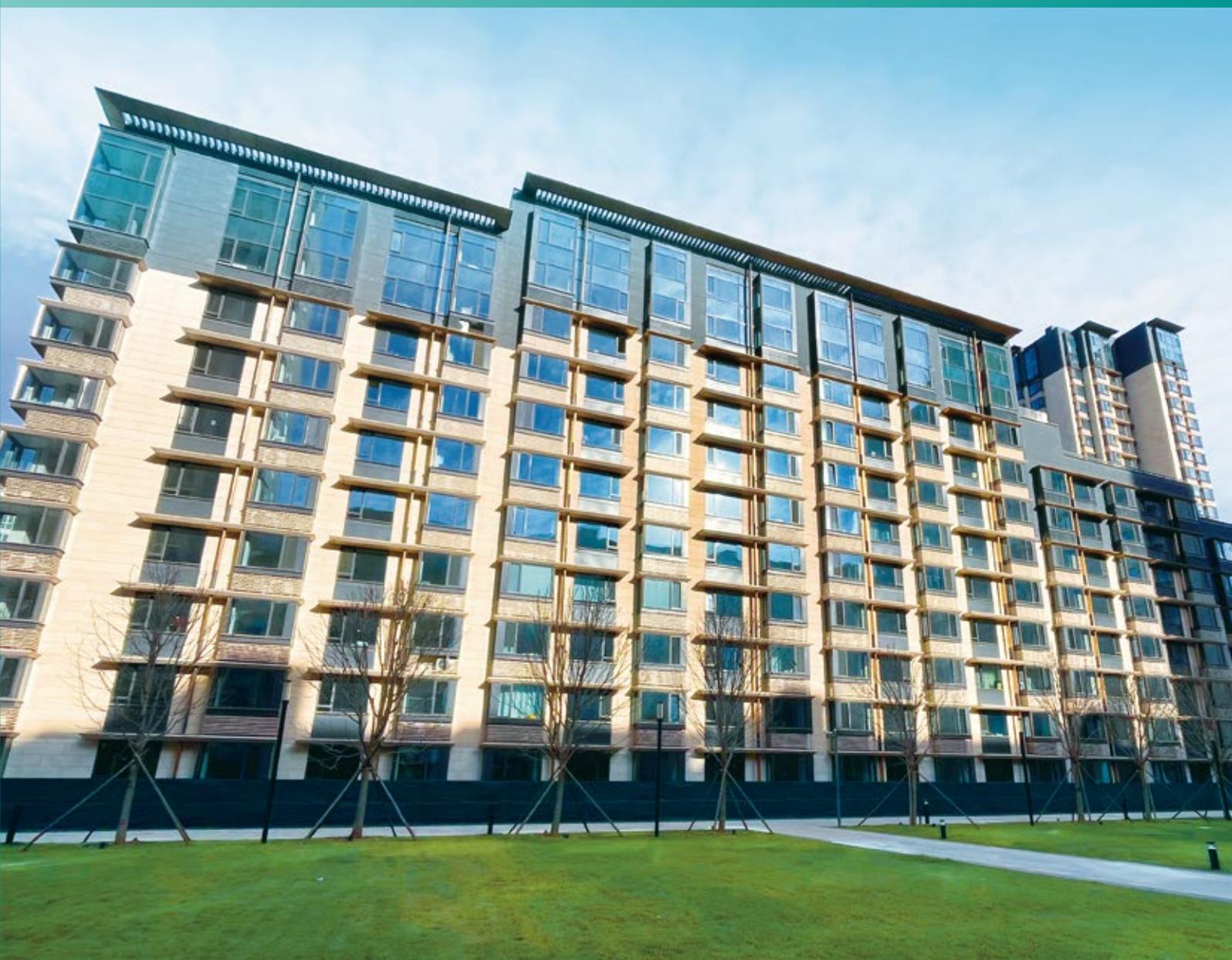




Asia Orient Holdings Limited



Interim Report 2022

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Corporate Information

Directors

Executive

Mr. Fung Siu To, Clement (*Chairman*)
Mr. Poon Jing (*Managing Director and Chief Executive*)
Mr. Poon Hai
Mr. Poon Yeung, Roderick
Mr. Lun Pui Kan
Mr. Kwan Po Lam, Phileas

Independent Non-executive

Mr. Wong Chi Keung
Mr. Cheung Kwok Wah
Mr. Leung Wai Keung, *JP*

Audit Committee

Mr. Wong Chi Keung (*Chairman*)
Mr. Cheung Kwok Wah
Mr. Leung Wai Keung, *JP*

Remuneration Committee

Mr. Wong Chi Keung (*Chairman*)
Mr. Fung Siu To, Clement
Mr. Leung Wai Keung, *JP*

Nomination Committee

Mr. Fung Siu To, Clement (*Chairman*)
Mr. Wong Chi Keung
Mr. Leung Wai Keung, *JP*

Authorised Representatives

Mr. Fung Siu To, Clement
Mr. Lun Pui Kan

Company Secretary

Mr. Tung Kwok Lui

Registered Office

Victoria Place,
5th Floor,
31 Victoria Street,
Hamilton HM 10,
Bermuda

Principal Office in Hong Kong

30th Floor, YF Life Tower,
33 Lockhart Road,
Wanchai, Hong Kong
Telephone 2866 3336
Facsimile 2866 3772
Website <http://www.asiaorient.com.hk>
E-mail aoinfo@asiastandard.com

Principal Bankers

HSBC
Bank of China (Hong Kong)
Hang Seng Bank
United Overseas Bank
Industrial and Commercial Bank of China (Asia)
DBS Bank (Hong Kong)
The Bank of East Asia
Shanghai Commercial Bank
Chiyu Banking Corporation
Fubon Bank (Hong Kong)
Chong Hing Bank
CMB Wing Lung Bank
UBS
Bank of Singapore
Bank Morgan Stanley
Credit Suisse AG
Bank Julius Baer

Legal Advisers

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

Appleby
Suites 4201-03 & 12,
42/F, One Island East,
Taikoo Place,
18 Westlands Road,
Quarry Bay, Hong Kong

Independent Auditor

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity
Auditor
22nd Floor, Prince's Building,
Central, Hong Kong

Share Registrar in Bermuda

MUFG Fund Services (Bermuda)
Limited
4th Floor North,
Cedar House,
41 Cedar Avenue,
Hamilton HM 12,
Bermuda

Hong Kong Branch Share Registrar and Transfer Office

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

Financial Highlights

(In HK\$ million, except otherwise indicated)	Six months ended 30th September		Change
	2022	2021	
Consolidated profit and loss account			
Revenue	1,202	1,430	-16%
(Loss)/profit attributable to shareholders of the Company	(37)	44	N/A
(Loss)/earnings per share – basic (HK\$)	(0.04)	0.05	N/A
	30th September 2022	31st March 2022	Change
Consolidated balance sheet			
Total assets	38,041	39,520	-4%
Net assets	18,167	20,051	-9%
Equity attributable to shareholders of the Company	9,454	10,477	-10%
Net debt	16,874	16,310	+3%

Supplementary information with hotel properties at valuation (note):

Revalued total assets	44,466	45,223	-2%
Revalued net assets	25,098	26,267	-4%
Equity attributable to shareholders of the Company	12,632	13,327	-5%
Net gearing – net debt to revalued net assets	67%	62%	+5%

Note: According to the Group's accounting policies, 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.

The hotel properties were revalued by Vigers Appraisal & Consulting Limited, independent professional valuers, on an open market value basis as at 30th September 2022 and 31st March 2022.

Management Discussion and Analysis

RESULTS

The Group recorded a revenue of HK\$1,202 million (2021: HK\$1,430 million) for the first half of the financial year with loss attributable to shareholders of the Company at HK\$37 million (2021: profit of HK\$44 million). The Group's joint venture in Beijing commenced to recognise profit following the handover of completed residential units to homebuyers during the period. Although continued to be disrupted by the COVID-19 pandemic, our hotel operation has improved and produced positive contribution to our Group. However, the decrease in investment revenue from our investment portfolio together with the net unrealised losses generated from mark down to market price and further provisions on expected credit loss, rendered the Group to record a loss for the interim period.



Tongzhou project "Capital Cove"

PROPERTIES SALES, DEVELOPMENT AND LEASING

SALES AND DEVELOPMENT

Mainland China

In Tongzhou, Beijing, the construction of the residential portion of our 50% owned joint venture development was completed during this interim period. This 2,360,000 sq. ft. GFA development comprises 964 residential units in 6 towers, and 2

commercial office towers. As at 30th September 2022, about 75% of the residential units were sold and achieved a total contracted sales of approximately RMB4.7 billion. Residential units handover to home buyers had commenced and about 45% were delivered during the interim period. It is expected that the rest of the handover will be completed during the second half of the financial year. Sub-structure works for the two commercial towers are in progress.

Management Discussion and Analysis



Residential development in **Hung Shui Kiu**



Hong Kong

In Jardine's Lookout, sales continued in the Group's joint venture luxurious residential development, Dukes Place. During the period, sale of a triplex garden unit for more than HK\$330 million was completed. Up to the end of September 2022, 70% of the units comprising 50% of the saleable area was sold, with total sales amounted to approximately HK\$2.3 billion.

On Po Shan Road, construction of another 50% owned joint venture premium residential development was completed and occupation permit has been obtained. Internal fitting-out and show flats renovation are well underway. This is a 10-storey residential building over a basement carpark floor, comprising 16 flats of saleable area ranging from 3,760 sq. ft. to 7,260 sq. ft., enjoying Victoria Harbour view on one side and greenery and city view on another. The project is targeted to be launched for sale in the first quarter of 2023.

In Hung Shui Kiu, Yuen Long, foundation works for the 520,000 sq. ft. GFA development have been completed and superstructure works have just commenced. Presale consent of the residential units are under application. The area 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.

Also in the Northern Metropolis is our joint venture residential development site in Kwu Tung, which is in the process of land exchange application with the government. During the period, the Group acquired further lots in the vicinity and increase the scale of the development. The combined site covers an area of approximately 320,000 sq. ft. In October 2022, the government had just announced the Northern Metropolis Highway connecting Tin Shui Wai in the West, and Kwu Tung North in the East, facilitating the east-west connectivity in the New Territories North.

Management Discussion and Analysis



Luxurious residential development at **Po Shan Road**, Mid-level West, Hong Kong Island

In Lam Tei, Tuen Mun, we are continuing the land exchange application with the government on another residential development near the light-rail station. The development has approximately 67,000 sq. ft. of residential GFA under existing zoning parameters, and the Group has proposed an increase in plot ratio under a new land exchange application to utilize the land for better and fuller extent.

In last financial year, we participated in a 7.5% stake in a joint venture consortium to acquire the Kowloon Bay International Trade and Exhibition Centre for HK\$10.5 billion. Design and disposition is being formulated to redevelop the building into Grade-A offices upon expiry of existing tenancies.

Canada (development through hotel subsidiary group)

The redevelopment of our Empire Landmark hotel in Vancouver progressed well. Superstructure of the “Landmark on Robson” development has been topped out in May 2022 and internal fitting-out is ongoing. This 400,000 sq. ft. GFA redevelopment is targeted to be completed around early 2024. It will have two 30-plus storeys residential towers comprising about 240 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. Up to 30th September 2022, approximately CAD200 million of sales were contracted.

Regarding its joint venture redevelopment of high-end residential complex of approximately 627,000 sq. ft. GFA on 1488 Alberni Street, downtown Vancouver, we are in liaison with the City of Vancouver in addressing their comments pertaining to the issuance of a development permit.

Another joint venture development also on Alberni Street has secured a rezoning approval in December 2021 and is planning to submit the building permit application by end of 2022.

LEASING

Leasing income for the period was HK\$78 million (2021: HK\$87 million). Our office towers in Central and Wanchai both experienced a drop in average occupancies, resulting from relocation of tenants upon lease expiry. With the gradual control of the city’s epidemic and the relaxation of social distancing measures, the leasing market for retail space is showing signs of recovery.

Management Discussion and Analysis



Development project "Landmark on Robson in Vancouver, Canada"

Net revaluation gain (taking into account our share from the investment property owned by an associated company) of HK\$68 million (2021: HK\$358 million) was recorded.

HOTEL

Since July 2021, our Empire Hotel Hong Kong and Empire Hotel Kowloon launched long-stay promotions targeting local customers and from September 2021, our two hotels in Causeway Bay participated in the Hong Kong government's Designated Quarantine Hotel Scheme, Empire Hotel Kowloon also joined the scheme in May 2022.

The performance of hotel and travel sector had since emerged from the trough and was better than last corresponding period with revenue up by 160% to HK\$72 million (2021: HK\$27 million), and turned around to a profit contribution to the sector results. The Designated Quarantine Hotel Scheme ceased in end of September 2022 following the continuous relaxation of inbound quarantine measures. At the same time, government resumed hosting of international events to recapture lost ground resulting from the pandemic.

FINANCIAL INVESTMENTS

At 30th September 2022, the Group held financial investments of approximately HK\$5,011 million (31st March 2022: HK\$7,600 million), with HK\$4,499 million (31st March 2022: HK\$6,811 million) held by the two listed subsidiary groups. The investment portfolio comprised of 89% listed debt securities (predominantly issued by PRC-based real estate companies), 6% listed equity securities and 5% unlisted investments. They are denominated in different currencies with 33% in United States dollar, 60% in Renminbi and 7% in other currencies (mostly Hong Kong dollar).

The liquidity crisis of China's real estate sector continued during the period, which negatively impacted our financial investments. The portfolio's value decreased further, primarily due to the mark-to-market revaluation loss recognised in profit and loss account and reserve.

During the six months period, income from this investment portfolio amounted to HK\$1,023 million (2021: HK\$1,305 million). A net investment loss of HK\$1,063 million (2021: HK\$1,250 million) was recorded in the profit and loss account while a net loss of HK\$1,759 million (2021: HK\$5,657 million) was recognised in investment revaluation reserve account.

With the outburst of the sector-wide debt crisis, the PRC government had since continued to roll out supportive policies to real estate developers by relaxing previously tightened fiscal policy on the borrowing and refinancing channels for the sector. The distressed developers have pursued various liabilities management measures by exchanging or restructuring their debts through reduction of coupon rates, maturity extension together with principal amortization, and charging collateral as credit enhancement. So far, there has been no haircut on debt.

At 30th September 2022, an approximate value of HK\$160 million (31st March 2022: HK\$570 million) of these investments were pledged to banks as collateral for credit facilities granted to the Group.

Management Discussion and Analysis

FINANCIAL REVIEW

At 30th September 2022, the Group had over HK\$7.5 billion (31st March 2022: HK\$8.6 billion) cash and undrawn banking facilities.

At 30th September 2022, the Group's total assets were approximately HK\$38.0 billion (31st March 2022: HK\$39.5 billion), with net assets of HK\$18.2 billion (31st March 2022: HK\$20.1 billion). Adopting market value of hotel properties in operation, the revalued total assets of the Group were HK\$44.5 billion (31st March 2022: HK\$45.2 billion), while the revalued net assets of the Group were HK\$25.1 billion (31st March 2022: HK\$26.3 billion).

Net debt was HK\$16.9 billion (31st March 2022: HK\$16.3 billion), of which HK\$0.1 billion (31st March 2022: HK\$0.3 billion) was attributable to the parent group. Total finance cost is approximately 12% more than corresponding period while net finance cost through profit and loss account is 18% less, mostly due to fair value gain on the hedging interest rate

swap. At 30th September 2022, the Group's net gearing ratio (net debt to revalued net asset value) is approximately 67% (31st March 2022: 62%). As at 30th September 2022, the Group had net current assets of HK\$5.6 billion (31st March 2022: HK\$7.4 billion) and the HK\$6.1 billion aggregate amount of marketable securities and cash together represented 1.27 times of the HK\$4.8 billion current debt repayable within 12 months.

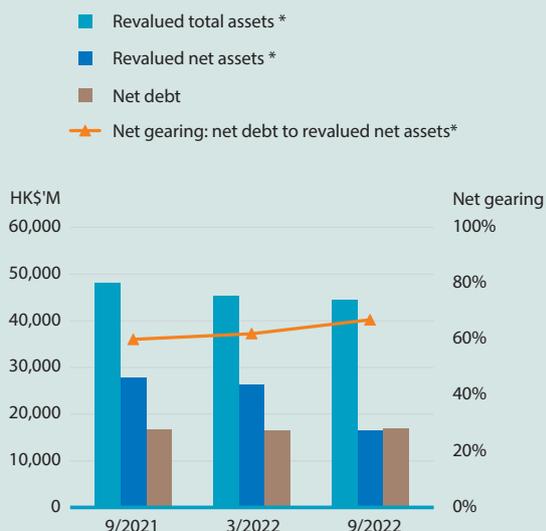
Approximately 98% of the Group's borrowings are in Hong Kong dollars and the remaining 2% in Canadian dollars.

All the debts are at floating rates, which are on upward trend following US interest rate hikes to curb escalating inflationary pressures. As at 30th September 2022, about 49% of these debts have been hedged against HIBOR fluctuations by various interest rate swap contracts of approximately HK\$8,760 million in total, with approximately 83% having remaining maturities of about 2.5 years. As at 30th September 2022, a gain of HK\$607 million was recorded on these interest rate swap contracts. The maturities of our debts spread over a period of up to 5 years, with 29% repayable between one to two years and 44% repayable between two to five years. The remaining 27% represent revolving and term loans repayable within 1 year.

During the interim period, the hotel subsidiary refinanced all its unsecured borrowings due within the year with a HK\$1.4 billion four-year sustainability linked syndicated loan, linking with predefined environmental-related sustainability performance criteria comprising reduction in energy and water consumption at all its hotels.

As at 30th September 2022, 71% of the debts were secured. Property assets with an aggregate net book value of HK\$25.1 billion (31st March 2022: HK\$24.5 billion) were pledged to secure credit facilities of the Group. HK\$3,190 million (31st March 2022: HK\$3,349 million) guarantees were provided to financial institutions and third parties against outstanding banking and loan facilities of joint ventures.

Revalued total assets*, revalued net assets*, net debt and net gearing



* with hotel properties stated at valuation

Management Discussion and Analysis

EMPLOYEES AND REMUNERATION POLICIES

At 30th September 2022, the Group employed approximately 350 (31st March 2022: 360) employees. The remuneration packages including basic salary, annual bonus, share options, retirement and other benefits are commensurate with their job nature and level of experience.

FUTURE PROSPECT

After almost 3 years of pandemic quarantine, Hong Kong is finally marching on its path back to the international stage, commencing with the Global Financial Leaders' Investment Summit in the city, re-hosting of long-halted international sports events and followed by the Chief Executive-led business delegation promoting Hong Kong. Having said that, the way ahead is full of challenges.

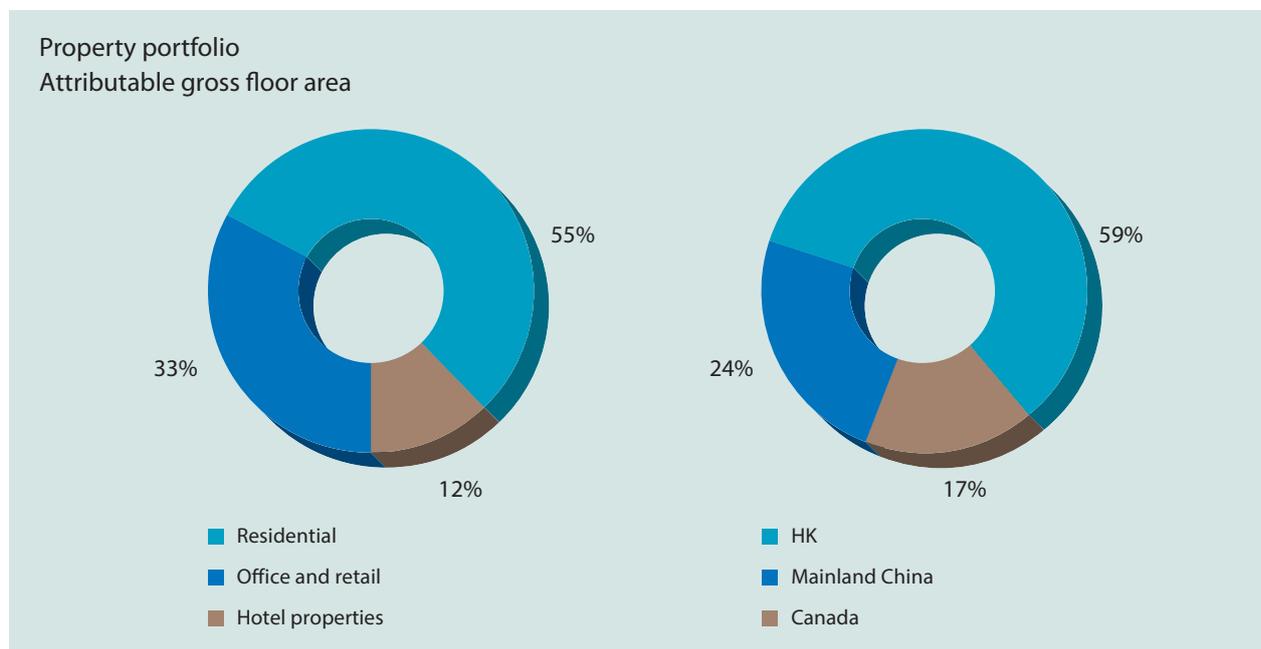
The Ukrainian war ignited inflation pressures and sparked a cycle of interest rate hikes as a containment tool by the US. Hong Kong is following, though to a lesser extent, thus mortgage rates started increasing, a factor which deter the local residential property market in the short-run. Eyeing on the long-run, the Chief Executive continue to advance the HKSAR's Northern Metropolis Development Strategy, announcing a series of infrastructure construction connecting east and west of this developing area and at the same time with the developed parts of the city.

With the relaxation of entry quarantine requirements, hotel operation started to recover. Our government is working hard towards full re-opening of border, and the maintaining of Hong Kong as the main business hub for the Greater-Bay area in the long-run, which the recovery of our economy heavily depends.

In mainland PRC, central government is taking steps to address the liquidity issues encountered by property developers, including the loosening of purchase restrictions, lowering of mortgage rate, one-year extension of developers' bank loan maturity due in current year. With the stabilisation of property market and the releasing of liquidity through banks, we expect the affected developers would ride through the crisis through liabilities management and accelerated asset sale.

Throughout the period, the Group has been operating under the environment of rising interest rate, which the summit is yet to be seen. With about 50% of its borrowings being hedged by interest rate swap, we continue to confine portion of the finance cost at a predetermined relatively low level, alleviating the Group from associated finance cost burden.

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



Report on Review of Interim Financial Information

To the Board of Directors of Asia Orient Holdings Limited

(incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 11 to 44, which comprises the interim condensed consolidated balance sheet of Asia Orient Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30th September 2022 and the interim condensed consolidated profit or loss account, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and notes, comprising significant accounting policies and other explanatory information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The Directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 30th November 2022

Condensed Consolidated Profit and Loss Account – Unaudited

		Six months ended 30th September	
	Note	2022 HK\$'000	2021 HK\$'000
Interest revenue		1,016,163	1,291,395
Sales of goods and services, leasing and other revenue		186,064	138,479
Total revenue	6	1,202,227	1,429,874
Cost of sales		(50,994)	(35,171)
Gross profit		1,151,233	1,394,703
Selling and administrative expenses		(151,486)	(120,022)
Depreciation		(115,331)	(104,852)
Net investment loss	7		
Net realised and unrealised loss		(398,602)	(197,086)
Change in expected credit losses		(664,481)	(1,052,444)
Fair value gain of investment properties		81,095	314,944
Operating (loss)/profit		(97,572)	235,243
Net finance costs	9	(155,764)	(190,159)
Share of profits less losses of			
Joint ventures		180,704	(45,308)
Associated companies		(13,082)	42,466
(Loss)/profit before income tax		(85,714)	42,242
Income tax credit	10	33,138	34,001
(Loss)/profit for the period		(52,576)	76,243
Attributable to:			
Shareholders of the Company		(37,333)	43,624
Non-controlling interests		(15,243)	32,619
		(52,576)	76,243
(Loss)/earnings per share (HK\$)			
Basic	12	(0.04)	0.05
Diluted	12	(0.04)	0.05

Condensed Consolidated Statement of Comprehensive Income – Unaudited

	Six months ended	
	30th September	
	2022	2021
	HK\$'000	HK\$'000
(Loss)/profit for the period	(52,576)	76,243
Other comprehensive 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 loss and other net movements	(1,695,731)	(5,499,761)
– release of reserve upon disposal/redemption/derecognition	(24,872)	24,133
Share of net fair value gain/(loss) on debt securities at fair value through other comprehensive income of joint ventures	16,216	(143,489)
Cash flow hedges		
– net fair value gain/(loss)	247,961	(3,402)
– deferred tax on derivative financial instruments	(40,914)	562
Currency translation differences	(102,532)	(1,055)
Share of currency translation differences of joint ventures	(193,382)	26,163
Items that will not be reclassified to profit or loss:		
Net fair value loss on equity securities at fair value through other comprehensive income	(38,072)	(181,166)
	(1,831,326)	(5,778,015)
Total comprehensive charge for the period	(1,883,902)	(5,701,772)
Attributable to:		
Shareholders of the Company	(1,023,609)	(3,162,097)
Non-controlling interests	(860,293)	(2,539,675)
	(1,883,902)	(5,701,772)

Condensed Consolidated Balance Sheet – Unaudited

	Note	30th September 2022 HK\$'000	31st March 2022 HK\$'000
Non-current assets			
Investment properties	13	10,040,371	9,959,069
Property, plant and equipment	14	7,999,434	8,081,261
Investment in joint ventures and associated companies		4,445,114	4,410,713
Amount due from joint ventures and associated companies		2,355,618	2,281,206
Loan receivables		747	850
Financial investments	16	863,768	1,662,100
Derivative financial instruments		607,185	286,914
Deferred income tax assets		214,849	180,665
		26,527,086	26,862,778
Current assets			
Properties under development for sale		4,685,241	4,422,572
Completed properties held for sale		3,680	3,680
Hotel and restaurant inventories		32,289	17,881
Trade and other receivables	15	1,543,324	1,018,844
Income tax recoverable		58	80
Financial investments	16	4,147,398	5,937,740
Bank balances and cash			
– restricted		214,806	374,330
– unrestricted		886,971	881,517
		11,513,767	12,656,644
Current liabilities			
Trade and other payables	17	209,555	207,861
Contract liabilities		239,845	245,717
Amount due to joint ventures		273,504	311,392
Amount due to an associated company		206,250	206,250
Amount due to non-controlling interests		50,477	48,647
Income tax payable		180,735	172,183
Borrowings	18	4,794,877	4,021,578
Derivative financial instruments		–	676
		5,955,243	5,214,304
Net current assets			
		5,558,524	7,442,340
Non-current liabilities			
Borrowings	18	13,181,325	13,544,504
Lease liabilities		2,324	5,738
Deferred income tax liabilities		735,280	704,293
		13,918,929	14,254,535
Net assets			
		18,166,681	20,050,583

Condensed Consolidated Balance Sheet – Unaudited

	Note	30th September 2022 HK\$'000	31st March 2022 HK\$'000
Equity			
Share capital	19	84,087	84,087
Reserves	20	9,369,396	10,393,005
Equity attributable to shareholders of the Company		9,453,483	10,477,092
Non-controlling interests		8,713,198	9,573,491
		18,166,681	20,050,583

Condensed Consolidated Statement of Cash Flows – Unaudited

	Six months ended	
	30th September	
	2022	2021
	HK\$'000	HK\$'000
Cash flows from operating activities		
Net cash generated from/(used in) operation	27,649	(537,353)
Net income tax paid	(2,289)	(518)
Net interest paid	(255,478)	(264,275)
Interest received from bank deposit and other receivables	9,393	6,751
Net cash used in operating activities	(220,725)	(795,395)
Cash flows from investing activities		
Purchase of financial investments	(9,383)	(11,740)
Addition to investment properties	(207)	(113)
Addition to property, plant and equipment	(32,840)	(202,804)
Increase in investments in joint ventures	(5,851)	(262,953)
(Advance to)/repayment from joint ventures and associated companies	(150,392)	147,505
Net cash used in investing activities	(198,673)	(330,105)
Cash flows from financing activities		
Drawdown of long term borrowings	1,578,300	3,714,750
Repayment of long term borrowings	(1,598,200)	(2,622,033)
Net increase/(decrease) in short term borrowings	469,420	(334,676)
Dividend paid	–	(30,271)
Dividend paid to non-controlling interests	–	(44,911)
Contribution from non-controlling interests	1,830	1,266
Principal element of lease payments	(4,751)	(1,494)
Net cash generated from financing activities	446,599	682,631
Net increase/(decrease) in cash and cash equivalents	27,201	(442,869)
Cash and cash equivalents at the beginning of the period	881,517	2,088,489
Changes in exchange rates	(21,747)	(2,093)
Cash and cash equivalents at the end of the period	886,971	1,643,527
Analysis of the balances of cash and cash equivalents		
Bank balances and cash (excluding restricted bank balances)	886,971	1,643,527

Condensed Consolidated Statement of Changes in Equity – Unaudited

	Equity attributable to shareholders of the Company			Non- controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Reserves HK\$'000	Total HK\$'000		
At 31st March 2021	84,087	14,593,013	14,677,100	12,770,520	27,447,620
Financial assets at fair value through other comprehensive income					
– net fair value loss and other net movements	–	(3,240,658)	(3,240,658)	(2,595,874)	(5,836,532)
– release of reserve upon disposal/ redemption/derecognition	–	23,684	23,684	12,565	36,249
Cash flow hedges					
– fair value loss	–	(2,629)	(2,629)	(773)	(3,402)
– deferred tax on derivative financial instruments	–	434	434	128	562
Currency translation differences	–	13,448	13,448	11,660	25,108
Profit for the period	–	43,624	43,624	32,619	76,243
Total comprehensive charge for the period	–	(3,162,097)	(3,162,097)	(2,539,675)	(5,701,772)
Dividends paid and total transaction with owners	–	(30,271)	(30,271)	(23,480)	(53,751)
	–	(3,192,368)	(3,192,368)	(2,563,155)	(5,755,523)
At 30th September 2021	84,087	11,400,645	11,484,732	10,207,365	21,692,097
At 31st March 2022	84,087	10,393,005	10,477,092	9,573,491	20,050,583
Financial assets at fair value through other comprehensive income					
– net fair value loss and other net movements	–	(942,743)	(942,743)	(774,844)	(1,717,587)
– release of reserve upon disposal/ redemption/derecognition	–	(5,914)	(5,914)	(18,958)	(24,872)
Cash flow hedges					
– fair value gain	–	124,831	124,831	123,130	247,961
– deferred tax on derivative financial instruments	–	(20,597)	(20,597)	(20,317)	(40,914)
Currency translation differences	–	(141,853)	(141,853)	(154,061)	(295,914)
Loss for the period	–	(37,333)	(37,333)	(15,243)	(52,576)
Total comprehensive charge for the period	–	(1,023,609)	(1,023,609)	(860,293)	(1,883,902)
At 30th September 2022	84,087	9,369,396	9,453,483	8,713,198	18,166,681

Notes to the Interim Financial Information

1 GENERAL INFORMATION

Asia Orient Holdings Limited (the “Company”) is a limited liability company incorporated in Bermuda and is listed on The Stock Exchange of Hong Kong Limited (“HKEX”). The address of its principal office is 30th Floor, YF Life Tower, 33 Lockhart Road, Wanchai, Hong Kong.

2 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information for the six months ended 30th September 2022 (“Interim Financial Information”) has been prepared in accordance with Hong Kong Accounting Standards (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants, and should be read in conjunction with the annual financial statements for the year ended 31st March 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

3 THE ADOPTION OF NEW HKFRS

The accounting policies used in the preparation of this Interim Financial Information are consistent with those used in the annual financial statements for the year ended 31st March 2022, except for the adoption of the following amendments to standards that are effective for the financial year ending 31st March 2023 which is relevant to the Group’s operations and is mandatory for accounting periods beginning on or after 1st January 2022:

Amendments to HKAS 16	Property, plant and equipment: Proceeds before intended use
Amendments to HKAS 37	Onerous contracts – cost of fulfilling a contract
Amendments to HKFRS 3	Reference to the conceptual framework
Amendments to HKFRS	Annual improvements to HKFRS Standards 2018-2020

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

4 FINANCIAL RISK MANAGEMENT

(I) Financial Risk Factors

The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and cash flow interest rate risk), credit risk and liquidity risk. The Group’s overall risk management seeks to minimise potential adverse effects on the Group’s financial performance.

The credit risk of the Group mainly arises from financial investments, as well as credit exposures to loans receivables and other receivables.

The Interim Financial Information does not include other financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements as at 31st March 2022.

Notes to the Interim Financial Information

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(I) Financial Risk Factors (Continued)

The Group adopts a “three-stage” model for impairment based on changes in credit quality since initial recognition, to estimate the expected credit losses (“ECL”) for financial assets measured at amortised cost (except for trade receivables, which applies simplified approach) and debt securities at fair value through other comprehensive income (“FVOCI”) other than those that are classified as purchased or originated credit-impaired (“POCI”) and financial guarantee contracts.

The key definition of the three stages are summarised below:

- Stage 1: For financial instruments with no significant increase in credit risk after initial recognition or that have low credit risk at the reporting date, the ECL are recognised at an amount equal to the portion of lifetime ECL that result from default events possible within the next 12 months;
- Stage 2: For financial instruments with significant increase in credit risk since initial recognition, but there is no objective evidence of impairment, lifetime ECL are recognised and interest revenue is calculated on the gross carrying amount of the asset;
- Stage 3: For financial instruments in default at the end of the reporting period, lifetime ECL are recognised and interest revenue is calculated on the net carrying amount of the assets.

POCI are financial assets that are credit-impaired on initial recognition. This might occur, for example, in a situation in which there was a substantial modification of a distressed asset that resulted in the derecognition of the original financial asset. In such a case, it may be possible for the modification to result in a new financial asset which is credit-impaired at initial recognition.

Notes to the Interim Financial Information

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(I) Financial Risk Factors (Continued)

The Group is subject to credit risk exposure according to their relevant credit risk concentration.

Gross carrying amount	Simplified approach HK\$'000	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	POCI HK\$'000
At 30th September 2022					
Bank balances and cash					
Unrestricted	-	886,971	-	-	-
Restricted	-	214,806	-	-	-
Amount due from joint ventures and associated companies	-	2,355,618	-	-	-
Loan receivables	-	3,272	-	8,795	-
Trade and other receivables excluding interest receivables	81,975	85,773	-	-	-
Debt securities at FVOCI and related interest receivables	-	64,608	5,516	2,299,882	323,146
At 31st March 2022					
Bank balances and cash					
Unrestricted	-	881,517	-	-	-
Restricted	-	374,330	-	-	-
Amount due from joint ventures and associated companies	-	2,281,206	-	-	-
Loan receivables	-	3,323	-	8,812	-
Trade and other receivables excluding interest receivables	54,790	90,585	-	-	-
Debt securities at FVOCI and related interest receivables	-	488,644	624,368	2,781,003	768,903

Notes to the Interim Financial Information

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(I) Financial Risk Factors (Continued)

During the six months ended 30th September 2022, the following loss allowances were recognised in consolidated profit and loss account in relation to the Group's debt securities at FVOCI:

	Stage 1		Stage 2		Stage 3		POCI		Total	
	Fair value	ECL	Fair value	ECL	Fair value	ECL	Fair value	ECL	Fair value	ECL
	HK\$\$'000	HK\$\$'000	HK\$\$'000	HK\$\$'000	HK\$\$'000	HK\$\$'000	HK\$\$'000	HK\$\$'000	HK\$\$'000	HK\$\$'000
At 1st April 2022	429,994	5,181	469,944	89,660	2,162,387	3,519,457	733,410	48,770	3,795,735	3,663,068
Net assets originated or purchased	89,126	394	20,024	2,180	665,033	119,750	5,130	-	779,313	122,324
Payments and assets derecognised	(116,529)	-	(13,005)	(497)	(655,923)	(53,112)	(35,428)	-	(820,885)	(53,609)
Transfers to Stage 3	(313,465)	(2,181)	(456,939)	(89,163)	770,404	91,344	-	-	-	-
Credit quality related changes	-	-	-	-	-	438,465	-	157,301	-	595,766
Change in fair value	(27,288)	-	(15,154)	-	(1,727,305)	-	(423,760)	-	(2,193,507)	-
At 30th September 2022	61,838	3,394	4,870	2,180	1,214,596	4,115,904	279,352	206,071	1,560,656	4,327,549
Total ECL charge to profit and loss account for the period										(664,481)
At 1st April 2021	12,388,951	82,671	267,460	76,513	-	661,651	-	-	12,656,411	820,835
Net assets originated or purchased	1,481,353	52,557	-	-	-	-	144,055	-	1,625,408	52,557
Payments and assets derecognised	(1,955,033)	(12,469)	-	-	-	-	-	-	(1,955,033)	(12,469)
Transfers to Stage 2	(9,414,704)	(74,088)	9,414,704	74,088	-	-	-	-	-	-
Transfers to Stage 3	(367,354)	(2,277)	(267,460)	(71,895)	634,814	74,172	-	-	-	-
Credit quality related changes	-	347	-	905,489	-	74,433	-	32,087	-	1,012,356
Change in fair value	(33,487)	-	(5,971,216)	-	(247,628)	-	(90,322)	-	(6,342,653)	-
At 30th September 2021	2,099,726	46,741	3,443,488	984,195	387,186	810,256	53,733	32,087	5,984,133	1,873,279
Total ECL charge to profit and loss account for the period										(1,052,444)

Notes to the Interim Financial Information

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(II) Fair Value Estimation

Financial instruments carried at fair value are categorised into 3 levels defined as follow:

- **Financial instruments in level 1**

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

- **Financial instruments in level 2**

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter investments) is determined by using latest available transaction price or valuation techniques. Judgements as to whether there is an active market may include, but not restricted to, consideration of factors such as the magnitude and frequency of trading activities, the availability of prices and the size of bid/ask spreads. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

- **Financial instruments in level 3**

If one or more of the significant inputs is not based on observable market data, the instruments are included in level 3.

Level 3 instruments comprise listed debt securities, unlisted equity securities and unlisted funds which are not traded in an active market. Fair values of these instruments have been determined using appropriate valuation techniques with references including quoted prices and asset-based values from financial institutions and other prices observed in recent transactions.

Notes to the Interim Financial Information

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(II) Fair Value Estimation (Continued)

The following table presents the Group's financial instruments that are measured at fair value at 30th September 2022 and 31st March 2022:

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
At 30th September 2022			
Assets			
Financial investments			
Financial assets at FVOCI	206,756	1,290,620	366,461
Financial assets at fair value through profit or loss ("FVPL")	104,456	2,910,460	132,413
Derivative financial instruments	–	607,185	–
	311,212	4,808,265	498,874
At 31st March 2022			
Assets			
Financial investments			
Financial assets at FVOCI	258,362	2,817,702	1,060,734
Financial assets at FVPL	116,335	3,176,632	170,075
Derivative financial instruments	–	286,914	–
	374,697	6,281,248	1,230,809
Liabilities			
Derivative financial instruments	–	676	–

Notes to the Interim Financial Information

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(II) Fair Value Estimation (Continued)

The following table presents the changes in level 3 financial instruments for the six months ended 30th September 2022 and 2021:

	Financial assets at FVOCI HK\$'000	Financial assets at FVPL HK\$'000
At 31st March 2022	1,060,734	170,075
Net addition	–	9,384
Transfer to level 2	(708,558)	–
Fair value gain recognised in OCI	13,534	–
Fair value gain/(loss) recognised in profit or loss	751	(47,046)
At 30th September 2022	366,461	132,413
At 31st March 2021	56,353	131,234
Net addition	–	11,740
Fair value loss recognised in OCI	(11)	–
Fair value gain recognised in profit or loss	69	58,554
At 30th September 2021	56,411	201,528

During the period, except that the Group transferred HK\$709 million financial assets at FVOCI from level 3 to level 2 which was obtained transaction price over the counter, there were no transfer between level 1, 2 and 3.

Notes to the Interim Financial Information

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(II) Fair Value Estimation (Continued)

The following table summarises the quantitative information about the significant unobservable input used in level 3 fair value measurement:

Description	Fair value		Valuation technique	Unobservable input	Relationship of unobservable input to fair value
	At 30th September 2022 HK\$'000	At 31st March 2022 HK\$'000			
Financial asset at FVOCI	270,037	978,031	Discounted cash flow methodology	Discount rate of 15% - 25% on estimated contractual cash inflow from the bond	The higher the estimated contractual cash flow from the underlying bond, the higher the fair value. The higher the discount rate, the lower the fair value.
Financial asset at FVOCI	96,424	82,703	Asset-based valuation	Net asset value	The higher the net asset value, the higher the fair value.
Financial asset at FVPL	119,513	154,795	Asset-based valuation	Net asset value	The higher the net asset value, the higher the fair value.
Financial asset at FVPL	12,900	15,280	Third party valuation report	Fair value of the underlying property based on valuation report	The higher the fair value of the underlying property, the higher the fair value.

Notes to the Interim Financial Information

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31st March 2022.

6 SEGMENT INFORMATION

The Group is principally engaged in property management, development and investment, hotel, travel operation and securities investments. Revenue includes revenue from property management, property sales and leasing, hotel and travel operation, management services, interest income and dividend income.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments. The operating segments were determined based on the reports reviewed by the chief operating decision-maker. The Group is organised into four main operating segments, comprising property sales, property leasing, hotel and travel and financial investments. Segment assets consist primarily of property, plant and equipment, investment properties, financial investments, other non-current assets, hotel inventories, properties under development/held for sale and trade and other receivables. Segment liabilities comprise mainly borrowings, trade and other payables and contract liabilities.

Notes to the Interim Financial Information

6 SEGMENT INFORMATION (CONTINUED)

	Property sales HK\$'000	Property leasing HK\$'000	Hotel and travel HK\$'000	Financial investments HK\$'000	Others HK\$'000	Total HK\$'000
Six months ended 30th September 2022						
Segment revenue	6,750	77,824	72,120	1,022,707	22,826	1,202,227
Contribution to segment results	(999)	64,022	4,451	997,880	18,082	1,083,436
Depreciation	(10,104)	-	(79,621)	-	(25,606)	(115,331)
Net investment loss	-	-	-	(1,063,083)	-	(1,063,083)
Fair value gain of investment properties	-	81,095	-	-	-	81,095
Share of profits less losses of						
Joint ventures	180,536	-	-	-	168	180,704
Associated companies	-	(13,082)	-	-	-	(13,082)
Segment results	169,433	132,035	(75,170)	(65,203)	(7,356)	153,739
Unallocated corporate expenses						(83,689)
Net finance costs						(155,764)
Loss before income tax						(85,714)
Six months ended 30th September 2021						
Segment revenue	-	87,052	27,327	1,305,060	10,435	1,429,874
Contribution to segment results	(2,658)	73,344	(19,042)	1,297,195	5,911	1,354,750
Depreciation	(3,219)	-	(88,799)	-	(12,834)	(104,852)
Net investment loss	-	-	-	(1,249,530)	-	(1,249,530)
Fair value gain of investment properties	-	314,944	-	-	-	314,944
Share of profits less losses of						
Joint ventures	(45,344)	-	-	-	36	(45,308)
Associated companies	-	42,968	-	-	(502)	42,466
Segment results	(51,221)	431,256	(107,841)	47,665	(7,389)	312,470
Unallocated corporate expenses						(80,069)
Net finance costs						(190,159)
Profit before income tax						42,242

Notes to the Interim Financial Information

6 SEGMENT INFORMATION (CONTINUED)

	Business segments						Total HK\$'000
	Property sales HK\$'000	Property leasing HK\$'000	Hotel and travel HK\$'000	Financial investments HK\$'000	Others HK\$'000	Unallocated HK\$'000	
At 30th September 2022							
Assets	10,536,290	11,290,761	5,910,394	6,397,284	220,366	3,685,758	38,040,853
Assets include:							
Joint ventures and associated companies	5,580,413	1,190,908	–	–	29,411	–	6,800,732
Addition to non-current assets for the six months ended 30th September 2022*	6,347	207	15,093	–	15,096	3,034	39,777
Liabilities							
Borrowings	5,364,493	1,740,325	3,472,441	234,887	–	7,164,056	17,976,202
Other liabilities							1,897,970
							19,874,172
At 31st March 2022							
Assets	10,306,692	11,213,408	5,968,423	8,487,198	220,020	3,323,681	39,519,422
Assets include:							
Joint ventures and associated companies	5,458,747	1,203,990	–	–	29,182	–	6,691,919
Addition to non-current assets for the six months ended 30th September 2021*	260,609	113	135,419	–	63,047	4,915	464,103
Liabilities							
Borrowings	5,182,700	1,761,674	3,519,378	554,631	–	6,547,699	17,566,082
Other liabilities							1,902,757
							19,468,839

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

Notes to the Interim Financial Information

6 SEGMENT INFORMATION (CONTINUED)

	Six months ended 30th September	
	2022 HK\$'000	2021 HK\$'000
Revenue		
Hong Kong	172,654	138,881
Overseas	1,029,573	1,290,993
	1,202,227	1,429,874
	30th September 2022 HK\$'000	31st March 2022 HK\$'000
Non-current assets*		
Hong Kong	22,547,448	22,460,782
Overseas	2,293,089	2,271,467
	24,840,537	24,732,249

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

Sales of goods and services, leasing and other revenue can be further analysed into:

	Six months ended 30th September	
	2022 HK\$'000	2021 HK\$'000
Revenue from contracts with customers recognised		
– at a point in time	7,128	1,012
– over time	95,222	44,176
	102,350	45,188
Other sources	83,714	93,291
	186,064	138,479

Notes to the Interim Financial Information

7 NET INVESTMENT LOSS

	Six months ended	
	2022	2021
	HK\$'000	HK\$'000
Financial assets at FVPL		
– net unrealised loss from market price movements	(56,061)	(322,222)
– net unrealised exchange (loss)/gain	(370,188)	90,858
– net realised gain/(loss) (note (a))	3,339	(8,592)
Financial assets at FVOCI		
– net unrealised exchange (loss)/gain	(10,366)	17,299
– net realised gain (note (b))	1,380	27,893
– change in expected credit losses	(664,481)	(1,052,444)
Derivative financial instrument		
– net unrealised gain/(loss)	33,294	(2,322)
	(1,063,083)	(1,249,530)

Notes:

(a)	Net realised gain/(loss) on financial assets at FVPL		
	Gross consideration	20,268	33,958
	Cost of investments	(16,973)	(38,955)
	Add/(less): net unrealised loss/(gain) recognised in prior years	44	(3,595)
	Net realised gain/(loss) recognised in current period	3,339	(8,592)
(b)	Net realised gain on financial assets at FVOCI		
	Gross consideration	851,814	2,019,174
	Cost of investments	(845,169)	(1,962,923)
	Transfer from investment revaluation reserve	(5,265)	(28,358)
	Net realised gain recognised in current period	1,380	27,893

Notes to the Interim Financial Information

7 NET INVESTMENT LOSS (CONTINUED)

Notes: (Continued)

- (c) Net unrealised loss for the period was generated from the fair value changes of the financial investments that comprised 69 (2021: 78) securities and 5 (2021: 6) unlisted funds as at 30th September 2022.

Summary of unrealised (loss)/gain to profit and loss account for the six months ended 30th September:

	Six months ended 30th September	
	2022	2021
	HK\$'000	HK\$'000
Equity securities	(10,961)	(50,872)
Debt securities	(378,608)	(223,230)
Unlisted funds	(47,046)	60,037
	(436,615)	(214,065)

During the period, the following debt securities contributed to the majority of the unrealised loss:

	Unrealised loss for the six months ended 30th September 2022
	HK\$'000
Pearl River 7.5% notes 1	(99,592)
Pearl River 7.5% notes 2	(80,617)
Pearl River 6.5% notes	(49,617)
Guangzhou R&F 6.58% notes	(41,637)
Guangzhou R&F 6.7% notes	(40,169)
	(311,632)

Pearl River 7.5% notes 1, Pearl River 7.5% notes 2 and Pearl River 6.5% notes, issued by Guangdong Pearl River Investment Co., Limited ("Pearl River"), listed on Shanghai Stock Exchange ("SSE") and denominated in Renminbi. As at 30th September 2022, they were rated "AA+" by China Lianhe Credit rating Co., Ltd. ("Lianhe"). The Group acquired them through total return swap arrangement ("TRS") arranged by Morgan Stanley & Co. International plc ("Morgan Stanley"), a public limited company incorporated in England and Wales. Pearl River is principally engaged in the development and sale of properties, property investment, hotel operations and other property development related services in the PRC. Their parameters are as follows:

	Coupon per annum	Maturity	Put Option
Pearl River 7.5% notes 1	7.5%	19th February 2026	19th February 2023
Pearl River 7.5% notes 2	7.5%	11th January 2026	11th January 2023
Pearl River 6.5% notes	6.5%	19th October 2025	19th October 2022

Notes to the Interim Financial Information

7 NET INVESTMENT LOSS (CONTINUED)

Notes: (Continued)

(c) (Continued)

Guangzhou R&F 6.58% and 6.7% notes, issued by Guangzhou R&F Properties Co., Ltd (“Guangzhou R&F”), carry fixed coupon rates of 6.58% per annum (maturing on 3rd December 2022) and 6.7% per annum (maturing on 7th April 2023), respectively. These notes are denominated in RMB, listed on SSE and rated “AA+” by Lianhe. The Group acquired them through TRS arranged by Morgan Stanley. Guangzhou R&F is principally engaged in property development, property management, hotel development, commercial operations, and architectural and engineering design. Its shares are listed on HKEX (stock code: 2777).

(d) Summary of expected credit loss for the year:

During the period, the following debt securities contributed to the majority of the changes in ECL:

	Changes in ECL for the six months ended 30th September 2022 HK\$'000
Jiayuan 11.375% notes	(123,798)
Hejun Shunze 11% notes	(110,929)
Scenery Journey 11.5% notes	(94,680)
Scenery Journey 13% notes	(65,787)
Guangzhou R&F 6.7% notes	(60,652)
	(455,846)

Jiayuan 11.375% notes, issued by Jiayuan International Group Limited (“Jiayuan”) and carry fixed coupon rate of 11.375% per annum. The notes are denominated in USD, mature on 29th October 2022 and are listed on Singapore Stock Exchange (“SGX-ST”).

Hejun Shunze 11% notes, issued by Hejun Shunze Investment Co., Limited, a wholly owned subsidiary of Sichuan Languang Development Co., Ltd., carry fixed coupon at rate of 11% per annum. The notes are denominated in USD, mature on 4th June 2022 and are listed on SGX-ST.

Scenery Journey 11.5% and 13% notes, issued by Scenery Journey Limited, an indirect subsidiary of China Evergrande Group (“Evergrande”), carry fixed coupon rates of 11.5% per annum (maturing on 24th October 2022), and 13% per annum (maturing on 6th November 2023), respectively. These notes are denominated in USD and are listed on SGX-ST. Evergrande is principally engaged in property development, property management, property construction, hotel operations, finance business, internet business, and health industry business in the PRC. Its shares are listed on HKEX (stock code: 3333).

Notes to the Interim Financial Information

8 INCOME AND EXPENSES BY NATURE

	Six months ended	
	2022	2021
	HK\$'000	HK\$'000
Income		
Interest income from financial assets at FVOCI		
– Listed investments	719,557	989,585
– Unlisted investments	13,810	–
Interest income from financial assets at FVPL		
– Listed investments	270,245	294,291
– Unlisted investments	3,158	767
Interest income from financial assets measured at amortised cost		
– Amount due from joint ventures	4,648	6,024
– Loan receivables	852	320
– Bank deposits	3,893	408
Dividend income		
– Listed investments	2,790	2,334
Expenses		
Cost of properties and goods sold	6,067	553
Employee benefit expense, including Director's emoluments (note (a))	84,636	75,851
Note:		
(a) Employee benefit expense		
Wages and salaries	85,359	76,801
Retirement benefit costs	2,090	1,865
	87,449	78,666
Capitalised under property under development for sale	(2,813)	(2,815)
	84,636	75,851

Notes to the Interim Financial Information

9 NET FINANCE COSTS

	Six months ended 30th September	
	2022	2021
	HK\$'000	HK\$'000
Interest expense		
Long term bank loans	(209,040)	(154,710)
Short term bank loans and overdrafts	(6,589)	(4,036)
Lease liabilities	(125)	(35)
Amount due to a joint venture	(1,090)	(1,090)
Derivative financial instruments (interest rate swaps)	(5,554)	(39,527)
Interest capitalised	58,266	43,180
	(164,132)	(156,218)
Other incidental borrowing costs	(30,743)	(30,021)
Net foreign exchange loss on borrowings	(580)	(1,351)
Fair value gain/(loss) on derivative financial instruments (interest rate swaps)		
Cash flow hedge – ineffective portion	39,691	(2,569)
	(155,764)	(190,159)

10 INCOME TAX CREDIT

	Six months ended 30th September	
	2022	2021
	HK\$'000	HK\$'000
Current income tax expense		
Hong Kong profits tax	(7,846)	(40,291)
Overseas profits tax	(2,315)	(581)
(Under)/over provision in prior years	(704)	7,825
	(10,865)	(33,047)
Deferred income tax credit	44,003	67,048
	33,138	34,001

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

Notes to the Interim Financial Information

11 DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30th September 2022 (2021: Nil).

12 (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.

	Six months ended 30th September	
	2022	2021
	HK\$'000	HK\$'000
(Loss)/profit attributable to shareholders of the Company	(37,333)	43,624
	Number of shares	
Weighted average number of shares in issue	840,873,996	840,873,996

The diluted (loss)/earnings per share is equal to the basic (loss)/earnings per share since there exist no dilutive potential share during the six months ended 30th September 2022 and 2021.

13 INVESTMENT PROPERTIES

Investment properties were revalued by Prudential Surveyors (Hong Kong) Limited, independent professional valuers, on an open market value basis as at 30th September 2022 and 31st March 2022. All of the fair value measurements of the Group's investment properties were categorised as level 3 of the fair value hierarchy. There were no transfers into or out of level 3 during the period.

Notes to the Interim Financial Information

14 PROPERTY, PLANT AND EQUIPMENT

	Hotel buildings HK\$'000	Other buildings HK\$'000	Other equipments HK\$'000	Right-of-use assets* HK\$'000	Total HK\$'000
Cost					
At 31st March 2022	2,272,182	597,116	272,939	7,576,053	10,718,290
Currency translation differences	-	-	(5,132)	(47)	(5,179)
Additions	14,204	15,094	3,542	879	33,719
Reclassification	-	10,462	(10,462)	-	-
Disposals	-	-	(2,499)	(5,241)	(7,740)
At 30th September 2022	2,286,386	622,672	258,388	7,571,644	10,739,090
Accumulated depreciation					
At 31st March 2022	1,029,933	37,851	177,714	1,391,531	2,637,029
Currency translation differences	-	-	(4,934)	(30)	(4,964)
Charge for the period	35,621	6,204	9,389	64,117	115,331
Reclassification	-	1,569	(1,569)	-	-
Disposals	-	-	(2,499)	(5,241)	(7,740)
At 30th September 2022	1,065,554	45,624	178,101	1,450,377	2,739,656
Net book value					
At 30th September 2022	1,220,832	577,048	80,287	6,121,267	7,999,434
At 31st March 2022	1,242,249	559,265	95,225	6,184,522	8,081,261

* Mainly relates to leasehold land in Hong Kong.

Notes:

Supplementary information with hotel properties in operation at valuation:

The hotel properties portfolio in Hong Kong comprised five (31st March 2022: five) hotels. According to the Group's accounting policies, the carrying amount of these hotel properties in Hong Kong were HK\$5,645,850,000 (31st March 2022: HK\$5,720,899,000).

The aggregate open market value, on a highest and best use basis, of the five (31st March 2022: five) hotel properties in Hong Kong based on valuations conducted by Vigers Appraisal & Consulting Limited ("Vigers"), independent professional valuers, amounted to HK\$12,070,200,000 (31st March 2022: HK\$11,424,200,000), is regarded as level 3 hierarchy for disclosure purpose under HKFRS 13.

Vigers used the discounted cash flow method, which is considered the most appropriate valuation approach for assessing the market value of the properties as it would better reflect specific characteristics of the income-producing properties such as occupancies, average room rates, potential income growth and all out-goings, subject to future economic conditions in the markets.

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

Notes to the Interim Financial Information

15 TRADE AND OTHER RECEIVABLES

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

Accrued interest receivables and accrued dividend receivables amounted to HK\$1,348,000,000 (31st March 2022: HK\$862,000,000).

Trade receivables of the Group amounted to approximately HK\$81,874,000 (31st March 2022: HK\$54,790,000). The credit terms given to the customers vary and are generally based on the financial strengths of individual customers. In order to effectively manage the credit risks associated with trade receivables, credit evaluations of customers are performed periodically.

Aging analysis of trade receivables net of loss allowance is as follows:

	30th September 2022 HK\$'000	31st March 2022 HK\$'000
0 month to 6 months	62,054	51,281
7 months to 12 months	16,966	2,627
More than 12 months	2,854	882
	81,874	54,790

Notes to the Interim Financial Information

16 FINANCIAL INVESTMENTS

	30th September 2022 HK\$'000	31st March 2022 HK\$'000
Non-current assets		
Equity securities		
– Listed in Hong Kong	206,756	258,362
– Unlisted	96,425	82,703
	303,181	341,065
Debt securities		
– Listed in Singapore	422,218	1,143,012
– Listed in the PRC	5,128	7,948
– Listed in the Hong Kong	828	–
	428,174	1,150,960
Unlisted funds	132,413	170,075
	863,768	1,662,100
Current assets		
Equity securities		
– Listed in Hong Kong	104,456	116,335
Debt securities		
– Listed in the PRC	3,014,548	3,325,966
– Listed in Singapore	680,777	1,441,633
– Listed in Europe	347,617	927,789
– Listed in Hong Kong	–	116,529
	4,042,942	5,811,917
Unlisted funds	–	9,488
	4,147,398	5,937,740
Total financial investments	5,011,166	7,599,840

Notes to the Interim Financial Information

16 FINANCIAL INVESTMENTS (CONTINUED)

Financial investments are classified in the following categories:

	30th September 2022 HK\$'000	31st March 2022 HK\$'000
Non-current assets		
Financial assets at FVOCI	731,355	1,492,025
Financial assets at FVPL	132,413	170,075
	863,768	1,662,100
Current assets		
Financial assets at FVOCI	1,132,482	2,644,773
Financial assets at FVPL	3,014,916	3,292,967
	4,147,398	5,937,740
Total financial investments	5,011,166	7,599,840

Financial investments are denominated in the following currencies:

Renminbi	3,019,675	3,333,914
United States dollar	1,626,491	3,796,653
Hong Kong dollar	311,212	374,697
Sterling	40,147	78,837
Japanese yen	12,900	15,280
Euro	741	459
	5,011,166	7,599,840

Notes to the Interim Financial Information

16 FINANCIAL INVESTMENTS (CONTINUED)

Supplementary information of financial investments:

Equity Securities

As at 30th September 2022, the Group held 23 (31st March 2022: 23) listed equity securities and 1 (31st March 2022: 1) unlisted equity securities. The summary of equity securities portfolio of financial investments as at 30th September 2022 and 31st March 2022 and their corresponding unrealised (loss)/gain and dividend income for the six months ended 30th September 2022 and 2021 are as follows:

	Fair value		Unrealised (loss)/gain		Dividend income	
	30th September 2022 HK\$'000	31st March 2022 HK\$'000	for the six months ended 30th September		for the six months ended 30th September	
			2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
HSBC Holdings PLC ("HSBC")	125,727	165,197	(39,470)	(13,868)	2,152	1,662
MGM China ("MGM")	81,029	93,165	(12,136)	(167,287)	-	-
Amer Sports Corporation ("Amer Sports")	96,425	82,703	13,721	58	-	-
China Evergrande New Energy Vehicle Group Ltd ("Evergrande Vehicle")	2,786	2,786	-	(47,686)	-	-
Others	101,670	113,549	(11,149)	(3,256)	638	672
	407,637	457,400	(49,034)	(232,039)	2,790	2,334

HSBC is a global banking and financial services company. It operates across various geographical regions, and its shares are listed on HKEX (stock code: 5) and London Stock Exchange (stock code: HSBA), with a "A-" rated by S&P Global Ratings. As at 30th September 2022, a total of 0.02% shareholding of HSBC was held by the Group.

MGM is a company principally engaged in development and operation of casino game and related hotel and resort facilities in Macau, and its shares are listed on HKEX (stock code: 2282). As at 30th September 2022, a total of 0.49% shareholding of MGM was held by the Group.

Amer Sports is an unlisted global sporting goods company headquartered in Finland with internationally recognised brands. It is a joint venture of Anta Sports Products Limited ("Anta Sports"). Anta Sports is principally engaged in the manufacturing and trading of sporting goods, including footwear, apparel and accessories in the PRC. As at 30th September 2022, a total of 0.24% indirect shareholding of Amer Sports was held by the Group.

Evergrande Vehicle is engaged in technology research and development, production and sales of new energy vehicles, as well as "Internet +" community health management, international hospitals, and elderly care and rehabilitation in the PRC. Its shares are listed on HKEX (stock code: 708). Trading in the shares has been suspended since 1st April 2022. As at 30th September 2022, a total of 0.01% shareholding of Evergrande Vehicle was held by the Group.

Notes to the Interim Financial Information

16 FINANCIAL INVESTMENTS (CONTINUED)

Debt Securities

As at 30th September 2022, the Group held 45 (31st March 2022: 42) debt securities, 31 of them are listed in Singapore, 10 in the PRC, 2 in Europe, 1 in Hong Kong and 1 unlisted. 44 (31st March 2022: 40) debt securities were issued by PRC-based real estate companies, the shares of which are all listed in Hong Kong with the exception of 1 that is listed in the United States and 2 are unlisted, their mark to market valuation approximate 99% (31st March 2022: 99%) of debt securities portfolio.

The summary of debt securities portfolio of financial investments as at 30th September 2022 and 31st March 2022 are as follows:

	30th September 2022 HK\$'000	31st March 2022 HK\$'000
Principal amount of notes	18,533,669	19,343,076
Investment cost	17,079,242	17,036,595
Fair value	4,471,116	6,962,877
Coupon	5.5% to 14.5%	5.9% to 14.5%
Maturity	Oct 2022 – Jul 2028	Apr 2022 – Feb 2026

The 45 (30th September 2021: 48) debt securities gave rise to a net unrealised fair value loss of HK\$2,562 million for the six months ended 30th September 2022 (2021: HK\$6,583 million).

As at 30th September 2022, the mark to market valuation of the five largest debt securities held represent approximately 6.2% (31st March 2022: 8.1%) of the Group's revalued total assets. The remaining 40 debt securities represent 3.9% of the Group's revalued total assets, with each of them less than 0.6%.

Notes to the Interim Financial Information

16 FINANCIAL INVESTMENTS (CONTINUED)

Debt Securities (Continued)

The five largest debt securities held at 30th September 2022 are as follows:

	Fair value				Unrealised (loss)/gain		Interest income	
	30th	% of the	31st	% of the	for the six months		for the six months	
	September	debt	March	debt	ended 30th September		ended 30th September	
	2022	securities	2022	securities	2022	2021	2022	2021
HK\$'000	portfolio	HK\$'000	portfolio	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Pearl River 7.5% notes 1 (i)	938,209	19%	985,329	14%	(99,592)	24,105	90,137	92,058
Pearl River 7.5% notes 2 (i)	769,266	15%	811,292	12%	(80,617)	19,513	70,343	73,626
Peral River 6.5% notes (i)	484,747	10%	507,418	7%	(49,691)	11,781	42,174	46,063
Guangzhou R&F 6.8% notes (ii)	289,579	6%	318,393	4%	(28,814)	24,105	24,551	92,058
Golden Wheel 10% notes (iii)	275,460	6%	708,558	10%	(397,671)	-	80,749	-

- (i) The details of Pearl River notes were described in note 7(c).
- (ii) Guangzhou R&F 6.8% notes, issued by Guangzhou R&F and carries fixed coupon rate of 6.8% per annum. It is denominated in Renminbi, matures on 16th May 2022. The notes are listed on SSE. As at 30th September 2022, they were rated "AA+" by Lianhe. The Group acquired them through TRS arranged by Morgan Stanley. Guangzhou R&F is principally engaged in property development, property investment and hotel operations in the PRC.
- (iii) Golden Wheel 10% notes, issued by Golden Wheel Tiandi Holdings Company Limited ("Golden Wheel") and carries fixed coupon rate at 10% per annum. The notes are denominated in USD and mature on 11th April 2025 with amortisation during the tenor. They are not rated and are listed on SGX-ST.

17 TRADE AND OTHER PAYABLES

Trade and other payables of the Group include trade payables, rental and management fee deposits, lease liabilities, retentions payable of construction costs, interest payables and various accruals. Trade payables of the Group amounted to approximately HK\$93,338,000 (31st March 2022: HK\$71,088,000).

Aging analysis of trade payables is as follows:

	30th September 2022 HK\$'000	31st March 2022 HK\$'000
0 month to 6 months	92,914	70,687
7 months to 12 months	67	42
More than 12 months	357	359
	93,338	71,088

Notes to the Interim Financial Information

18 BORROWINGS

	30th September 2022 HK\$'000	31st March 2022 HK\$'000
Current liabilities		
Short term bank loans		
Secured	857,000	407,000
Unsecured	20,000	–
Current portion of long term bank loans		
Secured	3,386,425	2,374,619
Unsecured	531,452	1,239,959
	4,794,877	4,021,578
Non-current liabilities		
Long term bank loans		
Secured	8,453,256	9,452,772
Unsecured	4,728,069	4,091,732
	13,181,325	13,544,504
	17,976,202	17,566,082

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

	30th September 2022 HK\$'000	31st March 2022 HK\$'000
Repayable within one year	3,917,877	3,614,578
Repayable between one and two years	5,155,503	5,682,441
Repayable between two and five years	8,025,822	7,862,063
	17,099,202	17,159,082
Current portion included in current liabilities	(3,917,877)	(3,614,578)
	13,181,325	13,544,504

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

Notes to the Interim Financial Information

19 SHARE CAPITAL

Shares of HK\$0.1 each	Number of shares	Amount HK\$'000
Authorised: At 30th September 2022 and 31st March 2022	3,000,000,000	300,000
Issued and fully paid: At 30th September 2022 and 31st March 2022	840,873,996	84,087

20 RESERVES

	Share premium HK\$'000	Capital reserve HK\$'000	Contributed surplus HK\$'000	Share option reserve HK\$'000	Property revaluation reserve HK\$'000	Investment revaluation reserve HK\$'000	Hedging reserve HK\$'000	Currency translation reserve HK\$'000	Revenue reserve HK\$'000	Total HK\$'000
At 31st March 2022	2,257,745	398,021	60,257	4,111	31,167	(3,633,066)	91,524	15,452	11,167,794	10,393,005
Net fair value loss and other net movements of financial assets at FVOCI	-	-	-	-	-	(948,657)	-	-	-	(948,657)
Cashflow hedges										
- fair value gain	-	-	-	-	-	-	124,831	-	-	124,831
- deferred tax on derivative financial instruments	-	-	-	-	-	-	(20,597)	-	-	(20,597)
Currency translation differences	-	-	-	-	-	-	-	(141,853)	-	(141,853)
Loss for the period	-	-	-	-	-	-	-	-	(37,333)	(37,333)
At 30th September 2022	2,257,745	398,021	60,257	4,111	31,167	(4,581,723)	195,758	(126,401)	11,130,461	9,369,396

Notes to the Interim Financial Information

21 COMMITMENTS

Commitments at the balance sheet date are as follows:

	30th September 2022 HK\$'000	31st March 2022 HK\$'000
Contracted but not provided for		
Property, plant and equipment	34,316	28,935
Investment in joint ventures	54,720	–
	89,036	28,935

22 FINANCIAL GUARANTEES

	30th September 2022 HK\$'000	31st March 2022 HK\$'000
Guarantees for the banking and loan facilities of joint ventures	3,189,598	3,348,737

23 RELATED PARTY TRANSACTIONS

During the period, no significant transactions have been carried out with related parties.

No transactions have been entered into with the Directors (being the key management personnel) during the period other than the emoluments paid to them (being key management personnel compensation) (2021: Nil).

Other Information

Pursuant to Rule 13.22 of the Listing Rules, a proforma combined balance sheet of affiliated companies with financial assistance from the Group and the Group's attributable interest in those affiliated companies as at 30th September 2022 are as follow:

	Proforma combined balance sheet HK\$'000	Group's attributable interest HK\$'000
Non-current assets	4,512,507	1,523,993
Current assets	24,878,363	9,956,746
Current liabilities	(11,651,526)	(4,374,125)
Non-current liabilities	(7,727,301)	(2,661,500)
	10,012,043	4,445,114

The proforma combined balance sheet of the affiliated companies is prepared by combining their balance sheet, after making adjustments to conform with the Group's significant accounting policies and re-grouping into significant classification in the balance sheet as at 30th September 2022.

Other Information

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30th September 2022, the interests and short positions of the Directors and Chief Executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which (a) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (b) were recorded in the register required to be kept by the Company under Section 352 of the SFO; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

(I) Long Positions in Shares

(a) The Company

Director	Number of shares held			Total	Percentage of shares in issue (%)
	Personal interest	Corporate interest	Family interest		
Poon Jing	359,139,472	145,213,900	5,318,799	509,672,171	60.61
Fung Siu To, Clement	15,440,225	–	–	15,440,225	1.83
Poon Hai	10,444,319	–	–	10,444,319	1.24

(b) Associated corporations

Director	Associated corporation	Number of shares held		Total	Percentage of shares in issue (%)
		Personal interest	Corporate interest		
Poon Jing	Asia Standard International Group Limited ("Asia Standard")	1,308,884	683,556,392 (Notes)	684,865,276	51.89
	Asia Standard Hotel Group Limited ("Asia Standard Hotel")	152,490	1,346,158,049 (Notes)	1,346,310,539	66.71
Fung Siu To, Clement	Mark Honour Limited	9	–	9	0.01

Notes:

- By virtue of Mr. Poon Jing's controlling interest in the Company, he is deemed to be interested in the shares of Asia Standard and Asia Standard Hotel held by the Company and its subsidiaries.
- By virtue of Mr. Poon Jing's controlling interest in the Company, he is deemed to be interested in the shares of all the Company's subsidiaries and associated corporations.

Other Information

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES (CONTINUED)

(II) Long Positions in Underlying Shares

Interests in share options

(a) The Company

Director	Outstanding as at 1st April 2022 and 30th September 2022
Poon Hai	3,500,000
Poon Yeung, Roderick	3,500,000

Notes:

- Options were granted on 11th December 2015 under 2014 Share Option Scheme (as described under the heading "Share Option Schemes") and exercisable during the period from 11th December 2015 to 10th December 2025 at an exercise price of HK\$1.42 per share.
- During the period, no option was granted to the Directors and the options granted to the Directors have not been exercised, cancelled or lapsed.

(b) Associated corporation – Asia Standard

Director	Outstanding as at 1st April 2022 and 30th September 2022
Poon Hai	3,500,000
Poon Yeung, Roderick	3,500,000

Notes:

- Options were granted on 11th December 2015 under 2014 Asia Standard Share Option Scheme (as described under the heading "Share Option Schemes") and exercisable during the period from 11th December 2015 to 10th December 2025 at an exercise price of HK\$1.38 per share.
- During the period, no option was granted to the Directors and the options granted to the Directors have not been exercised, cancelled or lapsed.

Other Information

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES (CONTINUED)

(II) Long Positions in Underlying Shares (Continued)

Interests in share options (Continued)

(c) Associated corporation – Asia Standard Hotel

Director	Outstanding as at 1st April 2022 and 30th September 2022
Poon Hai	14,400,000
Poon Yeung, Roderick	14,400,000

Notes:

- Options were granted on 11th December 2015 under 2006 Asia Standard Hotel Share Option Scheme (as described under the heading "Share Option Schemes") and exercisable during the period from 11th December 2015 to 10th December 2025 at an exercise price of HK\$0.343 (as adjusted) per share.
- During the period, no option was granted to the Directors and the options granted to the Directors have not been exercised, cancelled or lapsed.

(III) Long Positions in Underlying Shares and Debentures

Interests in convertible notes

Associated corporation – Asia Standard Hotel

Director	Nature of interest	Amount of convertible note held (HK\$)	Number of underlying shares held
Poon Jing	Corporate	1,219,619,192	2,692,316,098

Note: By virtue of Mr. Poon Jing's controlling interest in the Company, he is deemed to be interested in the convertible notes (the "ASH Convertible Note(s)") held by the Company and its subsidiaries which are convertible into 2,692,316,098 shares of Asia Standard Hotel. The ASH Convertible Notes are redeemable at the redemption value of HK\$0.453 per ASH Convertible Note. Please refer to the annual report of Asia Standard Hotel for details.

Save as disclosed above, as at 30th September 2022, none of the Directors or Chief Executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (b) were recorded in the register required to be kept by the Company under Section 352 of the SFO; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Other Information

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 30th September 2022, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and Chief Executive of the Company.

Long Positions in Shares of the Company

Shareholder	Capacity	Number of shares held	Percentage of shares in issue (%)
Teddington Holdings Limited ("Teddington") (Note)	Beneficial owner	60,624,439	7.20
Daswani Rajkumar Murlidhar	Beneficial owner	53,910,548	6.41
Heston Holdings Limited ("Heston") (Note)	Beneficial owner	50,429,573	5.99

Note: Mr. Poon Jing, his family interest and the companies wholly owned by him, namely Teddington, Heston and Full Speed Investments Limited together hold 509,672,171 shares. The interests of Teddington and Heston duplicate the interest of Mr. Poon Jing disclosed under the heading "Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures".

Save as disclosed above, as at 30th September 2022, the Directors were not aware of any other persons (other than the Directors and Chief Executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which were required to be recorded in the register required to be kept by the Company under Section 336 of the SFO.

Other Information

SHARE OPTION SCHEMES

The Company

The share option scheme of the Company adopted by the Company on 29th August 2014 ("2014 Share Option Scheme"). As at 30th September 2022, there were 7,000,000 share options outstanding. Movements of share options of the Company during the period are as follows:

Grantee	Outstanding as at 1st April 2022 and 30th September 2022
Directors	7,000,000

Notes:

- Options were granted on 11th December 2015 and exercisable during the period from 11th December 2015 to 10th December 2025 at an exercise price of HK\$1.42 per share.
- During the period, no option was granted, exercised, cancelled or lapsed.

Associated corporation – Asia Standard

The share option scheme of Asia Standard adopted by Asia Standard on 27th August 2004 ("2004 Asia Standard Share Option Scheme") expired on the tenth anniversary of such adoption date. Following the expiry of 2004 Asia Standard Share Option Scheme, no further share option can be granted thereunder but all outstanding share options granted under 2004 Asia Standard Share Option Scheme and yet to be exercised shall remain valid and exercisable. As at 30th September 2022, there were 1,000,000 share options granted under 2004 Asia Standard Share Option Scheme outstanding. Movements of share options granted under 2004 Asia Standard Share Option Scheme during the period are as follows:

Grantee	Outstanding as at 1st April 2022 and 30th September 2022
Employee	1,000,000

Notes:

- Options were granted on 13th March 2014 and exercisable during the period from 10th March 2017 to 12th March 2024 at an exercise price of HK\$2.00 per share.
- During the period, no option was exercised, cancelled or lapsed.

Other Information

SHARE OPTION SCHEMES (CONTINUED)

Associated corporation – Asia Standard (Continued)

Asia Standard adopted a share option scheme on 29th August 2014 (“2014 Asia Standard Share Option Scheme”). As at 30th September 2022, there were 7,000,000 share options granted under 2014 Asia Standard Share Option Scheme outstanding. Movements of share options granted under 2014 Asia Standard Share Option Scheme during the period are as follows:

Grantee	Outstanding as at 1st April 2022 and 30th September 2022
Directors	7,000,000

Notes:

- Options were granted on 11th December 2015 and exercisable during the period from 11th December 2015 to 10th December 2025 at an exercise price of HK\$1.38 per share.
- During the period, no option was granted, exercised, cancelled or lapsed.

Associated corporation – Asia Standard Hotel

The share option scheme of Asia Standard Hotel adopted by Asia Standard Hotel on 28th August 2006 (“2006 Asia Standard Hotel Share Option Scheme”) expired on the tenth anniversary of such adoption date. Following the expiry of 2006 Asia Standard Hotel Share Option Scheme, no further share option can be granted thereunder but all outstanding share options granted under 2006 Asia Standard Hotel Share Option Scheme and yet to be exercised shall remain valid and exercisable. As at 30th September 2022, there were 28,800,000 share options granted under 2006 Asia Standard Hotel Share Option Scheme outstanding. Movements of the share options granted under 2006 Asia Standard Hotel Share Option Scheme during the period are as follows:

Grantee	Outstanding as at 1st April 2022 and 30th September 2022
Directors	28,800,000

Notes:

- Options were granted on 11th December 2015 and exercisable during the period from 11th December 2015 to 10th December 2025 at an exercise price of HK\$0.343 (as adjusted) per share.
- During the period, no option was exercised, cancelled or lapsed.

Asia Standard Hotel adopted a share option scheme on 8th September 2016 and its scheme limit was refreshed on 30th August 2017 (“2016 Asia Standard Hotel Share Option Scheme”). No share option has been granted under 2016 Asia Standard Hotel Share Option Scheme since its adoption.

Other Information

INTERIM DIVIDEND

The Board of Directors (the “Board”) does not recommend the payment of an interim dividend for the six months ended 30th September 2022 (2021: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code and has made specific enquiry of all Directors regarding any non-compliance with the Model Code during the period, and they all confirmed that they have fully complied with the required standard as set out in the Model Code throughout the period ended 30th September 2022.

CORPORATE GOVERNANCE CODE

During the period, the Company has complied with the code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Listing Rules, except Code Provision C.1.6 of the CG Code which provides that independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. Mr. Leung Wai Keung (“Mr. Leung”), an Independent Non-executive Director, was unable to attend the adjourned annual general meeting of the Company held on 2nd September 2022 due to his other business commitments at the relevant time. The views of shareholders had been reported to Mr. Leung after the meeting.

AUDIT COMMITTEE

The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30th September 2022.

On behalf of the Board
Asia Orient Holdings Limited
Fung Siu To, Clement
Chairman

Hong Kong, 30th November 2022

