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ASIA STANDARD HOTEL GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code : 292)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST MARCH 2014

FINANCIAL HIGHLIGHTS			
<i>(in HK\$ million, except otherwise indicated)</i>			
	2014	2013	Change
Revenue	651	647	+1%
Net investment gain	132	218	-39%
Profit for the year attributable to shareholders	349	424	-18%
Net assets	3,204	2,896	+11%
Net debt	1,681	1,551	+8%
Supplementary information with four hotel properties in operation at valuation:			
Revalued total assets	11,799	10,998	+7%
Revalued net assets	9,828	9,152	+7%
Revalued net assets per share (HK\$)	6.34	5.90	+7%
Gearing – net debt to revalued net assets	17%	17%	-

The Directors of Asia Standard Hotel Group Limited (the “Company”) announce that the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31st March 2014 together with the comparative figures for the year ended 31st March 2013 were as follows:

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31st March 2014

	<i>Note</i>	2014 HK\$'000	2013 HK\$'000 (Restated)
Revenue	3	651,433	646,691
Cost of sales		(181,436)	(172,279)
Gross profit		469,997	474,412
Selling and administrative expenses		(130,087)	(144,326)
Depreciation		(83,444)	(84,694)
Net investment gain	4	132,201	217,536
Operating profit		388,667	462,928
Net finance costs		(15,419)	(12,646)
Profit before income tax		373,248	450,282
Income tax expense	6	(24,283)	(26,505)
Profit for the year attributable to shareholders		348,965	423,777
Dividends	7	27,122	15,498
Earnings per share (HK\$)			
Basic	8	0.23	0.27
Diluted	8	0.23	0.27

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March 2014

	2014 HK\$'000	2013 HK\$'000
Profit for the year	<u>348,965</u>	<u>423,777</u>
Other comprehensive (charge)/income		
Items that have been reclassified or may be reclassified subsequently to profit or loss:		
Net fair value (loss)/gain on available-for-sale investments	(9,686)	36,402
Impairment of available-for-sale investments charged to profit and loss account	-	395
Release of reserve upon disposal of available-for-sale investments	-	(535)
Currency translation differences	(15,853)	(3,528)
	<u>(25,539)</u>	<u>32,734</u>
Total comprehensive income for the year attributable to shareholders	<u>323,426</u>	<u>456,511</u>

CONSOLIDATED BALANCE SHEET

As at 31st March 2014

	<i>Note</i>	2014 HK\$'000	2013 HK\$'000
Non-current assets			
Property, plant and equipment		3,074,108	3,023,706
Available-for-sale investments		218,492	223,923
Deferred income tax assets		1,554	-
		<u>3,294,154</u>	<u>3,247,629</u>
Current assets			
Inventories		1,569	2,218
Trade and other receivables	9	136,122	141,883
Income tax recoverable		56	636
Financial assets at fair value through profit or loss		1,591,872	1,189,406
Bank balances and cash		113,015	136,071
		<u>1,842,634</u>	<u>1,470,214</u>
Current liabilities			
Trade and other payables	10	75,055	63,981
Derivative financial instruments		-	338
Borrowings	11	617,963	332,826
Income tax payable		18,697	24,573
		<u>711,715</u>	<u>421,718</u>
Net current assets		<u>1,130,919</u>	<u>1,048,496</u>
Total assets less current liabilities		<u>4,425,073</u>	<u>4,296,125</u>
Non-current liabilities			
Long term borrowings	11	1,175,635	1,354,629
Deferred income tax liabilities		45,643	45,629
		<u>1,221,278</u>	<u>1,400,258</u>
Net assets		<u>3,203,795</u>	<u>2,895,867</u>
Equity			
Share capital		30,997	30,997
Reserves		3,172,798	2,864,870
		<u>3,203,795</u>	<u>2,895,867</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 available-for-sale investments, financial assets at fair value through profit or loss and derivative financial instruments, which are carried at fair value, and in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

The accounting policies and methods of computation used in the preparation of these annual financial statements are consistent with those used in 2013.

The following new standards are relevant to the Group’s operations and are mandatory for accounting periods beginning on or after 1st January 2013:

Amendment to HKAS 1	Presentation of Items of Other Comprehensive Income
HKFRS 10	Consolidated Financial Statements
HKFRS 12	Disclosures of Interests in Other Entities
HKFRS 13	Fair Value Measurement

The adoption of new standards in the current year did not have any significant effect on the annual financial statements or result in any substantial changes in the Group’s significant accounting policies.

Certain new and revised standards have been issued but are not yet effective for the year ended 31st March 2014 and have not been early adopted by the Group. The Group has already commenced an assessment of the related impact to the Group. The Group is not yet in a position to state whether they will have substantial changes to the Group’s accounting policies and presentation of the consolidated financial statements.

2. Change of accounting on revenue recognition for the Group's travel operation

The principal activity of the Group's travel operation is the provision of air ticket sales, hotel reservation arrangement and incentive travel tour.

During the year, the Group has reassessed its policy regarding the recognition of revenue on a gross versus a net basis in relation to its travel operation segment.

To determine whether the Group's travel operation is acting as a principal or as an agent requires judgement and consideration of all relevant facts and circumstances. The guidance from the authoritative accounting literature indicates that evaluating the relevant factors is subject to critical accounting judgement and significant subjectivity. Management has conducted a comprehensive review for this matter and determined that it is more appropriate and in line with current market practices for the revenue to be recognised as commission earned only (net basis) for the majority of the Group's travel operation revenue transactions except for certain custom-made incentive travel tours. Previously, all of the Group's travel operation revenue was presented on a gross basis. As required by HKAS 8 "Accounting Policies, Changes in Accounting Estimate and Errors", this restatement has been made retrospectively and as presented in the table below, the impact of the change in revenue recognition is to decrease revenue and corresponding cost of sales, with no impact to gross profit, profit for the year, earnings per share in the consolidated profit and loss account or to other primary statements at all.

	For the year ended 31st March 2013 (As previously presented) HK\$'000	Effect of amendment to revenue recognition HK\$'000	For the year ended 31st March 2013 (As restated) HK\$'000
Revenue	845,942	(199,251)	646,691
Cost of sales	(371,530)	199,251	(172,279)
Gross profit	474,412	-	474,412

3. Segment information

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

	Hotel operation HK\$'000	Travel operation HK\$'000	Financial investments HK\$'000	Others HK\$'000	Total HK\$'000
2014					
Gross income	<u>485,422</u>	<u>244,567</u>	<u>373,083</u>	<u>4,579</u>	<u>1,107,651</u>
Segment revenue	<u>485,422</u>	<u>32,194</u>	<u>129,238</u>	<u>4,579</u>	<u>651,433</u>
Contribution to segment results	242,265	(385)	129,344	(6,892)	364,332
Depreciation	(82,826)	(303)	-	(315)	(83,444)
Net investment gain	-	-	<u>132,201</u>	-	<u>132,201</u>
Segment results	<u>159,439</u>	<u>(688)</u>	<u>261,545</u>	<u>(7,207)</u>	413,089
Unallocated corporate expenses					<u>(24,422)</u>
Operating profit					388,667
Net finance costs					<u>(15,419)</u>
Profit before income tax					373,248
Income tax expense					<u>(24,283)</u>
Profit for the year attributable to shareholders					<u>348,965</u>
2013					
Gross income	<u>484,292</u>	<u>235,200</u>	<u>818,534</u>	<u>17,717</u>	<u>1,555,743</u>
Segment revenue (restated)	<u>484,292</u>	<u>35,949</u>	<u>108,733</u>	<u>17,717</u>	<u>646,691</u>
Contribution to segment results	252,807	109	108,733	(731)	360,918
Depreciation	(84,314)	(249)	-	(131)	(84,694)
Net investment gain	-	-	<u>217,536</u>	-	<u>217,536</u>
Segment results	<u>168,493</u>	<u>(140)</u>	<u>326,269</u>	<u>(862)</u>	493,760
Unallocated corporate expenses					<u>(30,832)</u>
Operating profit					462,928
Net finance costs					<u>(12,646)</u>
Profit before income tax					450,282
Income tax expense					<u>(26,505)</u>
Profit for the year attributable to shareholders					<u>423,777</u>

Notes:

- (a) Management regards gross income of travel operation as gross sales proceeds from the sales of air-ticket, hotel reservation arrangement and incentive travel tours.
- (b) Management regards gross income of financial investments as comprising these revenue as defined under generally accepted accounting principles together with gross consideration from disposal of financial assets at fair value through profit or loss.

3. Segment information (continued)

	Hotel operation HK\$'000	Travel operation HK\$'000	Financial investments HK\$'000	Others HK\$'000	Total HK\$'000
2014					
Segment assets	3,114,207	22,969	1,851,613	33,374	5,022,163
Other unallocated assets					114,625
					<u>5,136,788</u>
Segment liabilities					
Borrowings	1,410,553	-	383,045	-	1,793,598
Other unallocated liabilities					139,395
					<u>1,932,993</u>
Additions to non-current assets*	<u>153,752</u>	<u>512</u>	<u>-</u>	<u>2,158</u>	<u>156,422</u>
2013					
Segment assets	3,057,469	18,387	1,471,212	34,068	4,581,136
Other unallocated assets					136,707
					<u>4,717,843</u>
Segment liabilities					
Borrowings	1,474,202	-	213,253	-	1,687,455
Other unallocated liabilities					134,521
					<u>1,821,976</u>
Additions to non-current assets*	<u>615,284</u>	<u>909</u>	<u>-</u>	<u>38</u>	<u>616,231</u>
			2014		2013
			HK\$'000		HK\$'000 (Restated)
Revenue					
Hong Kong			481,117		467,156
Overseas			170,316		179,535
			<u>651,433</u>		<u>646,691</u>
Non-current assets*					
Hong Kong			2,883,671		2,798,834
Overseas			190,437		224,872
			<u>3,074,108</u>		<u>3,023,706</u>

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

4. Net investment gain

	2014 HK\$'000	2013 HK\$'000
Financial assets at fair value through profit or loss		
– net unrealised gain from market price movements	87,302	147,278
– net unrealised exchange gain/(loss)	28,549	(14,496)
– net realised gain (note)	16,350	83,488
Available-for-sale investments		
– net realised gain	-	1,661
– impairment	-	(395)
	<u>132,201</u>	<u>217,536</u>

Note:

Net realised gain on financial assets at fair value through profit or loss		
Gross consideration	243,845	709,801
Cost of investments	<u>(205,606)</u>	<u>(627,903)</u>
Total gain	38,239	81,898
Net unrealised (gain)/loss recognised in prior years	<u>(21,889)</u>	<u>1,590</u>
Net realised gain recognised in current year	<u>16,350</u>	<u>83,488</u>

5. Income and expenses by nature

	2014 HK\$'000	2013 HK\$'000
Income		
Interest income		
- Listed investments	117,305	96,438
- Loan receivables	1,750	1,796
- Bank deposits	540	594
Dividend income		
- Listed investments	<u>11,233</u>	<u>12,283</u>
Expenses		
Cost of goods sold (restated)	21,056	23,646
Operating lease rental expense for land and buildings	<u>5,532</u>	<u>7,869</u>

6. Income tax expense

	2014 HK\$'000	2013 HK\$'000
Current income tax expense		
Hong Kong profits tax	(26,182)	(27,613)
Over provision in prior years	377	-
	<u>(25,805)</u>	<u>(27,613)</u>
Deferred income tax credit	1,522	1,108
	<u>(24,283)</u>	<u>(26,505)</u>

Hong Kong profits tax is provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profit for the year. No provision for overseas and Mainland China taxation has been made as there are no assessable profits for the year (2013: Nil).

7. Dividends

	2014 HK\$'000	2013 HK\$'000
Interim, nil (2013: Nil)	-	-
Final, proposed, of HK1.75 cents (2013: HK1 cent) per share	27,122	15,498
	<u>27,122</u>	<u>15,498</u>

At a meeting held on 26th June 2014, the Board of Directors has proposed to pay a final dividend of HK1.75 cents (2013: HK1 cent) per share with a scrip option for the year ended 31st March 2014. The proposed dividend is not reflected in the financial statements, but will be reflected as an appropriation of revenue reserve in the year ending 31st March 2015.

The amount of HK\$27,122,000 is based on 1,549,842,336 issued shares as at 26th June 2014.

8. Earnings per share

The calculation of basic earnings per share is based on the profit for the year attributable to shareholders of HK\$348,965,000 (2013: HK\$423,777,000) and divided by the weighted average number of 1,549,842,336 (2013: 1,549,842,336) shares in issue during the year.

For the year ended 31st March 2014 and 2013, the Company's outstanding share options did not have a dilution effect on the earnings per share, so the basic and diluted earnings per share were equal.

9. Trade and other receivables

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

Trade receivables of the Group amounted to HK\$38,536,000 (2013: HK\$65,090,000). 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 provision for impairment is as follows:

	2014 HK\$'000	2013 HK\$'000
0 - 60 days	33,498	63,637
61 - 120 days	1,083	1,453
121 - 180 days	3,955	-
	<u>38,536</u>	<u>65,090</u>

10. Trade and other payables

Trade and other payables of the Group include trade payables, rental and management fee deposits, retentions payable of construction costs and various accruals.

Trade payables of the Group amounted to HK\$15,744,000 (2013: HK\$23,312,000).

Aging analysis of trade payables is as follows:

	2014 HK\$'000	2013 HK\$'000
0 - 60 days	15,119	23,059
61 - 120 days	243	119
121 - 180 days	226	73
More than 180 days	156	61
	<u>15,744</u>	<u>23,312</u>

11. Borrowings

Subsequent to the balance sheet date, a total of HK\$420 million short term loans outstanding as at 31st March 2014 was repaid and refinanced by the drawdown of long term bank facilities with maturities over 5 years.

The figures in this preliminary announcement of the Group's results for the year ended 31st March 2014 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

The Group's revenue for the year ended 31st March 2014 amounted to HK\$651 million, increased by 1% when compared with the same period of last year. Profit attributable to shareholders, however, decreased by 18% to HK\$349 million. The decrease in profit was mainly attributable to a reduction in net gain on investments in financial assets as compared to the same period of last year, and a slight drop in room rates.

BUSINESS REVIEW

Between April 2013 and March 2014, the cumulative arrivals to Hong Kong for all visitors and those who stayed overnight reached 56 million and 26 million, respectively, the former has a 15% increase and the latter a 9% increase. Growth has come from short haul markets where China continues to be the most important inbound source market for Hong Kong tourism.

On the hotel rooms supply in Hong Kong, approximately 3,000 new hotel rooms were opened during the year under review, and it is anticipated that the new rooms supply will continue in 2014. There was an aggregate supply of about 70,000 hotel rooms as of March 2014, an increase of about 5% over the preceding year.

All our hotels in Hong Kong have been operating at approximately 95%, although average room rate trailed behind that of last year by about 4%.

Hotel Development Projects

The re-development progress of our two sites located adjacent to the Group's two existing hotels in Hong Kong is on schedule. For the site in Causeway Bay, the foundation work has been completed in May 2014, and the superstructure works shall commence in June 2014. For the site in Tsim Sha Tsui, the foundation work has commenced in February 2014, and is scheduled to complete in January 2015. Its superstructure works will follow.

With a total gross floor area of approximate 65,000 sq.ft. or 184 hotel guest rooms upon completion of these two sites in 2016/2017, they will increase our existing hotel gross floor area and room portfolio in Hong Kong by 13% and 19%, respectively, and will provide greater operational synergies to the Group.

Travel

Revenue for the travel operations amounted to HK\$32 million (2013: HK\$36 million as restated).

Financial Investments

For the period under review, major central banks in the world continued to follow an accommodative monetary policy with short-term interest-rate levels approaching zero. In the US, the Federal Reserve has commenced tapering of bond purchases, the pace and extent of the tapering remains highly dependent on economic conditions. In China, the GDP in 2013 recorded a year on year increase of 7.7% which was unchanged as compared with the previous year.

The Group's financial investment portfolio as at 31st March 2014 consisted all of listed securities. Approximately 61% of our investment portfolio comprised listed debt securities (of which approximately 87% were issued by PRC real estate companies), and approximately 39% comprised listed equity securities (of which approximately 94% were issued by large banks). They were denominated in Hong Kong dollars 13%, United States dollars 60%, Sterling 14%, Euro 8% and Renminbi 5%.

During the year under review, a total of HK\$129 million (2013: HK\$109 million) in interest and dividend income were generated from the investment portfolio, and a net investment gain of HK\$132 million (2013: HK\$218 million) was also recorded.

As at 31st March 2014, approximately HK\$301 million (31st March 2013: HK\$60 million) of these investments were pledged to banks as collateral for credit facilities granted to the Group.

FINANCIAL REVIEW

The Group's total assets amounted to HK\$5,137 million (31st March 2013: HK\$4,718 million). Based on independent valuation, the total revalued amount of our four hotel properties in operation as at 31st March 2014 was HK\$9,001 million, increased by 3% when compared with that as at 31st March 2013. The revalued total assets of the Group with hotel properties in operation at market value would be HK\$11,799 million (31st March 2013: HK\$10,998 million).

The shareholders' funds amounted to HK\$3,204 million (31st March 2013: HK\$2,896 million), of which the increase was mainly due to profit for the year. Taking into account the market value of the hotel properties in operation, the revalued net asset value of the Group would be HK\$9,828 million (31st March 2013: HK\$9,152 million).

The consolidated net debt was HK\$1,681 million (31st March 2013: HK\$1,551 million). 83% of the gross bank borrowings or HK\$1,482 million was denominated in Hong Kong dollars, and the remaining 17% or to the equivalent of HK\$312 million were in foreign currencies incurred in operations and investment in financial assets overseas.

The maturity of our debts spread over a long period of up to 5 years. 3% of total borrowings were from revolving credit facilities secured by hotel properties. 12% of total borrowings were in the form of revolving credit facilities through the pledge of financial assets investment. 85% was repayable between one to five years, which were also secured by hotel properties. At 31st March 2014, the Group had current assets of HK\$1,843 million (31st March 2013: HK\$1,470 million).

The Group's gearing ratio, expressed as a percentage of net debt over the revalued net asset value, was 17% (31st March 2013: 17%).

The aggregate net book value of hotel properties pledged as collateral for banking facilities of the Group as at 31st March 2014 amounted to HK\$2,903 million (31st March 2013: HK\$2,944 million).

HUMAN RESOURCES

As at 31st March 2014, the total number of employees of the Company and its subsidiaries was 387 (31st March 2013: 419). In addition to salary payment, the Group provides other benefits including insurance, share options, medical scheme and retirement plans and others to its employees.

FUTURE PROSPECTS

The decline in room rates in our hotels is a major concern for the management. In the longer term, another impact upon our business is the new supply of hotel rooms coming on which will inevitably affects our performance. We are however comforted by the fact that all of our hotels are located in traditional tourist preferred city centres as opposed to those peripheral areas outside city centres or hubs. Therefore we continue to remain cautious in the challenging times ahead for our hotel performance.

DIVIDEND

The Directors recommend a final dividend for the year ended 31st March 2014 of HK1.75 cents (2013: HK1 cent) per share with scrip option. The shareholders will be given an option to elect to receive shares of the Company credited as fully paid in lieu of cash in respect of part or all of the proposed final dividend (the “Scrip Dividend Scheme”). No interim dividend was declared during the year (2013: Nil). Total dividend for the year, amounts to HK1.75 cents (2013: HK1 cent) per share.

The Scrip Dividend Scheme will be subject to (i) the approval of the proposed final dividend at the 2014 annual general meeting to be held on 29th August 2014 (the “Annual General Meeting”); and (ii) The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting listing of and permission to deal in the new shares to be allotted thereunder. Full details of the Scrip Dividend Scheme will be set out in a circular to be despatched to the shareholders.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Wednesday, 27th August 2014 to Friday, 29th August 2014 both days inclusive, for the purpose of determining the identity of members who are entitled to attend and vote at the 2014 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 Tuesday, 26th August 2014.

The proposed final dividend is subject to the approval of the shareholders at the Annual General Meeting. The record date for entitlement to the proposed final dividend is 5th September 2014. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed on both days of Thursday, 4th September 2014 to Friday, 5th September 2014, during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, 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 Wednesday, 3rd September 2014. The final dividend will be paid on 9th October 2014.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (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 set out in the Model Code throughout the year ended 31st March 2014.

CORPORATE GOVERNANCE CODE

During the year, the Company has complied with the code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Listing Rules, except the following deviations :-

- (1) Code Provision A.4.1 of the CG Code provides that non-executive directors should be appointed for a specific term, subject to re-election. All independent non-executive directors of the Company are not appointed for specific terms, but subject to retirement by rotations and re-elections at the annual general meeting of the Company in accordance with the Bye-Laws of the Company; and
- (2) Code Provision A.5.1 of the CG Code provides that issuers should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors. The Company does not have a nomination committee. The Board as a whole is responsible for assessing the independence of independent non-executive directors, reviewing the structure, diversity, size and composition of the Board, the appointment of new Directors and the nomination of Directors for re-election by shareholders at the general meeting of the Company. Under the Bye-Laws of the Company, the Board may at any time, and from time to time, appoint any person as a Director, either to fill a casual vacancy, or as an addition to the Board. Any Director so appointed shall retire at the next annual general meeting but shall then be eligible for re-election at the meeting.

AUDIT COMMITTEE

The Audit Committee has reviewed the annual results of the Group for the year ended 31st March 2014.

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

Hong Kong, 26th June 2014

As at the date of this announcement, the Executive Directors of the Company are Mr. Poon Jing, Dr. Lim Yin Cheng, Mr. Poon Hai, Mr. Fung Siu To, Clement and Mr. Woo Wei Chun, Joseph; and the Independent Non-executive Directors are Mr. Ip Chi Wai, Mr. Leung Wai Keung and Mr. Hung Yat Ming.