

【For immediate release】



ASIA STANDARD HOTEL GROUP LIMITED

Asia Standard Hotel Announces 2006/07 Annual Results

Financial Highlights

For the year ended 31 st March	2007 HK\$' mil	2006 HK\$' mil	YOY Change
Turnover	617	570	+8%
Gross operating profit	161	136	+18%
Operating profit	78	45	+73%
Profit/(loss) attributable to shareholders	28	(21)	n.a.
Basic earnings/(loss) per share	HK0.30 cents	HK(0.35) cents	n.a.
Revalued NAV	3,347	2,725	+23%
Revalued NAV/share	HK\$0.30	HK\$0.43	-30%
Gearing (Net debts to revalued NAV)	22%	31%	-9 pts
Dividend per share - interim and final	HK0.52 cent	HK0.32 cent	+63%

(18th July 2007, Hong Kong) – Asia Standard Hotel Group Limited (“Asia Standard Hotel” or the “Company”, together with its subsidiaries, the “Group”; stock code: 0292) today announces its annual results for the year ended 31st March 2007. The Group’s turnover and gross operating profit amounted to HK\$617 million and HK\$161 million respectively; the latter showed an 18% increase when compared with that of last year. The increase was primarily due to the improvement in hotel businesses. As such, the Group achieved a net profit of HK\$28 million as compared to a loss of HK\$21 million last year. The Board has declared a final dividend of HK 0.26 cent per share.

Commenting on the annual results, Mr. Poon Jing, Chairman of Asia Standard Hotel said, “The tourism industry made another new record in 2006 with over 25 million visitor arrivals, up 8.1% year-on-year. The Group has performed well within buoyant hospitality markets in Hong Kong. We see significant potential value through the room renovation program made in our Empire Hong Kong Hotel as well as the new hotel in Causeway Bay, which is anticipated to be in operation by second half of 2008.”

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During the year, the Group's three hotels demonstrated encouraging improvements. The Empire Hotel, Hong Kong completed its room renovation projects, its average daily room rate rose 11% and occupancy improved 4%. Benefited from the high yield corporate and leisure groups as well as individual travelers from PRC, The Empire Hotel, Kowloon's average room rate increased by 15% whilst occupancy improved 1% to reach 93%. Average room rate and occupancy of Empire Landmark Hotel, Vancouver also went up 10% and 4% respectively.

The Group acquired a 28 storey office building for converting into a 280 rooms hotel in Causeway Bay, Hong Kong. The consideration and conversion cost totaled approximately HK\$550 million, while the estimated market value of the new hotel as at 30 November 2006 was HK\$610 million according to an independent property valuation report. This new hotel will expand the Group's portfolio from the current 1,035 rooms to 1,315 rooms. It will contribute to the profit and cash flow of the Group when it becomes fully operational, which is anticipated to be by around second half 2008.

On 18th July 2007, the Board proposes a conditional bonus warrant issue to the shareholders on the basis of one warrant for every five shares of the Company. The initial subscription price was determined at HK\$0.146 per share, subject to adjustment, and the bonus warrants are exercisable at any time during the period of three years from the date of issue.

Commenting on the prospects of the coming year, Mr. Poon said, "The outlook of the hotel industry in Hong Kong continues to be promising. The new Asia World Expo convention center at The Hong Kong Airport, as well as the expansion plan at the existing Hong Kong Convention and Exhibition Center in Wanchai should further place Hong Kong's draw as a major M.I.C.E. market in Asia, attracting more business travelers to Hong Kong."

"The future prospects for our Vancouver hotel look equally optimistic because of the expected growth in Canada's tourism led by the 2010 Winter Olympics. With such a positive market outlook, the Group will strive to capture the business opportunities, so as to maximize the shareholders' value."

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About Asia Standard Hotel Group Limited

Asia Standard Hotel Group Ltd owns and operates hotels under the "Empire branding". Asia Standard Hotel Group owns three hotels in Hong Kong and one hotel in Vancouver Canada, which are conveniently located in shopping districts and close to business convention centers. In addition to hotel operation, the Group also operates travel agency and franchised restaurants business both in Hong Kong and the PRC.

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