

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



## ASIA STANDARD HOTEL GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code : 292)

### ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST MARCH 2022

<b>FINANCIAL HIGHLIGHTS</b>			
<i>(in HK\$ million, except otherwise indicated)</i>			
	<b>2022</b>	2021	Change
Revenue	<b>990</b>	977	+1%
(Loss)/profit attributable to shareholders of the Company	<b>(746)</b>	622	N/A
Total assets	<b>9,114</b>	12,110	-25%
Net assets	<b>2,183</b>	5,078	-57%
Net debt	<b>5,861</b>	5,054	+16%
Supplementary information with the hotel properties in operation stated at valuation (note):			
Revalued total assets	<b>17,884</b>	20,776	-14%
Revalued net assets	<b>10,952</b>	13,744	-20%
Gearing – net debt to revalued net assets	<b>54%</b>	37%	+17%
Note: According to the Group's accounting policies, the hotel properties in operation were carried at cost less accumulated depreciation. To give further information on the economic substance of its hotel properties investments, the Group hereby presents supplementary unaudited financial information taking into account the fair market value of hotel properties as appraised by independent professional valuer.			

The board of directors (the “Board”) of Asia Standard Hotel Group Limited (the “Company”) announce that the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31st March 2022 together with the comparative figures for the year ended 31st March 2021 were as follows:

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31st March 2022

	<i>Note</i>	<b>2022</b> <b>HK\$’000</b>	2021 HK\$’000
Interest revenue		<b>902,419</b>	934,384
Sales of goods and services and other revenue		<b>87,328</b>	43,027
Total revenue	2	<b>989,747</b>	977,411
Cost of sales		<b>(41,213)</b>	(27,782)
Gross profit		<b>948,534</b>	949,629
Selling and administrative expenses		<b>(115,589)</b>	(110,389)
Depreciation		<b>(126,230)</b>	(127,030)
Net investment (loss)/gain	3		
Net realised and unrealised (loss)/gain		<b>(294,328)</b>	116,670
Changes in expected credit losses		<b>(1,072,595)</b>	(50,281)
Operating (loss)/profit		<b>(660,208)</b>	778,599
Net finance costs	5	<b>(130,408)</b>	(149,900)
Share of profits less losses of joint ventures		<b>217</b>	1,679
(Loss)/profit before income tax		<b>(790,399)</b>	630,378
Income tax credit/(expense)	6	<b>44,413</b>	(9,067)
(Loss)/profit for the year		<b>(745,986)</b>	621,311
Attributable to:			
Shareholders of the Company		<b>(746,382)</b>	621,505
Non-controlling interests		<b>396</b>	(194)
		<b>(745,986)</b>	621,311
(Loss)/earnings per share (HK cents)			
Basic	8	<b>(37.0)</b>	30.8
Diluted	8	<b>(37.0)</b>	13.5

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March 2022

	2022 HK\$'000	2021 HK\$'000
(Loss)/profit for the year	(745,986)	621,311
Other comprehensive (charge)/income		
Items that have been reclassified or may be reclassified subsequently to profit or loss:		
Net fair value (loss)/gain and other net movement on debt securities at fair value through other comprehensive income	(2,252,426)	831,777
Cash flow hedges		
- net fair value gain/(loss)	102,042	(18,163)
- deferred tax on derivative financial instruments	(16,837)	3,746
Currency translation differences	11,819	57,176
Share of currency translation differences of joint ventures	7,328	59,078
Item that will not be reclassified to profit or loss:		
Net fair value gain on equity securities at fair value through other comprehensive income	26,517	4,115
	(2,121,557)	937,729
Total comprehensive (charge)/income for the year	(2,867,543)	1,559,040
Attributable to:		
Shareholders of the Company	(2,868,572)	1,553,891
Non-controlling interests	1,029	5,149
	(2,867,543)	1,559,040

**CONSOLIDATED BALANCE SHEET**

As at 31st March 2022

	<i>Note</i>	<b>2022</b> <b>HK\$'000</b>	2021 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		<b>2,888,088</b>	2,863,946
Investment in joint ventures		<b>178,903</b>	169,788
Amounts due from joint ventures		<b>406,140</b>	385,171
Financial investments		<b>627,373</b>	1,948,073
Derivative financial instruments		<b>127,280</b>	9,840
Deferred income tax assets		<b>61,485</b>	29,475
		<b>4,289,269</b>	5,406,293
<b>Current assets</b>			
Properties under development for sale		<b>1,401,523</b>	836,478
Inventories		<b>17,881</b>	18,546
Trade and other receivables	9	<b>420,196</b>	273,842
Income tax recoverable		<b>60</b>	59
Financial investments		<b>2,393,581</b>	4,712,334
Bank balances and cash			
- Restricted		<b>348,032</b>	47,825
- Unrestricted		<b>243,431</b>	814,314
		<b>4,824,704</b>	6,703,398
<b>Current liabilities</b>			
Trade and other payables	10	<b>109,669</b>	738,436
Contract liabilities		<b>245,717</b>	224,843
Amount due to non-controlling interests		<b>48,647</b>	46,640
Borrowings		<b>2,364,946</b>	1,391,205
Income tax payable		<b>57,013</b>	61,980
		<b>2,825,992</b>	2,463,104
<b>Net current assets</b>		<b>1,998,712</b>	4,240,294
<b>Non-current liabilities</b>			
Long term borrowings		<b>3,847,933</b>	4,299,119
Lease liabilities		<b>302</b>	2,490
Convertible notes		<b>240,016</b>	225,455
Derivative financial instruments		-	27,547
Deferred income tax liabilities		<b>17,122</b>	13,646
		<b>4,105,373</b>	4,568,257
<b>Net assets</b>		<b>2,182,608</b>	5,078,330
<b>Equity</b>			
Share capital		<b>40,361</b>	40,361
Reserves		<b>2,139,734</b>	5,036,485
<b>Equity attributable to shareholders of the Company</b>		<b>2,180,095</b>	5,076,846
Non-controlling interests		<b>2,513</b>	1,484
		<b>2,182,608</b>	5,078,330

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets at fair value through profit or loss (“FVPL”), financial assets at fair value through other comprehensive income (“FVOCI”) and derivative financial instruments, which are carried at fair value, and in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”).

The accounting policies and methods of computation used in the preparation of these annual financial statements are consistent with those used in 2021, except for the adoption of the following amendments to standards and framework that are effective for the first time for this year which are relevant to the Group’s operations and are mandatory for accounting periods beginning on or after 1st January 2021:

Amendments to HKAS 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 standards stated above did not have significant impact to the consolidated financial statements in the current and prior years.

Certain new/revised standards, amendments and interpretations to HKFRS have been issued but are not yet effective for the year ended 31st March 2022 and have not been early adopted by the Group.

## 2. Segment information

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

	<b>Hotel operation HK\$'000</b>	<b>Property development HK\$'000</b>	<b>Financial investments HK\$'000</b>	<b>Others HK\$'000</b>	<b>Total HK\$'000</b>
<b>2022</b>					
<b>Segment revenue</b>	<u>73,922</u>	<u>725</u>	<u>909,618</u>	<u>5,482</u>	<u>989,747</u>
<b>Contribution to segment results</b>	(20,166)	(7,668)	907,424	705	880,295
<b>Depreciation</b>	(110,952)	(6,526)	-	(8,752)	(126,230)
<b>Net investment loss</b>	-	-	(1,366,923)	-	(1,366,923)
<b>Share of profits less losses of joint ventures</b>	-	632	-	(415)	217
<b>Segment results</b>	<u>(131,118)</u>	<u>(13,562)</u>	<u>(459,499)</u>	<u>(8,462)</u>	<u>(612,641)</u>
<b>Unallocated corporate expenses</b>					(47,350)
<b>Net finance costs</b>					(130,408)
<b>Loss before income tax</b>					<u>(790,399)</u>
<b>2021</b>					
<b>Segment revenue</b>	<u>28,267</u>	<u>953</u>	<u>936,596</u>	<u>11,595</u>	<u>977,411</u>
<b>Contribution to segment results</b>	(38,297)	(2,852)	934,237	465	893,553
<b>Depreciation</b>	(111,836)	(5,713)	-	(9,481)	(127,030)
<b>Net investment gain</b>	-	-	66,389	-	66,389
<b>Share of profits less losses of joint ventures</b>	-	2,047	-	(368)	1,679
<b>Segment results</b>	<u>(150,133)</u>	<u>(6,518)</u>	<u>1,000,626</u>	<u>(9,384)</u>	834,591
<b>Unallocated corporate expenses</b>					(54,313)
<b>Net finance costs</b>					(149,900)
<b>Profit before income tax</b>					<u>630,378</u>

## 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		
<b>2022</b>						
Assets	3,010,959	2,218,739	3,704,530	18,565	161,180	9,113,973
Assets include:						
Joint ventures	-	584,850	-	193	-	585,043
Addition to non-current assets*	149,948	2,946	-	-	65	152,959
Liabilities						
Borrowings	3,519,378	407,277	299,924	-	1,986,300	6,212,879
Other liabilities						718,486
						6,931,365
<b>2021</b>						
Assets	3,158,288	1,501,511	7,353,574	33,129	63,189	12,109,691
Assets include:						
Joint ventures	-	554,414	-	545	-	554,959
Addition to non-current assets*	10,935	3,776	-	234	9,802	24,747
Liabilities						
Borrowings	3,609,603	84,193	578,309	-	1,418,219	5,690,324
Other liabilities						1,341,037
						7,031,361

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

## 2. Segment information (continued)

	2022 HK\$'000	2021 HK\$'000
<b>Revenue</b>		
Hong Kong	104,013	70,575
Overseas	885,734	906,836
	<u>989,747</u>	<u>977,411</u>
<b>Non-current assets*</b>		
Hong Kong	2,885,266	2,855,178
Overseas	587,865	563,727
	<u>3,473,131</u>	<u>3,418,905</u>

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

## 3. Net investment (loss)/gain

	2022 HK\$'000	2021 HK\$'000
Financial assets at FVPL		
– net unrealised (loss)/gain from market price movements	(402,517)	59,358
– net unrealised exchange gain/(loss)	58,918	(11,635)
Financial assets at FVOCI		
– net unrealised exchange gain	22,148	13,368
– net realised gain (note (a))	139	47,197
– changes in expected credit losses	(1,072,595)	(50,281)
Derivative financial instruments		
– net unrealised gain	26,984	8,382
	<u>(1,366,923)</u>	<u>66,389</u>

Notes:

	2022 HK\$'000	2021 HK\$'000
(a) Net realised gain on financial assets at FVOCI		
Gross consideration	950,380	4,353,450
Cost of investments	(995,314)	(4,249,656)
Transfer from investment revaluation reserve	45,073	(56,597)
Net realised gain recognised in current year	<u>139</u>	<u>47,197</u>



#### 4. Income and expenses by nature

	2022 HK\$'000	2021 HK\$'000
<b>Income</b>		
Interest income from financial assets at FVOCI		
- Listed investments	703,373	916,501
Interest income from financial assets at FVPL		
- Listed investments	191,945	12,403
- Unlisted investments	3,511	2,810
Dividend income from financial assets at FVOCI		
- Listed investments	<u>5,954</u>	<u>3,547</u>
<b>Expenses</b>		
Cost of goods sold and services provided	<u>3,171</u>	<u>4,794</u>

#### 5. Net finance costs

	2022 HK\$'000	2021 HK\$'000
Interest expense		
Long term bank loans	(100,946)	(101,659)
Short term bank loans and overdrafts	(8,814)	(10,939)
Lease liabilities	(149)	(247)
Convertible notes	(15,782)	(14,829)
Hedging derivative financial instruments	(24,372)	(14,660)
Interest capitalised	<u>20,083</u>	<u>13,968</u>
	(129,980)	(128,366)
Other incidental borrowing costs	(16,239)	(17,441)
Net foreign exchange loss on borrowings	(150)	(710)
Fair value gain/(loss) on derivative financial instruments		
Cash flow hedge – ineffective portion	<u>15,961</u>	<u>(3,383)</u>
	<u>(130,408)</u>	<u>(149,900)</u>

#### 6. Income tax credit/(expense)

	2022 HK\$'000	2021 HK\$'000
Current income tax expense		
Hong Kong profits tax	(6,958)	(25,215)
Overseas profits tax	(581)	(322)
Over/(under) provision in prior years	<u>7,840</u>	<u>(4,592)</u>
	301	(30,129)
Deferred income tax credit	<u>44,112</u>	<u>21,062</u>
	<u>44,413</u>	<u>(9,067)</u>

Hong Kong profits tax is provided at the rate of 16.5% (2021: 16.5%) on the estimated assessable profit for the year. Income tax on overseas profits has been calculated on the estimated assessable profit for the year at the rates of tax prevailing in the countries in which the Group operates.

## 7. Dividends / Coupon on convertible notes

	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Dividend :		
- Interim, nil (2021: Nil)	-	-
- Final, proposed, nil (2021: HK0.65 cent) per share to shareholders	-	13,117
	<u>-</u>	<u>13,117</u>
	<u>-</u>	<u>13,117</u>

At a meeting held on 29th June 2022, the Board has resolved not to recommend the payment of a final dividend for the year ended 31st March 2022.

	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
0.1% coupon (2021: HK0.6046 cent) per note to convertible note holders (note (a)) :		
- fixed coupon	<b>1,220</b>	1,220
- additional coupon	-	15,062
	<u><b>1,220</b></u>	<u>16,282</u>
	<u><b>1,220</b></u>	<u>16,282</u>

Notes:

- (a) According to the deed poll of the convertible notes, the holders of convertible notes are entitled to receive additional coupon on top of fixed coupon such that the total coupon per note received is the same as dividend per share received by ordinary shareholders. The aggregate amount of HK\$1,220,000 for the year ended 31st March 2022 is based on 2,693,120,010 convertible notes outstanding as at 29th June 2022. The fixed coupon of HK\$1,220,000 is calculated as 0.1% of redemption value of the convertible notes for that period and was included in convertible notes interest under “net finance costs” for the year ended 31st March 2022. The holders of convertible notes did not entitle additional coupon for the year ended 31st March 2022.

Since no final dividend was declared for the year ended 31st March 2022, the payment of the coupon will be deferred until such time as a dividend of the Company is declared and paid.

## 8. (Loss)/earnings per share

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

The effect of the exercise of convertible note was not included in the calculation of diluted loss per share as they are anti-dilutive. Accordingly, diluted loss per share for the year ended 31st March 2022 is same as basic loss per share.

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

	2022 HK\$'000	2021 HK\$'000
(Loss)/profit attributable to shareholders of the Company for calculation of basic (loss)/earnings per share	(746,382)	621,505
Effect of dilutive potential shares:		
Interest expense saved on convertible notes	-	14,829
(Loss)/profit for calculation of diluted (loss)/earnings per share	<u>(746,382)</u>	<u>636,334</u>
	<b>Number of shares</b>	
Weighted average number of shares for calculation of basic (loss)/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	-	-
Convertible notes assumed to be converted at the beginning of the year	-	2,693,120,010
Weighted average number of shares for calculation of diluted (loss)/earnings per share	<u>2,018,040,477</u>	<u>4,711,160,487</u>
Basic (loss)/earnings per share (HK cents)	<u>(37.0)</u>	<u>30.8</u>
Diluted (loss)/earnings per share (HK cents)	<u>(37.0)</u>	<u>13.5</u>

## 9. Trade and other receivables

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

Trade receivables of the Group amounted to HK\$1,850,000 (2021: HK\$3,015,000). 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:

	2022 HK\$'000	2021 HK\$'000
0 month to 6 months	1,717	2,875
7 months to 12 months	-	8
More than 12 months	133	132
	<u>1,850</u>	<u>3,015</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\$61,501,000 (2021: HK\$687,162,000 including HK\$682,016,000 consideration payable for purchase of financial investment).

Aging analysis of trade payables is as follows:

	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
0 month to 6 months	<b>61,110</b>	686,622
7 months to 12 months	<b>42</b>	8
More than 12 months	<b>349</b>	532
	<b><u>61,501</u></b>	<u>687,162</u>

The figures in respect of the Group's consolidated balance sheet, consolidated profit and loss account, consolidated statement of comprehensive income, and the related notes thereto for the year ended 31st March 2022 as set out in this preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

## MANAGEMENT DISCUSSION AND ANALYSIS

### RESULTS

The Group's revenue for the fiscal year ended 31st March 2022 was HK\$990 million, an increase of 1% compared to the previous year. A loss attributable to shareholders of HK\$746 million was recorded as opposed to a profit of HK\$622 million from the previous year. Such loss is primarily attributable to the net investment loss (2021: gain) for the year, which consists of net unrealised loss and an increase in the provision of expected credit loss on listed debt securities due to the liquidity crisis experienced by the PRC real estate sector.

#### Hotel Business

Travel restrictions across borders continue to have a significant impact on the hospitality industry. According to the Hong Kong Tourism Board, fewer than 0.1 million people visited Hong Kong during the reviewed fiscal year and the two preceding fiscal years. However, the total number of hotel rooms in Hong Kong as of March 2022 has increased by 2% over the same period last year, reaching 88,968.

The Group was able to improve the performance of its hotels when compared with last year despite a variety of constraints, with occupancy rates and average room rates increased by 20% and 38%, respectively, and revenue increased by approximately 162%. This was primarily driven by the quarantine businesses for two of our hotels in Causeway Bay. Shortly after the balance sheet date, our Empire Hotel Kowloon in Tsim Sha Tsui also participated as a quarantine hotel at the end of May 2022, and it is anticipated that our Empire Hotel Hong Kong in Wan Chai will follow suit in the fourth quarter of 2022. Hotel management is acutely aware of the challenges that continue as the uncertainty associated with COVID-19 infections persists, and is continuously planning and implementing initiatives to enhance occupancy and ensure a consistent revenue stream during the Pandemic. Furthermore, management will adhere to strict cost-cutting measures and defer non-essential capital expenditures.

#### Development Projects

The Group's wholly-owned "Landmark On Robson" residential development in Vancouver's central district has a GFA of approximately 400,000 square feet and comprises 236 residential units in two towers, as well as a 50,000 square feet of retail and office spaces and a four-level underground parking facility. The twin towers' concrete structure has been topped out in May 2022, and the interior renovations are currently underway, with a projected completion date of the end of 2023. As a result of the sustained improvement in the real estate market sentiment and the subsiding of the COVID, we had commenced a new round of pre-sales since October 2021. As of 31 March 2022, a total of approximately CAD180 million in contracted sales of residential units in this development has been achieved.

Another developable site adjacent to the Landmark On Robson remains in the development planning stage.

Concerning the Group's two joint venture residential developments on Alberni Street, namely 1488 Alberni and 1650 Alberni, the former is preparing for a detailed construction plan, with a marketing campaign under preparation for launch prior to the City enacting the rezoning and issuing a development permit, and the latter has obtained rezoning approval in December 2021 following a public hearing, and an application for a development permit was submitted in March 2022.

## Financial Investments

The Group's financial investment portfolio, which consist almost entirely of listed securities as of 31st March 2022, amounted to HK\$3,021 million (31st March 2021: HK\$6,660 million), a decrease of HK\$3,639 million from the previous year. Approximately 93% of our investment portfolio comprised of listed debt securities that were issued mostly by companies operating real estate business in China, approximately 6% comprised listed banking stock, and 1% in unlisted funds. They were denominated in United States dollars 50%, Renminbi 44% and Hong Kong dollars 6%.

During the year, a total of HK\$908 million (2021: HK\$937 million) in interest and dividend income were generated from the investment portfolio. A net investment loss of HK\$1,367 million (2021: a net gain of HK\$66 million) comprising provision of expected credit loss and net unrealised loss on financial investments for the period, was charged to profit and loss account while the mark-to-market valuation loss on listed debt securities of HK\$2,252 million (2021: a net gain of HK\$832 million) were recognised in the investment reserve account.

The decrease in portfolio value and the net investment loss incurred during the period were primarily the result of expected credit losses and mark-to-market fair value losses on our listed debt securities issued by PRC real estate. This crisis was precipitated by the government's intensified efforts to limit developers' leverage last year, which had a negative impact on the overall real estate sector and had affected market confidence. Since then, the government has consistently shared reassuring signals as a moderate adjustment to the previously stricter regulations. Several real estate developers, by extending/restructuring their debts, have effectively addressed their liquidity issues. This entails an extension of loan maturity, with amortisation over the tenor, and coupon rates unchanged or reduced without any principal haircut on the debt. Other Chinese developers are pursuing similar solutions.

## FINANCIAL REVIEW

The Group's financial and treasury activities are centrally managed and controlled at the corporate level. At 31st March 2022, the Group had about HK\$2.8 billion cash and undrawn banking facilities.

The Group's total assets and net assets per book amounted to HK\$9,114 million (31st March 2021: HK\$12,110 million) and HK\$2,183 million (31st March 2021: HK\$5,078 million), respectively, with the decreases primarily due to mark-to-market unrealised fair value changes from certain financial investments (mostly listed debt securities) recognised in other comprehensive income under shareholders' equity. According to independent valuation, the total revalued amount of our hotel properties in Hong Kong as of 31st March 2022 was HK\$11,424 million (31st March 2021: HK\$11,405 million). Taking into account the market value of the hotel properties in operation, the Group's revalued total assets and net assets with hotel properties in Hong Kong at market value would be HK\$ 17,884 million (31st March 2021: HK\$20,776 million) and HK\$ 10,952 million (31st March 2021: HK\$13,744 million), respectively.

The total debt comprised HK\$6,213 million of bank borrowings and HK\$240 million of convertible notes. 93% of the gross bank borrowings, or HK\$5,806 million, were denominated in Hong Kong dollars, with about 43% hedged against interest rate fluctuations through various interest rate swap contracts totaling HK\$2,700 million, which the Group entered into last year. The remaining 7% or to the equivalent of HK\$407 million was in foreign currencies incurred in operations and investment in financial assets overseas.

Of the total bank borrowings, 16% were revolving loans (all of which is secured), 68% were secured term loans, and the remaining 16% were unsecured term loans. The maturity of our bank borrowings spread over a period of up to five years with 38% repayable within one year, 38% repayable between one to two years, and 24% repayable within two to five years. Subsequent to the balance sheet date, all the unsecured bank borrowings repayable within one year were repaid and refinanced through the drawdown of a HK\$1.4 billion four-year long-term sustainability linked loan facility. This is the Group's first sustainability-linked loan facility provided by 6 syndicated banks led by HSBC and Bank of China as coordinators and sustainability structuring banks, with the predefined environmental-related sustainability performance criteria comprising reduction in energy and water consumption at all the hotels of the Group. The unsecured convertible notes comprising 4% of total debt are held almost entirely by the parent groups, and are repayable in February 2047.

The consolidated net debt (total debt less cash balance) was HK\$5,861 million (31st March 2021: HK\$5,054 million). The Group's gearing ratio, expressed as a percentage of net debt over the revalued net asset value, was 54% (31st March 2021: 37%).

At 31st March 2022, the Group had net current assets of HK\$1,999 million (31st March 2021: HK\$4,240 million), and bank balances together with listed marketable securities of HK\$3,557 million represent 1.5 times of the bank borrowings of HK\$2,365 million due within 12 months.

The carrying value of hotel properties, property under development for sale and financial assets pledged as collateral for banking facilities of the Group as at 31st March 2022 amounted to HK\$4,333 million (31st March 2021: HK\$4,774 million).

## **HUMAN RESOURCES**

As of 31st March 2022, the total number of full-time employees of the Company and its subsidiaries was approximately 200 (31st March 2021: 180). 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 international tourism market is recovering from the pandemic, and management will continue to closely monitor market conditions, the most recent border control measures, and mandatory quarantine policies, as well as fine-tune the operating strategy and tighten cost control, to ensure adequate and long-term future preparation.

China's real estate sector is receiving increased support from the central government, in addition to promoting market stability and healthy real estate development, through a combination of lower mortgage rates, lower down payment requirements, and loosened buying restrictions, with the goal of laying the groundwork for a rebound in housing demand following the debt-ridden crisis that eroded market sentiment. Furthermore, mainland real estate developers are addressing their liquidity issues by accelerating asset sales, injecting funds from major shareholders, and rationalising loan maturity profiles.

Vancouver's housing market in British Columbia, Canada, is fueled by rising incomes and immigration. According to the most recent statistics from Statistics Canada, British Columbia continues to lead the nation in economic recovery, regaining all jobs lost at the onset of the COVID-19 pandemic and achieving the highest job recovery rate in all of Canada (103.2%). In addition, the number of people who moved to British Columbia broke a record in 2021, with net migration exceeding 100,000, the highest annual total since 1961.

Aside from pandemic concerns, the Ukraine war continues to exacerbate global inflationary pressures that weigh on the sentiment of the global financial markets, weakening short-term economic prospects. Management will closely monitor macroeconomic events and potential threats to the outlook, and will stay cautiously optimistic about the Group's performance in a constantly changing environment.

## **DIVIDEND / COUPON ON CONVERTIBLE NOTES**

The Board has resolved not to recommend the payment of a final dividend for the year ended 31st March 2022 (2021: HK0.65 cent per share). No interim dividend was declared during the year (2021: Nil).

Pursuant to the deed poll in respect the issue of the convertible notes (the “Notes”) with redemption value of HK\$0.453 each carrying an interest of 0.1% due 2047, the noteholders shall be entitled to a coupon of HK0.0453 cent (2021: HK0.65 cent) per Note (the “Coupon”). Since no final dividend was declared for the year ended 31st March 2022, the payment of the Coupon will be deferred until such time as a dividend of the Company is declared and paid.

## **CLOSURE OF REGISTER OF MEMBERS**

The Register of Members will be closed from Monday, 22nd August 2022 to Thursday, 25th August 2022 both days inclusive, for the purpose of determining the identity of members who are entitled to attend and vote at the annual general meeting to be held on 25th August 2022 (the “Annual General Meeting”). During this period, no transfer of shares of the Company will be registered and no shares will be allotted and issued on the exercise of the subscription rights attached to the outstanding share options granted by the Company. In order to qualify for attending the Annual General Meeting, all transfers of shares of the Company accompanied by the relevant share certificates and the appropriate transfer forms must be lodged with the Company’s Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday 19th August 2022.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the year, the Company has not redeemed any of its shares. Neither the Company nor any of its subsidiaries have purchased or sold any of the Company’s listed securities during the year.

## **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The Company has made specific enquiry of all directors regarding any non-compliance with the Model Code during the year, and they all confirmed that they have fully complied with the required standard as set out in the Model Code throughout the year ended 31st March 2022.



## CORPORATE GOVERNANCE CODE

During the year, the Company has complied with the code provisions of the Corporate Governance Code in force (the “CG Code”) including the amendments that generally come into force on 1st January 2022 (the “Amended CG Code”) as set out in Appendix 14 to 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 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. After the Amended CG Code comes into effect, all independent non-executive directors are no longer required to be appointed for a specific term;
- (2) Code Provision A.5.1 of the CG Code (now Rule 3.27A of the Listing Rules which came into effect on 1st January 2022) 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. On 23rd December 2021, the Company established a nomination committee (the “Nomination Committee”) with its terms of reference published on the websites of the Stock Exchange and the Company in accordance with the requirements under the Listing Rules. The Nomination Committee comprises Mr. Poon Jing (the chairman of the Board and an executive director) as the chairman, and Messrs. Wong Chi Keung and Leung Wai Keung (both being independent non-executive directors) as members of the Nomination Committee. Prior to 23rd December 2021, the Company did not have a Nomination Committee. The Board as a whole was 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 (now Code Provision F.2.2 of the Amended 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 27th August 2021 due to his other engagements at the relevant time.

## AUDIT COMMITTEE

The Audit Committee has reviewed the annual results of the Group for the year ended 31st March 2022.

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

Hong Kong, 29th June 2022

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