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## ASIA STANDARD INTERNATIONAL GROUP LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 129)**

### 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>	<b>2023</b>	<b>Change</b>
Contracted sales of properties			
- Subsidiaries	<b>1,451</b>	167	+769%
- Joint ventures (attributable)	<b>387</b>	416	-7%
Revenue	<b>1,735</b>	2,073	-16%
(Loss)/profit attributable to shareholders of the Company	<b>(5,792)</b>	801	N/A
(Loss)/earnings per share – basic (HK\$)	<b>(4.39)</b>	0.61	N/A
Total assets	<b>34,145</b>	37,899	-10%
Net assets	<b>14,684</b>	19,974	-26%
Equity attributable to shareholders of the Company	<b>14,451</b>	19,439	-26%
Net debt	<b>16,556</b>	15,533	+7%
Supplementary information with hotel properties at valuation:			
Revalued total assets	<b>44,935</b>	47,881	-6%
Revalued net assets	<b>25,474</b>	29,956	-15%
Revalued equity attributable to shareholders of the Company	<b>23,375</b>	27,694	-16%
Gearing - net debt to revalued net assets	<b>65%</b>	52%	

The board of directors (the “Board”) of Asia Standard International 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>1,219,493</b>	1,725,939
Sales of goods and services, leasing and other revenue		<b>515,848</b>	346,838
Total revenue	2	<b>1,735,341</b>	2,072,777
Cost of sales		<b>(152,821)</b>	(105,452)
Gross profit		<b>1,582,520</b>	1,967,325
Selling and administrative expenses		<b>(302,108)</b>	(294,580)
Depreciation		<b>(139,201)</b>	(145,132)
Net investment (loss)/gain	3		
Net realised and unrealised (loss)/gain		<b>(210,994)</b>	44,239
Changes in expected credit losses		<b>(5,860,618)</b>	(1,560,304)
Fair value gain of investment properties		<b>56,392</b>	807,790
Other charge	4	<b>(885,205)</b>	-
Operating (loss)/profit		<b>(5,759,214)</b>	819,338
Net finance costs	6	<b>(595,993)</b>	(410,088)
Share of profits less losses of			
Joint ventures		<b>(4,158)</b>	460,562
Associated companies		<b>(20,887)</b>	10,728
(Loss)/profit before income tax		<b>(6,380,252)</b>	880,540
Income tax credit/(expenses)	7	<b>198,798</b>	(115,933)
(Loss)/profit for the year		<b>(6,181,454)</b>	764,607
Attributable to:			
Shareholders of the Company		<b>(5,792,196)</b>	801,412
Non-controlling interests		<b>(389,258)</b>	(36,805)
		<b>(6,181,454)</b>	764,607
(Loss)/earnings per share (HK\$)			
Basic	9	<b>(4.39)</b>	0.61
Diluted	9	<b>(4.39)</b>	0.61

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the year ended 31st March 2024

	2024 HK\$'000	2023 HK\$'000
(Loss)/profit for the year	<b>(6,181,454)</b>	764,607
Other comprehensive (charge)/income		
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	<b>903,651</b>	2,421,434
- release of reserve upon derecognition	<b>98,636</b>	265,427
Share of net fair value (loss)/gain on debt securities at fair value through other comprehensive income of a joint venture	<b>(38,100)</b>	133,399
Cash flow hedges		
- fair value (loss)/gain	<b>(71,669)</b>	108,670
- deferred tax on derivative financial instruments	<b>11,825</b>	(17,930)
Currency translation differences	<b>(10,863)</b>	(78,988)
Share of currency translation differences of joint ventures	<b>(77,406)</b>	(134,147)
Items that will not be reclassified to profit or loss:		
Equity securities at fair value through other comprehensive income		
- net fair value gain	<b>76,051</b>	101,130
	<b>892,125</b>	2,798,995
Total comprehensive (charge)/income for the year	<b>(5,289,329)</b>	3,563,602
Attributable to:		
Shareholders of the Company	<b>(4,987,108)</b>	3,424,375
Non-controlling interests	<b>(302,221)</b>	139,227
	<b>(5,289,329)</b>	3,563,602

**CONSOLIDATED BALANCE SHEET**

As at 31st March 2024

	<i>Note</i>	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
<b>Non-current assets</b>			
Investment properties		<b>10,901,144</b>	10,844,446
Property, plant and equipment		<b>4,576,811</b>	4,671,642
Investment in joint ventures and associated companies		<b>3,853,211</b>	4,598,431
Amount due from joint ventures and associated companies		<b>2,702,209</b>	2,393,487
Financial investments		<b>1,091,137</b>	1,615,734
Derivative financial instruments		<b>130,953</b>	342,577
Deferred income tax assets		<b>137,419</b>	137,452
		<b>23,392,884</b>	24,603,769
<b>Current assets</b>			
Properties held for sale		<b>6,366,075</b>	5,011,437
Hotel and restaurant inventories		<b>26,753</b>	27,949
Trade and other receivables	<i>10</i>	<b>567,546</b>	1,117,954
Income tax recoverable		<b>70</b>	173
Financial investments		<b>2,407,248</b>	6,039,865
Derivative financial instruments		<b>186,945</b>	83,874
Bank balances and cash			
- restricted		<b>362,268</b>	184,123
- unrestricted		<b>834,864</b>	829,584
		<b>10,751,769</b>	13,294,959
<b>Current liabilities</b>			
Trade and other payables	<i>11</i>	<b>292,707</b>	184,209
Contract liabilities		<b>484,892</b>	265,241
Amount due to joint ventures		<b>517,159</b>	297,425
Amount due to an associated company		<b>182,820</b>	193,050
Amount due to non-controlling interests		<b>56,514</b>	52,949
Income tax payable		<b>484</b>	153,812
Borrowings		<b>5,693,653</b>	3,871,662
		<b>7,228,229</b>	5,018,348
<b>Net current assets</b>		<b>3,523,540</b>	8,276,611

## CONSOLIDATED BALANCE SHEET

As at 31st March 2024

	2024 HK\$'000	2023 HK\$'000
Non-current liabilities		
Borrowings	12,049,556	12,665,571
Convertible notes	9,680	9,086
Lease liabilities	883	-
Deferred income tax liabilities	171,923	232,012
	<u>12,232,042</u>	<u>12,906,669</u>
Net assets	<u>14,684,382</u>	<u>19,973,711</u>
Equity		
Share capital	13,197	13,197
Reserves	14,438,231	19,425,339
Equity attributable to shareholders of the Company	<u>14,451,428</u>	<u>19,438,536</u>
Non-controlling interests	232,954	535,175
	<u>14,684,382</u>	<u>19,973,711</u>

## 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 investment properties, 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 standard and amended 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 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 amendments to accounting standards and interpretation have been published that are not mandatory for annual reporting period ended 31st March 2024 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 property sales and leasing, hotel operation, management services, interest income and dividend income.

	Property sales HK\$'000	Property leasing HK\$'000	Hotel operation HK\$'000	Financial investments HK\$'000	Others HK\$'000	Total HK\$'000
<b>2024</b>						
Segment revenue	-	129,724	366,675	1,205,467	33,475	1,735,341
Contribution to segment results	(34,323)	91,700	179,666	1,176,382	33,433	1,446,858
Depreciation	(13,509)	-	(86,734)	-	(38,958)	(139,201)
Net investment loss	-	-	-	(6,101,594)	29,982	(6,071,612)
Fair value gain of investment properties	-	56,392	-	-	-	56,392
Other charge	(885,205)	-	-	-	-	(885,205)
Share of profits less losses of Joint ventures	(3,880)	-	-	-	(278)	(4,158)
Associated companies	-	(19,978)	-	-	(909)	(20,887)
Segment results	(936,917)	128,114	92,932	(4,925,212)	23,270	(5,617,813)
Unallocated corporate expenses						(166,446)
Net finance costs						(595,993)
Loss before income tax						(6,380,252)
<b>2023</b>						
Segment revenue	6,750	147,499	167,029	1,715,774	35,725	2,072,777
Contribution to segment results	(13,687)	106,125	38,288	1,682,688	35,693	1,849,107
Depreciation	(13,681)	-	(93,549)	-	(37,902)	(145,132)
Net investment loss	-	-	-	(1,516,065)	-	(1,516,065)
Fair value gain of investment properties	-	807,790	-	-	-	807,790
Share of profits less losses of Joint ventures	460,542	-	-	-	20	460,562
Associated companies	-	10,728	-	-	-	10,728
Segment results	433,174	924,643	(55,261)	166,623	(2,189)	1,466,990
Unallocated corporate expenses						(176,362)
Net finance costs						(410,088)
Profit before income tax						880,540

## 2 Segment information (Continued)

	Business segments						Unallocated HK\$'000	Total HK\$'000
	Property sales HK\$'000	Property leasing HK\$'000	Hotel operation HK\$'000	Financial investments HK\$'000	Others HK\$'000			
<b>2024</b>								
Assets	12,013,695	12,132,820	2,676,212	3,875,564	85,253	3,361,109	34,144,653	
Assets include:								
Joint ventures and associated companies	5,335,957	1,194,740	-	-	20,364	4,359	6,555,420	
Addition to non-current assets*	12,604	307	6,224	-	31,982	7,554	58,671	
Liabilities								
Borrowings	5,506,698	2,176,279	4,272,378	-	-	5,787,854	17,743,209	
Other liabilities							<u>1,717,062</u>	
							<u>19,460,271</u>	
<b>2023</b>								
Assets	11,017,134	12,109,945	2,799,305	8,557,098	82,021	3,333,225	37,898,728	
Assets include:								
Joint ventures and associated companies	5,752,496	1,214,718	-	-	24,704	-	6,991,918	
Addition to non-current assets*	12,896	1,904	17,908	-	32,120	3,436	68,264	
Liabilities								
Borrowings	5,073,714	1,818,976	4,151,002	-	-	5,493,541	16,537,233	
Other liabilities							<u>1,387,784</u>	
							<u>17,925,017</u>	

\* 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	533,083	349,715
Overseas	<u>1,202,258</u>	<u>1,723,062</u>
	<u><b>1,735,341</b></u>	<u><b>2,072,777</b></u>
<b>Non-current assets*</b>		
Hong Kong	19,773,847	20,142,701
Overseas	<u>2,259,528</u>	<u>2,365,305</u>
	<u><b>22,033,375</b></u>	<u><b>22,508,006</b></u>

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

## 3 Net investment (loss)/gain

	2024 HK\$'000	2023 HK\$'000
Financial assets at FVPL		
- net unrealised fair value (loss)/gain	(6,510)	73,696
- net realised (loss)/gain (note (a))	(5,431)	39,676
Financial assets at FVOCI		
- net unrealised exchange loss	(13,726)	(3,265)
- net realised loss (note (b))	(161,963)	(85,177)
- changes in expected credit losses	(5,735,363)	(1,560,304)
Financial assets at amortised cost		
- net unrealised exchange (loss)/gain	(1,372)	1,473
- net realised loss (note (c))	(26,620)	-
- changes in expected credit losses	(125,255)	-
Gain on disposal of a subsidiary	29,982	-
Derivative financial instruments		
- net unrealised (loss)/gain	<u>(25,354)</u>	<u>17,836</u>
	<u><b>(6,071,612)</b></u>	<u><b>(1,516,065)</b></u>

Notes:

(a) Net realised (loss)/gain on financial assets at FVPL		
Gross consideration	477,927	2,081,705
Cost of investments	(495,683)	(2,164,920)
Add: net unrealised loss recognised in prior years	<u>12,325</u>	<u>122,891</u>
Net realised (loss)/gain recognised in current year	<u><b>(5,431)</b></u>	<u><b>39,676</b></u>

### 3 Net investment (loss)/gain (Continued)

Notes: (Continued)

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
(b) Net realised loss on financial assets at FVOCI		
Gross consideration	<b>281,807</b>	1,126,348
Cost of investments	<b>(658,940)</b>	(1,235,853)
Transfer from investment revaluation reserve	<b>215,170</b>	24,328
	<hr/>	<hr/>
Net realised loss recognised in current year	<b>(161,963)</b>	(85,177)
	<hr/> <hr/>	<hr/> <hr/>
(c) Net realised loss on financial assets at amortised cost		
Gross consideration	<b>33,801</b>	-
Cost of investments	<b>(60,421)</b>	-
	<hr/>	<hr/>
Net realised loss recognised in current year	<b>(26,620)</b>	-
	<hr/> <hr/>	<hr/> <hr/>

### 4 Other charge

The charge, which is exceptional in nature, is attributable to the failure to reach a consensus with the government within the prescribed time limit regarding the land premium amount on a development project at Kwu Tung North held by a joint venture company, leading to subsequent land resumption by the government. This leads to a share of impairment provision in respect of interest in the joint venture project of HK\$885,205,000, which represents our share of the difference between the carrying value of the properties and estimated compensation from the government.

## 5 Income and expenses by nature

	2024 HK\$'000	2023 HK\$'000
<b>Income</b>		
Interest income from financial assets at FVOCI		
- Listed investments	851,106	1,232,590
- Unlisted investments	86,412	28,217
Interest income from financial assets at FVPL		
- Listed investments	120,832	418,549
- Unlisted investments	8,875	3,204
Interest income from financial assets at amortised cost		
- Listed investments	119,274	19,344
- Joint ventures	11,178	12,537
- Loan receivables	3,011	2,103
- Bank deposits	18,805	9,395
Dividend income		
- Listed investments	15,649	8,667
	<u>15,649</u>	<u>8,667</u>
<b>Expenses</b>		
Cost of goods sold	6,069	6,944
Rental expenses for land and buildings	950	1,007
	<u>950</u>	<u>1,007</u>

## 6 Net finance costs

	2024 HK\$'000	2023 HK\$'000
Interest (expense)/income		
Long term bank loans	(1,057,373)	(571,513)
Short term bank loans and overdrafts	(38)	(25,748)
Lease liabilities	(112)	(216)
Joint venture	(6,187)	(2,716)
Derivative financial instruments (interest rate swaps)	283,665	92,830
Interest capitalised	254,466	149,552
	<u>(525,579)</u>	<u>(357,811)</u>
Other incidental borrowing costs	(58,863)	(65,324)
Net foreign exchange loss on borrowings	(21)	(4,937)
Fair value (loss)/gain on derivative financial instruments (interest rate swaps)		
Cash flow hedge – ineffective portion	(11,530)	17,984
	<u>(11,530)</u>	<u>17,984</u>
	<u>(595,993)</u>	<u>(410,088)</u>

## 7 Income tax credit/(expense)

	2024 HK\$'000	2023 HK\$'000
Current income tax credit/(expense)		
Hong Kong profits tax	151,850	(2,741)
Overseas profits tax	<u>(1,283)</u>	<u>(3,604)</u>
	150,567	(6,345)
Deferred income tax credit/(expenses)	<u>48,231</u>	<u>(109,588)</u>
	<u>198,798</u>	<u>(115,933)</u>

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

## 8 Dividends

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).

## 9 (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 of shares in issue.

	2024 HK\$'000	2023 HK\$'000
(Loss)/profit attributable to shareholders of the Company	<u>(5,792,196)</u>	<u>801,412</u>

### Number of shares

Weighted average number of shares in issue	<u>1,319,782,288</u>	<u>1,319,782,288</u>
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The diluted (loss)/earnings per share is equal to the basic (loss)/earnings per share since there exist no dilutive potential share during the year ended 31st March 2024 and 2023.

## 10 Trade and other receivables

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

Trade receivables of the Group amounted to approximately HK\$76,900,000 (2023: HK\$67,026,000). The credit terms given to the customers vary and are generally based on the financial strengths of individual customers. In order to effectively manage the credit risks associated with trade receivables, credit evaluation of customers is performed periodically.

## 10 Trade and other receivables (Continued)

Aging analysis of trade receivables net of loss allowance based on the date of the relevant invoice or demand note is as follows:

	2024 HK\$'000	2023 HK\$'000
0 month to 6 months	71,719	48,840
7 months to 12 months	3,147	8,842
More than 12 months	<u>2,034</u>	<u>9,344</u>
	<u><u>76,900</u></u>	<u><u>67,026</u></u>

## 11 Trade and other payables

Trade and other payables of the Group include trade payables, rental and management fee deposits, retentions payable of construction costs, lease liabilities, interest payable and various accruals. Trade payables of the Group amounted to approximately HK\$161,693,000 (2023: HK\$72,534,000).

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

	2024 HK\$'000	2023 HK\$'000
0 month to 6 months	161,471	72,163
7 months to 12 months	6	60
More than 12 months	<u>216</u>	<u>311</u>
	<u><u>161,693</u></u>	<u><u>72,534</u></u>

## 12 Event after balance sheet date

On 19th June 2024, the Group put forward a proposal regarding the reorganisation of Asia Standard Hotel Group Limited 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

The Group recorded a revenue of HK\$1,735 million (2023: HK\$2,073 million) for the financial year, and the result turned to a loss attributable to shareholders of HK\$5,792 million (2023: profit of HK\$801 million).

The change from profit to loss is predominantly attributable to increase in provision for expected credit losses on investment in debt securities. Other changes include share of impairment provision from a joint venture property development project at Kwu Tung North due to failure in reaching a consensus within the prescribed time limit regarding the land premium, leading to subsequent land resumption by the government, and the much lower fair value gain on investment properties. All these provisions and fair value gain were non-cash items and do not have a direct impact on the cash flow of the Group.

### PROPERTIES SALES, DEVELOPMENT AND LEASING

#### SALES AND DEVELOPMENT

During the year, the Group had 5 development projects launched on the market for sale, spanning across Hong Kong, Beijing and Vancouver. Attributable contracted sales achieved amounted to approximately HK\$1.8 billion (2023: HK\$0.6 billion).

#### *Hong Kong*

Our Group's residential development, High Park, neighbouring the Hung Shui Kiu light-rail station, launched presale in mid-July and contracted HK\$1.2 billion sales up to 31 March 2024 for Phase I of this project. All the five towers were topped out, fittings and finishings are in progress, with expected issuance of occupation permit in the third quarter of 2024. The Hung Shui Kiu New Development Area is positioned as the high-end professional services and logistics hub under the Northern Metropolis Development Strategy and will serve as the main hub for the Hong Kong-Shenzhen Western Railway linking Hung Shui Kiu and Qianhai, ensuring efficient transport connectivity of the Greater Bay Area.

On Po Shan Road, sales of the 50% joint venture residential development High Peak were launched, comprising 16 flats with saleable area ranging from 3,770 sq. ft. to 7,260 sq. ft.. The development is completed and several show flats decoration are in progress. The property is winner in 3 architectural and interior design categories of Asia Pacific Property Awards 2024-2025. During the year, a standard unit was sold at premium price.

In Dukes Place, the Group's 20% joint venture project in Jardine's Lookout, sales of a triplex garden unit was recognised during the year. As at 31st March 2024, 75% of the units were sold, with cumulative total sales amounted to approximately HK\$2.5 billion.

In Lam Tei, Tuen Mun, the Group's residential project is also in land exchange application with the government. The developable GFA has increased to approximately 83,700 sq. ft..

In the Northern Metropolis, following the failure in reaching a consensus in the land premium negotiation within the prescribed deadline stipulated by the government, our joint venture residential development site in Kwu Tung would be reclaimed by the government. The Group shared an approximately HK\$885 million impairment provision for this exceptional incident in its result for the year.

## *Mainland China*

In Tongzhou, Beijing, the construction of the residential portion of our 50% owned joint venture development, Capital Cove, has been completed. This 2,360,000 sq. ft. GFA development comprises 964 residential apartments, retail shops and two commercial towers. Up to 31st March 2024, approximately 83% of the residential units were sold and had achieved a total contracted sales of approximately RMB5.2 billion, with about 96% sold units delivered to buyers. Sub-structure works for the two commercial towers have recently been completed.

## *Canada (development through hotel subsidiary group)*

The redevelopment of our Empire Landmark hotel in Vancouver is progressing well. Internal fitting-out is completed and we are expecting occupation permit of the “Landmark on Robson” development to be issued in the third quarter 2024. This is an approximately 394,000 sq. ft. GFA redevelopment with two 30-plus storeys residential towers, comprising 236 residential units over a three-storeys podium of retail and office space of about 50,000 sq. ft., and a four-level underground parking facility in addition. Up to 31st March 2024, approximately CAD241 million of residential sales were contracted, and about half of the retail shops were pre-leased.

The Group’s two joint venture residential development on Alberni Street, downtown Vancouver, are in active discussion with the local city’s planning department.

## **LEASING**

Leasing income for the year was HK\$130 million (2023: HK\$147 million). Occupancies slightly reduce by 3% - 4% while rental rate remains stable. Net revaluation gain (taking into account our share from the investment property owned by an associated company) of HK\$43 million (2023: HK\$824 million) was recorded.

## **HOTEL**

According to HKSAR's statistics, about 41 million visitors were recorded in the year ended 31st March 2024, which only accounted for approximately 60% of the overall visitor arrivals before COVID. Approximately 80% of the visitors were from mainland, following the full re-opening of border with the mainland and the uplift of all anti-epidemic measures towards the end of last financial year.

Our hotel sector recorded a revenue of HK\$367 million for the year (2023: HK\$167 million), and also a profit contribution to the Group of HK\$180 million (2023: HK\$38 million). Average occupancy of the Group’s hotels was 83% (2023: 63%), accompanied with an uptick in room rates. We expect the hotel sector’s performance will recover further following the full recovery of Hong Kong’s aviation capacity together with the completion and put into use of the third runway of the airport.

## FINANCIAL INVESTMENTS

At 31st March 2024, the Group held financial investments of approximately HK\$3,498 million (2023: HK\$7,656 million), with HK\$1,311 million (2023: HK\$2,870 million) held by the listed hotel subsidiary group. The investment portfolio comprised of 84% listed debt securities (predominantly issued by PRC-based real estate companies), 9% listed equity securities and 7% unlisted investments. They are denominated in different currencies with 58% in United States dollar, 35% in Renminbi and 7% in other currencies (mostly Hong Kong dollar).

During the year, income from this investment portfolio amounted to HK\$1,205 million (2023: HK\$1,716 million), the decrease is mainly resulted from disposal/redemption and increased provision for expected credit loss of debt securities.

The Group actively participates in the liabilities management negotiation with various developers through maturity extension coupled with principal amortisation, reduction of coupon rates and charging collateral as credit enhancement. During the year, several notes issuers of our investment portfolio were placed into court-ordered winding up procedures and as a result, provision for their expected credit loss was considerably increased. A net investment loss of HK\$6,102 million (2023: HK\$1,516 million), which mainly include further provision for expected credit loss, was recorded in the profit and loss account.

At 31st March 2024, none (2023: none) 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 31st March 2024, the Group's total assets were approximately HK\$34.1 billion (2023: HK\$37.9 billion), with net assets of HK\$14.7 billion (2023: HK\$20.0 billion). Adopting market value of hotel properties, the revalued total assets of the Group were HK\$44.9 billion (2023: HK\$47.9 billion), while the revalued net assets of the Group were HK\$25.5 billion (2023: HK\$30.0 billion).

Net debt was HK\$16.6 billion (2023: HK\$15.5 billion), including HK\$5.5 billion (2023: HK\$5.3 billion) which belonged to the separately listed hotel subsidiary group. Total finance cost is approximately 45% more than last year, mostly due to substantial market interest rate increment, the effect of which was much alleviated by our hedging efforts. At 31st March 2024, the Group's gearing ratio (net debt to revalued net assets) is approximately 65% (2023: 52%), and the Group has over HK\$4.3 billion (2023: HK\$7.5 billion) cash and undrawn banking facilities.

Approximately 96% of the Group's borrowings are in Hong Kong dollars and the remaining 4% in Canadian dollars.

All the debts are at floating rates, which escalated since last year following US interest rate hikes to curb inflationary pressures. As at 31st March 2024, about 44% of these debts have been hedged against HIBOR fluctuations by various interest rate swap contracts of approximately HK\$7,710 million in total, fixing at average rate of approximately 1%. As at 31st March 2024, a fair value gain of HK\$318 million was recorded on these interest rate swap contracts. The maturities of our debts spread over a period of up to 5 years, with 17% secured by development projects to be completed in the coming year. Of the remaining 83%, 43% is repayable between two to five years, 25% repayable between one to two years, and 15% repayable within 1 year.



As at 31st March 2024, 77% of the debts are secured. Property assets with an aggregate net book value of HK\$22.5 billion (2023: HK\$22.0 billion) were pledged to secure credit facilities of the Group. HK\$2,658 million (2023: HK\$3,347 million) guarantees were provided to financial institutions and third parties against outstanding banking and loan facilities of joint ventures.

## **EMPLOYEES AND REMUNERATION POLICIES**

At 31st March 2024, the Group employed approximately 240 (2023: 240) 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**

With Hong Kong government's uplift of all property cooling measures in early 2024, the long stagnant property market finds its way out from the gloom and transactions have significantly picked up. Prices remain soft amidst economic uncertainties and we expect that may take some time to recover. The encouraging number of successful applications under various talent admission schemes helps to create demand in the local residential property market. On leasing aspect, the Group is in the advanced stage of securing an anchor retail tenant in our office building in Central. In the Mainland, the continued relaxation of property market restraints, lowering of mortgage rate and reduction of initial downpayment helps to release the purchasing power.

With increasing visitors' arrivals, hotel operation recovers but still behind its peak before COVID. Our Tourism Board, through Pilot Scheme for Characteristics Local Tourism Events, is continually encouraging the trade to develop signature tourism products to showcase the Hong Kong's diversified cultural landscape. On the other side, government has been promulgating Hong Kong's development of "Eight Centres" to provide impetus for sustaining competitiveness and economic growth, thus bringing inflow of visitors and businessmen into the city. We expect the tourism industry will recover further by the anticipated completion of the third runway of the airport at the end of 2024 and the full recovery of the airline capacity.

On 19 June 2024, the Group put forward a proposal of reorganisation to disinterested shareholders of the listed hotel subsidiary which, if approved, will streamline the Group's operations and achieve savings through the reduction of administrative costs.

Benefitting from the Group's hedging effort in prior years, we are still enjoying the low interest cost brought by the interest rate swaps entered in prior years, alleviating the Group from associated finance cost burden.

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

## **DIVIDEND**

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).

## **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 which 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 as set out in Part 2 of Appendix C1 to the Listing Rules.

## **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 International Group Limited**  
**Fung Siu To, Clement**  
*Chairman*

Hong Kong, 28th June 2024

*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. Ip Chi Wai, Mr. Leung Wai Keung and Mr. Wong Chi Keung.*