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## ASIA STANDARD HOTEL GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code : 292)

### ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST MARCH 2024

<b>FINANCIAL HIGHLIGHTS</b>			
<i>(in HK\$ million, except otherwise indicated)</i>			
	<b>2024</b>	2023	Change
Revenue	<b>891</b>	927	-4%
Profit contribution from hotel operation	<b>180</b>	39	+362%
Loss attributable to shareholders of the Company	<b>(2,250)</b>	(213)	+956%
Total assets	<b>7,912</b>	9,282	-15%
Net assets	<b>1,261</b>	3,006	-58%
Net debt	<b>5,463</b>	5,284	+3%
Supplementary information with hotel properties stated at valuation (note):			
Revalued total assets	<b>18,665</b>	19,226	-3%
Revalued net assets	<b>12,014</b>	12,950	-7%
Gearing – net debt to revalued net assets	<b>45%</b>	41%	+4%
Note: According to the Group's accounting policies, the hotel properties 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 2024 together with the comparative figures for the year ended 31st March 2023 were as follows:

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31st March 2024

	<i>Note</i>	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
Interest revenue		<b>498,050</b>	741,638
Sales of goods and services and other revenue		<b>393,198</b>	185,015
Total revenue	2	<b>891,248</b>	926,653
Cost of sales		<b>(114,797)</b>	(64,078)
Gross profit		<b>776,451</b>	862,575
Selling and administrative expenses		<b>(145,912)</b>	(158,622)
Depreciation		<b>(109,220)</b>	(117,284)
Net investment (loss)/gain	3		
Net realised and unrealised (loss)/gain		<b>(11,155)</b>	28,155
Changes in expected credit losses		<b>(2,649,026)</b>	(652,313)
Operating loss		<b>(2,138,862)</b>	(37,489)
Net finance costs	5	<b>(187,027)</b>	(154,137)
Share of profits less losses of joint ventures and an associated company		<b>(2,223)</b>	770
Loss before income tax		<b>(2,328,112)</b>	(190,856)
Income tax credit/(expense)	6	<b>78,345</b>	(21,930)
Loss for the year		<b>(2,249,767)</b>	(212,786)
Attributable to:			
Shareholders of the Company		<b>(2,249,709)</b>	(212,794)
Non-controlling interests		<b>(58)</b>	8
		<b>(2,249,767)</b>	(212,786)
Loss per share (HK\$)			
Basic	8	<b>(1.12)</b>	(0.11)
Diluted	8	<b>(1.12)</b>	(0.11)

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March 2024

	2024 HK\$'000	2023 HK\$'000
Loss for the year	<u>(2,249,767)</u>	<u>(212,786)</u>
Other comprehensive income/(charge)		
Items that have been reclassified or may be reclassified subsequently to profit or loss:		
Debt securities at fair value through other comprehensive income		
- net fair value change and other net movements	461,898	1,027,991
- release of reserve upon derecognition	60,022	100,476
Cash flow hedges		
- net fair value (loss)/gain	(32,232)	37,349
- deferred tax on derivative financial instruments	5,318	(6,163)
Currency translation differences	(9,989)	(76,823)
Share of currency translation differences of joint ventures	(4,144)	(43,833)
Item that will not be reclassified to profit or loss:		
Net fair value gain/(loss) on equity securities at fair value through other comprehensive income	24,231	(3,048)
	<u>505,104</u>	<u>1,035,949</u>
Total comprehensive (charge)/income for the year	<u>(1,744,663)</u>	<u>823,163</u>
Attributable to:		
Shareholders of the Company	(1,744,187)	827,008
Non-controlling interests	(476)	(3,845)
	<u>(1,744,663)</u>	<u>823,163</u>

**CONSOLIDATED BALANCE SHEET**

As at 31st March 2024

	<i>Note</i>	<b>2024</b> <b>HK\$'000</b>	<b>2023</b> <b>HK\$'000</b>
<b>Non-current assets</b>			
Property, plant and equipment		<b>2,689,627</b>	2,800,432
Investment in joint ventures and an associated company		<b>188,358</b>	180,828
Amounts due from joint ventures and an associated company		<b>432,768</b>	399,022
Financial investments		<b>551,214</b>	706,496
Derivative financial instruments		<b>56,480</b>	135,084
Deferred income tax assets		<b>65,561</b>	53,401
		<b>3,984,008</b>	4,275,263
<b>Current assets</b>			
Properties under development for sale		<b>2,166,295</b>	1,781,003
Inventories		<b>26,753</b>	27,949
Trade and other receivables	<i>9</i>	<b>241,318</b>	478,761
Income tax recoverable		<b>55</b>	55
Financial investments		<b>759,711</b>	2,163,308
Derivative financial instruments		<b>72,594</b>	45,199
Bank balances and cash			
- restricted		<b>196,287</b>	168,126
- unrestricted		<b>465,003</b>	342,270
		<b>3,928,016</b>	5,006,671
<b>Current liabilities</b>			
Trade and other payables	<i>10</i>	<b>155,809</b>	71,996
Contract liabilities		<b>295,793</b>	265,241
Amount due to non-controlling interests		<b>56,514</b>	52,949
Borrowings		<b>1,054,716</b>	1,148,466
Income tax payable		<b>484</b>	55,382
		<b>1,563,316</b>	1,594,034
<b>Net current assets</b>		<b>2,364,700</b>	3,412,637
<b>Non-current liabilities</b>			
Borrowings		<b>4,797,568</b>	4,389,847
Lease liabilities		<b>883</b>	1,864
Convertible notes		<b>272,313</b>	255,598
Deferred income tax liabilities		<b>16,836</b>	34,820
		<b>5,087,600</b>	4,682,129
<b>Net assets</b>		<b>1,261,108</b>	3,005,771
<b>Equity</b>			
Share capital		<b>40,361</b>	40,361
Reserves		<b>1,222,555</b>	2,966,742
<b>Equity attributable to shareholders of the Company</b>		<b>1,262,916</b>	3,007,103
Non-controlling interests		<b>(1,808)</b>	(1,332)
		<b>1,261,108</b>	3,005,771

## 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 Group has applied the following new standards and amendments to standards for its annual reporting period commencing 1st April 2023:

HKFRS 17	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

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

Certain amendments to accounting standards and interpretation have been published that are not mandatory for 31st March 2024 reporting periods and have not been early adopted by the Group. These amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

## 2. Segment information

Revenue includes revenue from hotel operation, 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>2024</b>					
<b>Segment revenue</b>	<b>366,675</b>	<b>613</b>	<b>510,736</b>	<b>13,224</b>	<b>891,248</b>
<b>Contribution to segment results</b>	<b>179,666</b>	<b>(8,692)</b>	<b>499,558</b>	<b>13,183</b>	<b>683,715</b>
<b>Depreciation</b>	<b>(101,427)</b>	<b>(1,714)</b>	<b>-</b>	<b>(6,079)</b>	<b>(109,220)</b>
<b>Net investment (loss)/gain</b>	<b>-</b>	<b>-</b>	<b>(2,690,163)</b>	<b>29,982</b>	<b>(2,660,181)</b>
<b>Share of profits less losses of joint ventures and an associated company</b>	<b>-</b>	<b>(1,182)</b>	<b>-</b>	<b>(1,041)</b>	<b>(2,223)</b>
<b>Segment results</b>	<b>78,239</b>	<b>(11,588)</b>	<b>(2,190,605)</b>	<b>36,045</b>	<b>(2,087,909)</b>
<b>Unallocated corporate expenses</b>					<b>(53,176)</b>
<b>Net finance costs</b>					<b>(187,027)</b>
<b>Loss before income tax</b>					<b>(2,328,112)</b>
<b>2023</b>					
<b>Segment revenue</b>	<b>166,147</b>	<b>209</b>	<b>752,626</b>	<b>7,671</b>	<b>926,653</b>
<b>Contribution to segment results</b>	<b>39,399</b>	<b>(17,232)</b>	<b>739,899</b>	<b>5,645</b>	<b>767,711</b>
<b>Depreciation</b>	<b>(108,431)</b>	<b>(1,155)</b>	<b>-</b>	<b>(7,698)</b>	<b>(117,284)</b>
<b>Net investment loss</b>	<b>-</b>	<b>-</b>	<b>(624,158)</b>	<b>-</b>	<b>(624,158)</b>
<b>Share of profits less losses of joint ventures</b>	<b>-</b>	<b>987</b>	<b>-</b>	<b>(217)</b>	<b>770</b>
<b>Segment results</b>	<b>(69,032)</b>	<b>(17,400)</b>	<b>115,741</b>	<b>(2,270)</b>	<b>27,039</b>
<b>Unallocated corporate expenses</b>					<b>(63,758)</b>
<b>Net finance costs</b>					<b>(154,137)</b>
<b>Loss before income tax</b>					<b>(190,856)</b>

## 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>2024</b>						
Assets	3,073,737	3,077,229	1,572,772	15,263	173,023	7,912,024
Assets include: Joint ventures and an associated company	-	616,170	-	4,956	-	621,126
Addition to non- current assets*	6,224	12,604	-	-	1,450	20,278
Liabilities						
Borrowings	4,272,378	685,068	-	-	894,838	5,852,284
Other liabilities						798,632
						6,650,916
<b>2023</b>						
Assets	2,973,086	2,631,841	3,472,602	11,670	192,735	9,281,934
Assets include: Joint ventures	-	579,519	-	331	-	579,850
Addition to non- current assets*	28,792	4,224	-	-	98	33,114
Liabilities						
Borrowings	4,151,001	418,927	-	-	968,385	5,538,313
Other liabilities						737,850
						6,276,163

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

## 2. Segment information (continued)

	2024 HK\$'000	2023 HK\$'000
<b>Revenue</b>		
Hong Kong	380,493	174,929
Overseas	510,755	751,724
	<u>891,248</u>	<u>926,653</u>
<b>Non-current assets*</b>		
Hong Kong	2,693,827	2,798,288
Overseas	616,926	581,994
	<u>3,310,753</u>	<u>3,380,282</u>

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

## 3. Net investment loss

	2024 HK\$'000	2023 HK\$'000
Financial assets at FVPL		
– net unrealised fair value gain	44,793	28,515
– net realised gain (note (a))	4,607	36,749
Financial assets at FVOCI		
– net unrealised exchange (loss)/gain	(4,231)	1,300
– net realised loss (note (b))	(70,138)	(48,861)
– changes in expected credit losses	(2,591,774)	(652,313)
Financial assets at amortised cost		
– net unrealised exchange (loss)/gain	(536)	619
– net realised loss (note (c))	(1,705)	-
– changes in expected credit losses	(57,252)	-
Gain on disposal of a subsidiary	29,982	-
Derivative financial instruments		
– net unrealised (loss)/gain	(13,927)	9,833
	<u>(2,660,181)</u>	<u>(624,158)</u>

Notes:

	2024 HK\$'000	2023 HK\$'000
(a) Net realised gain on financial assets at FVPL		
Gross consideration	115,747	1,096,042
Cost of investments	(101,989)	(1,121,674)
Add : net unrealised (gain)/loss recognised in prior years	(9,151)	62,381
Net realised gain recognised in current year	<u>4,607</u>	<u>36,749</u>
(b) Net realised loss on financial assets at FVOCI		
Gross consideration	117,946	538,996
Cost of investments	(285,577)	(602,657)
Transfer from investment revaluation reserve	97,493	14,800
Net realised loss recognised in current year	<u>(70,138)</u>	<u>(48,861)</u>



### 3. Net investment loss (continued)

Notes: (continued)

	2024 HK\$'000	2023 HK\$'000
(c) Net realised loss on financial assets at amortised cost		
Gross consideration	8,284	-
Cost of investments	(9,989)	-
Net realised loss recognised in current year	<u>(1,705)</u>	<u>-</u>

### 4. Income and expenses by nature

	2024 HK\$'000	2023 HK\$'000
<b>Income</b>		
Interest income from financial assets at FVOCI		
- Listed investments	360,794	598,237
- Unlisted investments	35,718	14,113
Interest income from financial assets at FVPL		
- Listed investments	37,578	111,245
- Unlisted investments	8,875	3,204
Interest income from financial assets at amortised cost		
- Listed investments	53,167	8,051
Dividend income from financial assets at FVOCI		
- Listed investments	<u>14,543</u>	<u>7,654</u>
<b>Expenses</b>		
Cost of goods sold	<u>6,069</u>	<u>6,944</u>

## 5. Net finance costs

	2024 HK\$'000	2023 HK\$'000
Interest (expense)/income		
Long term bank loans	(353,080)	(193,376)
Short term bank loans and overdrafts	(3,538)	(25,872)
Lease liabilities	(202)	(246)
Convertible notes	(17,939)	(16,801)
Derivative financial instruments (interest rate swaps (“IRS”))	125,365	41,603
Interest capitalised	87,394	57,894
	<u>(162,000)</u>	<u>(136,798)</u>
Other incidental borrowing costs	(19,964)	(22,569)
Net foreign exchange loss on borrowings	(13)	(591)
Fair value (loss)/gain on derivative financial instruments (IRS)		
Cash flow hedge – ineffective portion	(5,050)	5,821
	<u>(187,027)</u>	<u>(154,137)</u>

## 6. Income tax credit/(expense)

	2024 HK\$'000	2023 HK\$'000
Current income tax credit/(expense)		
Hong Kong profits tax	54,802	1,403
Overseas profits tax	(1,283)	(3,605)
	<u>53,519</u>	<u>(2,202)</u>
Deferred income tax credit/(expense)	24,826	(19,728)
	<u>78,345</u>	<u>(21,930)</u>

Hong Kong profits tax is provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profit for the year. Income tax on overseas profits has been calculated on the estimated assessable profit for the year at the rates of tax prevailing in the countries in which the Group operates.

## 7. Dividends / Coupon on convertible notes

At a meeting held on 28th June 2024, the Board has resolved not to recommend the payment of a final dividend for the year ended 31st March 2024 (2023: Nil). No interim dividend was declared during the year (2023: Nil).

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
0.1% coupon (2023: 0.1% coupon) per note to convertible note holders (note) :		
- fixed coupon	1,224	1,220
- additional coupon	-	-
	<u>1,224</u>	<u>1,220</u>

### Notes:

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 amount of HK\$1,224,000 is based on 2,693,120,010 (2023 : 2,693,120,010) convertible notes outstanding as at 28th June 2024. The fixed coupon of HK\$1,224,000 (2023 : HK\$1,220,000) is calculated as 0.1% of redemption value of the convertible notes for that period and was reflected as convertible notes interest under “net finance costs” for the year ended 31st March 2024. The holders of convertible notes did not entitle additional coupon for the year ended 31st March 2024.

Since no final dividend was declared for the year ended 31st March 2024, the payment of the coupon will be deferred until such time as a dividend of the Company is declared and paid.

## 8. Loss per share

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

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
Loss attributable to shareholders of the Company	<u>(2,249,709)</u>	<u>(212,794)</u>
	<b>Number of shares</b>	
Weighted average number of shares in issue	<u>2,018,040,477</u>	<u>2,018,040,477</u>

The diluted loss per share is equal to the basic loss per share since there is no dilutive potential share during the year ended 31st March 2024 and 2023.

## 9. Trade and other receivables

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

Trade receivables of the Group amounted to HK\$9,359,000 (2023: HK\$5,065,000). 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 based on the date of the relevant invoice or demand note is as follows:

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
0 month to 6 months	<b>8,857</b>	4,903
7 months to 12 months	<b>141</b>	-
More than 12 months	<b>361</b>	162
	<u><b>9,359</b></u>	<u>5,065</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\$110,668,000 (2023: HK\$30,463,000).

Aging analysis of trade payables based on the date of the relevant invoice or demand note is as follows:

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
0 month to 6 months	<b>110,455</b>	30,102
7 months to 12 months	<b>6</b>	60
More than 12 months	<b>207</b>	301
	<b><u>110,668</u></b>	<u>30,463</u>

## 11. Event after balance sheet date

On 19th June 2024, the Board of Asia Standard International Group Limited ("ASI") requested the Board of the Company to put forward to the Company's Shareholders a proposal regarding the reorganisation of the Company by way of a scheme of arrangement under section 99 of the Companies Act 1981 of Bermuda. For further details, please refer to the joint announcement of the Company dated 19th June 2024.

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 2024 as set out in this preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements as at and for the year ended 31st March 2024. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

## MANAGEMENT DISCUSSION AND ANALYSIS

### RESULTS

For the fiscal year ended 31st March 2024, the Group recorded a loss attributable to shareholders of HK\$2,250 million, as compared to a loss attributable to Shareholders of HK\$213 million for the year ended 31 March 2023. The primary factor contributing to this higher loss is the larger provision of expected credit losses on investments in debt securities. This provision is a non-cash item and does not have a direct impact on the cash flow of the Group.

#### Hotel Business

During the period under review, following the easing of all travel restrictions early last year, Hong Kong welcomed around 41 million visitors, which only accounted for approximately 60% of the overall visitor arrivals before COVID. Mainland Chinese tourists accounted for 32 million (2023: 4 million), which continued to be the largest market segment in the local tourism industry. This positive trend has contributed to the recovery of tourism in Hong Kong, despite the slower-than-anticipated increase in airline capacity. Meanwhile, as of March 2024, Hong Kong had 89,866 hotel rooms, up 0.7% from the same period the previous year.

Our Empire Hotels have seen an uptick in occupancy and average room rates over the past year due to the growing number of visitors from Mainland China. Revenue of HK\$ 367 million (2023: HK\$ 166 million) and profit contribution to the Group of HK\$ 180 million (2023 : HK\$ 39 million ) were recorded.

#### Development Projects

The Group's wholly-owned "Landmark On Robson" residential development in Vancouver's downtown district was finished in the second quarter of 2024. It has a gross floor area of about 400,000 square feet and includes 236 apartments in two towers, as well as 50,000 square feet of retail and office space and a four-level underground parking facility. The handover of the pre-sold units is set to begin in the second half of 2024. As of 31st March 2024, a total of approximately CAD241 million in contracted sales of residential units in this development had been achieved.

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

#### Financial Investments

The Group's financial investment portfolio, which consisted mostly listed securities as of 31st March 2024, amounted to HK\$1,311 million (31st March 2023: HK\$2,870 million), a decrease of HK\$1,559 million from the previous year. Approximately 81% of our investment portfolio comprised of debt securities that were issued by companies operating real estate business in Mainland China, approximately 14% comprised listed banking stock, and 5% in unlisted funds. They were denominated in United States dollars 61%, Renminbi 24%, Hong Kong dollars 14% and Japanese Yen 1%.

The investment portfolio generated a total of HK\$513 million (2023: HK\$749 million) in interest and dividend income, the decrease mainly resulted from the disposal/redemption of some debt securities last year. A net investment loss of HK\$2,660 million (2023: a net loss of HK\$624 million) which was primarily comprised of larger provisions for expected credit losses, was charged to the profit and loss account. These larger provisions of expected credit losses are mostly attributable to the winding-up orders by the HK court on a couple of our investment portfolio's note issuers this year. None of these investments were pledged to banks as security for Group credit facilities as of 31 March 2024, and these expected credit losses are non-cash items and do not have a direct impact on the cash flow of the Group. The Group continued to pursue enhanced debt restructuring negotiations with note-issuing developers amidst the ongoing real estate-friendly policies of the PRC government.

## **FINANCIAL REVIEW**

The Group's total assets and net assets per book amounted to HK\$7,912 million (31st March 2023: HK\$9,282 million) and HK\$1,261 million (31st March 2023: HK\$3,006 million), respectively. According to independent valuation, the total revalued amount of our hotel properties in Hong Kong as of 31st March 2024 was HK\$13,233 million (31st March 2023: HK\$12,518 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\$18,665 million (31st March 2023: HK\$19,226 million) and HK\$12,014 million (31st March 2023: HK\$12,950 million), respectively.

The total debt comprised HK\$5,852 million of bank borrowings and HK\$272 million convertible notes. 88% of the gross bank borrowings or HK\$5,167 million was denominated in Hong Kong dollars, with about 52% hedged against interest rate fluctuations through various interest rate swap contracts totaling HK\$2,700 million entered into in prior years. The remaining 12% or to the equivalent of HK\$685 million was in foreign currencies incurred in overseas operations.

Of the total bank borrowings, 5% were revolving loans (all of which is secured), and 95% were secured term loans. The maturity of our bank borrowings spread over not more than five years with 18% repayable within one year, 23% repayable between one to two years, 59% repayable within two to five years. The unsecured convertible notes comprising 5% of total debt are held almost entirely by the parent groups and are repayable in February 2047. At 31st March 2024, the Group had about HK\$1.1 billion undrawn banking facilities.

The consolidated net debt (total debt less cash balance) was HK\$5,463 million (31st March 2023: HK\$5,284 million). The Group's gearing ratio, expressed as a percentage of net debt over the revalued net asset value, was 45% (31st March 2023: 41%).

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 2024 amounted to HK\$4,578 million (31st March 2023: HK\$4,082 million).

## **HUMAN RESOURCES**

As of 31st March 2024, the total number of full-time employees of the Company and its subsidiaries was approximately 180 (31st March 2023: 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 global economy remains uncertain due to ongoing conflicts in Ukraine and the Middle East, along with trade tensions between the US and China. However, most major economies have managed to bring down inflation without increasing unemployment and triggering a recession.

A wide spectrum of factors will continue to influence the hotel and tourism industries and market in Hong Kong, such as the global economic outlook, currency exchange rates, airline capacity, and shifts in consumer behaviors among tourists, particularly those from Mainland China. The government is taking proactive measures and providing support to enhance Hong Kong's appeal as a popular tourist destination. In addition to the ongoing expansion of the Individual Visit Scheme, the potential increase of tax-free shopping limits for Mainland Chinese tourists, the resumption of "multiple-entry" endorsements for Shenzhen residents, the resumption of airline capacity, and the commissioning of the third runway, are expected to provide a boost to the local tourist and hotel industries.

In Mainland China, the government persisted its efforts to tackle the vulnerabilities in the real estate sector by implementing policy relaxation in the residential housing sector.

Although high interest rates have kept home ownership out of reach for many potential buyers in British Columbia, Canada, pent-up demand will be released to meet market needs if a trend towards lower rates is confirmed and confidence is restored. Robust population growth resulting from Canada's immigration policy is sustaining a solid underlying demand for homes.

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



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

The Board has resolved not to recommend the payment of a final dividend for the year ended 31st March 2024 (2023: Nil). No interim dividend was declared during the year (2023: Nil).

Pursuant to the deed poll in respect the issue of the convertible notes (the “Notes”) with redemption value of HK\$0.453 each carrying an interest of 0.1% due 2047, the noteholders shall be entitled to a coupon of HK\$0.0453 cent (2023: HK\$0.0453 cent) per Note (the “Coupon”). Since no final dividend was declared for the year ended 31st March 2024, the payment of the Coupon will be deferred until such time as a dividend of the Company is declared and paid.

## **CLOSURE OF REGISTER OF MEMBERS**

The Register of Members will be closed from Tuesday, 17th September 2024 to Monday, 23rd September 2024 both days inclusive, for the purpose of determining the identity of members who are entitled to attend and vote at the 2024 annual general meeting to be held on 23rd September 2024 (the “Annual General Meeting”). During this period, no transfer of shares of the Company will be registered and no shares will be allotted and issued on the exercise of the subscription rights attached to the outstanding share options granted by the Company. In order to qualify for attending the Annual General Meeting, all transfers of shares of the Company accompanied by the relevant share certificates and the appropriate transfer forms must be lodged with the Company’s Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 16th September 2024.

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

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

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

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 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 2024.

## **CORPORATE GOVERNANCE CODE**

During the year, the Company has applied the principles and complied with the applicable code provisions of the Corporate Governance Code (the “CG Code”) as set out in Part 2 of Appendix C1 to the Listing Rules, except the Code Provision F.2.2 of the CG Code which provides that the chairman of the board should attend the annual general meetings. Mr. Poon Jing (“Mr. Poon”), the Chairman of the Board, was unable to attend the annual general meeting of the Company held on 25th August 2023 due to his other business commitments at the relevant time. The views of the Company’s shareholders had been reported to Mr. Poon after the meeting.

## **AUDIT COMMITTEE**

The Audit Committee has reviewed the annual results of the Group for the year ended 31st March 2024.

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

Hong Kong, 28th June 2024

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