers, resulting in the decline of the Group's profit attributable to shareholders.

PROPERTIES SALES, DEVELOPMENT AND LEASING

SALES AND DEVELOPMENT

Mainland China

In Tongzhou, Beijing, concreting work of all six blocks of residential towers have been completed and fitting-out works is in progress. Presales have continued progressing and approximately RMB1 billion sales were contracted during the period.

As of 30th September 2021, two-thirds of the residential units were sold, reaching RMB4 billion and profit recognition will begin upon delivery of the residential units which the Group expects to commence in first half of 2022. Sub-structure works for the two commercial towers are in progress as well. The entire joint venture development comprises 2.3 million sq. ft. GFA.

Hong Kong

In Jardine's Lookout, sales of the Group's joint venture development, Dukes Place, comprising sixteen residential apartments ranging from 2,850 sq. ft to over 6,800 sq. ft. continues. During the period, another HK\$400 million were contracted and up to end September 2021, 60% of the units comprising 40% of the saleable area was sold, with total sales amounted to approximately HK\$1.9 billion.

On Po Shan Road, superstructure works of another joint venture residential development is on-going and expected to complete in early 2022. During the interim period, the Group increased its stake by 10% to 50%.

In Hung Shui Kiu, Yuen Long, foundation works are nearly finished for the 520,000 sq. ft. GFA development of which approximately 90% are residential apartments for sale, with the remaining 10% being retail units all with street frontage. Our development is covered under HKSAR's Northern Metropolis Development Strategy, and is among the first district being developed within the zone envisioned to be the most vibrant area where urban development and major population growth of HKSAR in the next decades will take place. The area will serve as the main hub for the Hong Kong-Shenzhen Western Railway linking Hung Shui Kiu and Qianhai, ensuring a good transport connectivity for an easier flow of goods and people across the bay.

Also covered by the Northern Metropolis plan is our joint venture site in Kwu Tung, which is in the early stage of land exchange application with the government. The site covers an approximate area of 270,000 sq. ft.

In Kowloon East, the 800,000 sq. ft. leasable GFA commercial building, Harbourside HQ, is undergoing a repositioning of tenant mix to enhance the value of this joint venture investment since completion of its renovation in end of last financial year.

During the period, we entered into a joint venture consortium to acquire the Kowloonbay International Trade and Exhibition Centre for HK\$10.5 billion. The acquisition was just completed in November. The building will be redeveloped into Grade-A offices.

Canada (development through hotel subsidiary group)

The redevelopment of our Empire Landmark hotel progressed well, superstructure of the “Landmark on Robson” development is under construction and expected to finish by first quarter 2022. This redevelopment, upon completion, will become two residential towers of approximately 400,000 sq. ft. GFA. The Group is currently conducting a new round of presale.

Regarding its joint venture redevelopment of high-end residential complex of approximately 627,000 sq. ft. GFA in Alberni Street, downtown Vancouver, the City has accepted our response to the Prior-to-letter and we are awaiting their confirmation on the issuing of the development permit for the project. Simultaneously, the development team is determining the most efficient method for achieving coordinated construction designs that optimise construction costs, and identifying a suitable location for the sales presentation center.

Another joint venture development that is also located on Alberni Street in downtown Vancouver is in its planning stage for development into premium residential units for sale. The rezoning package has been submitted to the City in early 2020. We have successfully passed the Urban Design Panel in October 2020, which is a prerequisite for the development permit application, and is now considering the Community Amenity Contributions offer, with the aim for setting a public hearing schedule in December 2021.

LEASING

Leasing income for the period attributable to the Group was HK\$92 million (2020: HK\$108 million). Average occupancies of YF Life Tower in Wanchai and Asia Standard Tower in Central decreased by 6% comparing to same period last year. Hong Kong is still having stringent in-bound quarantine restriction. However, with the gradual control of the city’s epidemic and the relaxation of social distancing measures, the leasing market is showing signs of recovery as compared to last year.

Net revaluation gain (taking into account our share from the investment property owned by an associated company) of HK\$360 million (2020: loss of HK\$273 million) was recorded.

HOTEL

Management has always been planning and implementing programme to boost occupancy and revenue. Beginning July, our Empire Hotel Hong Kong and Empire Hotel Kowloon launched long-stay promotions targeting local customers and commencing September, our two hotels in Causeway Bay participated in the Hong Kong government's Designated Quarantine Hotel Scheme.

The performance of hotel and travel segment was better than same period last year with revenue up by 53% to HK\$27 million (2020: HK\$18 million). Hotel management is acutely aware of the challenges that continue as the uncertainty associated with a global resurgence in COVID-19 infections persists, and is continuously implementing revenue enhancement and cost minimisation measures, at the same time deferring non-essential capital expenditures.

FINANCIAL INVESTMENTS

At 30th September 2021, the Group held financial investments of approximately HK\$9,177 million (31st March 2021: HK\$15,152 million), with HK\$4,225 million (31st March 2021: HK\$6,660 million) held by the listed hotel subsidiary group. The investment portfolio comprised of 95% listed debt securities (predominantly issued by PRC-based real estate companies), 4% listed equity securities and 1% unlisted investments. They are denominated in different currencies with 58% in United States dollar, 38% in Renminbi and 4% in other currencies (mostly Hong Kong dollar).

The portfolio's value decrease was primarily due to the mark to market revaluation loss recognised in investment revaluation reserve plus profit and loss account. Our financial investments experienced a negative impact during the period on the outburst of China Evergrande liquidity crisis, further worsened by the spill-over effect expanding to other names of the sector.

During the period, income from this investment portfolio amounted to HK\$1,153 million (2020: HK\$1,112 million). A net investment loss of HK\$1,086 million (2020: net gain of HK\$44 million) was recorded in the profit and loss account while a net loss of HK\$4,961 million (2020: net gain of HK\$1,806 million) was recognised in investment revaluation reserve account.

At 30th September 2021, an approximate value of HK\$2,470 million (31st March 2021: HK\$3,860 million) of these investments were pledged to banks as collateral for credit facilities granted to the Group.

FINANCIAL REVIEW

Save for that of the listed hotel subsidiary group, which is independently administered, the Group's financing and treasury activities are centrally managed and controlled at the headquarter level. At 30th September 2021, the Group has over HK\$9.7 billion (31st March 2021: HK\$11.7 billion) cash and undrawn banking facilities.

At 30th September 2021, the Group's total assets per book were approximately HK\$37.1 billion (31st March 2021: HK\$42.3 billion), with net assets of HK\$17.6 billion (31st March 2021: HK\$22.6 billion). Adopting market value of hotel properties in operation, the revalued total assets of the Group were HK\$45.9 billion (31st March 2021: HK\$51.0 billion), while the revalued net assets of the Group were HK\$26.4 billion (31st March 2021: HK\$31.3 billion).

Net debt was HK\$16.3 billion (31st March 2021: HK\$15.3 billion), including HK\$5.9 billion (31st March 2021: HK\$5.1 billion) which belonged to the separately listed hotel subsidiary group. Total interest cost is similar for the two periods while net interest cost through profit and loss account is less than comparative period, mostly due to interest capitalisation of Hung Shui Kiu development commencing second half of last comparative period. At 30th September 2021, the Group's net gearing ratio (net debt to revalued net asset value) is approximately 62% (31st March 2021: 49%). As at 30th September 2021, the Group had net current assets of HK\$7.2 billion (31st March 2021: HK\$10.3 billion) and the HK\$11.0 billion aggregate amount of marketable securities and cash together represented 3.2 times of the HK\$3.5 billion current debt repayable within 12 months.

71% of the debts are secured and majority of the debts are at floating rates. As at 30th September 2021, about 48% of these floating rates debts have been hedged against HIBOR fluctuations by various interest rate swap contracts of approximately HK\$8,660 million in total, with approximately 83% having remaining maturities of between 3 and 4 years, and most of the remaining between 1 and 2 years. The maturities of our debts spread over a period of up to 5 years, with 19% repayable between one to two years and 62% repayable between two to five years. The remaining 19% represent revolving and term loans repayable within 1 year.

Approximately 97% of the Group's borrowings are in Hong Kong dollars and the remaining 3% in United States dollars and Canadian dollars.

As at 30th September 2021, property assets with an aggregate net book value of HK\$20.5 billion (31st March 2021: HK\$19.9 billion) were pledged to secure credit facilities of the Group. HK\$3,038 million (31st March 2021: HK\$2,889 million) guarantees were provided to financial institutions and third parties against outstanding banking and loan facilities of joint ventures.

EMPLOYEES AND REMUNERATION POLICIES

At 30th September 2021, the Group employed approximately 230 (31st March 2021: 230) employees. The remuneration packages including basic salary, annual bonus, share options, retirement and other benefits are commensurate with their job nature and level of experience.

FUTURE PROSPECT

After almost two years of the coronavirus pandemic, major economies are expected to recover following the increased vaccination rates and thus gradual relaxation of social distancing measures. Though cross-border quarantine policies are yet from entire uplift, governments are working hard to bring the economies back to normal.

Retail sector benefit from government's consumption stimuli in the short term, so is the hotel operation. The continuous recovery of these sectors and commercial properties markets depends on the business and operating environments, relying very much on the pandemic containment, cross-border traffic and the maintaining of Hong Kong as business hup of the Greater-Bay area in the longer term, which government has been working hard to achieve.

Local property market remains resilient, evidenced by the encouraging first-hand sales from local developers and the recent land sale of harbourfront commercial plot in Central. The Chief Executive also recently announced HKSAR's Northern Metropolis Development Strategy, introducing a new energetic element over the next tens of years which will hugely enhance the value and marketability of our development projects in Hung Shui Kiu and Kwu Tung.

Sales of our Beijing joint venture project continue to perform well. With continuous urbanisation, the mainland property sector is expected to maintain a steady growth under the close monitoring of the central government.

The debt-laden crisis facing mainland property developers is more about liquidity rather than solvency. With their positive problem-solving attitude and strong asset base, many developers are striving to solve the problem by speeding up asset disposals, injection of funds from the major shareholders and appropriate rationalisation of the maturity profiles of their debts. Central government have also extended supportive measures lately.

Management will continue to be financially cautious and prudent to alleviate and mitigate any negative impact in this uncertain economic environment.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30th September 2021 (2020: 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 2021.

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; and
2. Code Provision A.5.1 of the CG Code provides that issuers should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors. The Company does not have a nomination committee. The Board as a whole is responsible for assessing the independence of independent non-executive directors, reviewing the structure, diversity, size and composition of the Board, the appointment of new directors and the nomination of directors for re-election by shareholders at the general meeting of the Company. Under the Bye-Laws of the Company, the Board may at any time, and from time to time, to appoint any person as a director, either to fill a casual vacancy, or as an addition to the Board. Any director so appointed shall retire at the next annual general meeting but shall then be eligible for re-election at the meeting.

AUDIT COMMITTEE

The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30th September 2021.

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

Hong Kong, 30th November 2021

As at the date of this announcement, the executive directors of the Company are Mr. Fung Siu To, Clement, Mr. Poon Jing, Mr. Poon Hai, Mr. Poon Yeung, Roderick, Mr. Lun Pui Kan and Mr. Kwan Po Lam, Phileas; and the independent non-executive directors of the Company are Mr. Koon Bok Ming, Alan, Mr. Leung Wai Keung and Mr. Wong Chi Keung.