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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Asia Standard Hotel Group Limited, you should hand this circular to the purchaser or transferee or the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**ASIA STANDARD HOTEL GROUP LIMITED**

**(泛海酒店集團有限公司)\***

*(Incorporated in the Bermuda with limited liability)*

(Stock Code: 292)

**DISCLOSEABLE TRANSACTION**

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A letter from the board of directors of the Company is set out on page 3 of this circular.

\* *For identification purpose only*

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

<b>“Announcement”</b>	the joint announcement dated 14 March 2008 issued by the Company and Asia Standard International Group Limited, being the holding company of the Company, concerning among others, the HSBC Investments and ICBC Investments
<b>“associate”</b>	has the meaning ascribed to it under the Listing Rules
<b>“associated corporations”</b>	has the meaning ascribed to its under Part XV of the SFO
<b>“Board”</b>	the board of directors of the Company
<b>“Company”</b>	Asia Standard Hotel Group Limited (Stock code: 292), an exempted company incorporated in Bermuda with limited liability, the issued share of which are listed on the main board of the Stock Exchange
<b>“Directors”</b>	the directors of the Company
<b>“Further Investments”</b>	further acquisitions by the Company from the market of HSBC Shares and/or ICBC Shares
<b>“Group”</b>	the Company and its subsidiaries
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“Hong Kong”</b>	Hong Kong Special Administrative Region of the People’s Republic of China
<b>“HSBC”</b>	HSBC Holdings plc, whose shares are listed on the main board of the Stock Exchange (Stock code: 005)
<b>“HSBC Investments”</b>	the acquisitions by the Company from the market of an aggregate of 1,300,000 HSBC Shares during the period from 11 to 14 March 2008 (both dates inclusive)
<b>“HSBC Share(s)”</b>	shares of US\$0.5 each in the share capital of HSBC which are listed on the Stock Exchange and traded in Hong Kong dollars
<b>“ICBC”</b>	Industrial and Commercial Bank of China Limited, the H shares of which are listed on the main board of the Stock Exchange (Stock Code: 1398)
<b>“ICBC Investments”</b>	the acquisitions by the Company of 10,500,000 ICBC Shares on 11 March and 12 March 2008

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## DEFINITIONS

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“ <b>ICBC Share(s)</b> ”	shares of RMB1 each in the share capital of ICBC, the H shares of which are listed on the Stock Exchange and traded in Hong Kong dollars
“ <b>Latest Practicable Date</b> ”	1 April 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“ <b>Listing Rules</b> ”	the Rules Governing the Listing of Securities on the Stock Exchange
“ <b>Model Code</b> ”	the Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix 10 to the Listing Rules
“ <b>RMB</b> ”	Renminbi, the lawful currency of the People’s Republic of China
“ <b>SFO</b> ”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“ <b>Shares</b> ”	ordinary shares of HK\$0.02 each in the capital of the Company
“ <b>Shareholders</b> ”	holders of the Shares
“ <b>Stock Exchange</b> ”	The Stock Exchange of Hong Kong Limited
“ <b>PRC</b> ”	The People’s Republic of China
“ <b>%</b> ”	per cent.

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LETTER FROM THE BOARD

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**ASIA STANDARD HOTEL GROUP LIMITED**  
**(泛海酒店集團有限公司)\***

*(Incorporated in the Bermuda with limited liability)*

(Stock Code: 292)

***Executive Directors:***

Mr. Poon Jing (*Chairman*)  
Dr. Lim Yin Cheng (*Deputy Chairman and Chief Executive*)  
Mr. Fung Siu To, Clement  
Mr. Poon Tin Sau Robert  
Mr. Woo Wei Chun, Joseph

***Independent Non-executive Directors:***

Mr. Ip Chi Wai  
Mr. Leung Wai Keung, Richard  
Mr. Hung Yat Ming

***Registered Office:***

Canon's Court  
22 Victoria Street  
Hamilton HM12  
Bermuda

***Principal Place of Business in***

***Hong Kong:***

30th Floor  
Asia Orient Tower  
Town Place  
33 Lockhart Road  
Wanchai  
Hong Kong

3 April 2008

*To the Shareholders, and for information only, holders of Options and Warrants*

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION**

The Directors referred to the Announcement in respect of the HSBC Investments and ICBC Investments. The purpose of this circular is to provide you with further information regarding the HSBC Investments and ICBC Investments as required under the Listing Rules.

**THE HSBC INVESTMENTS**

During the period from 11 to 14 March 2008 (both dates inclusive), the Company has, through its wholly-owned subsidiary, acquired from the market 1,300,000 HSBC Shares (representing approximately 0.01% of the issued share capital of HSBC, based on its issued share capital of 11,866,278,779 shares as shown on the website of the Stock Exchange as of 31 January 2008) at an

\* *For identification purposes only*

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## LETTER FROM THE BOARD

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average acquisition price of approximately HK\$124.27 per HSBC Share. The total consideration of approximately HK\$161.6 million (exclusive of transaction costs) represented the then market price of the HSBC Shares. As at the Latest Practicable Date, the considerations for the HSBC Investments have been fully settled by payment in cash from the internal resources (including available banking facilities) of the Company.

### **The ICBC INVESTMENTS**

On 11 March and 12 March 2008, the Company has also, through its wholly-owned subsidiary, acquired from the market an aggregate of 10,500,000 ICBC Shares (representing approximately 0.013% of the issued share capital of ICBC, based on its issued share capital of 83,056,501,962 ICBC Shares as shown in the website of the Stock Exchange as of 31 January 2008) at an average acquisition price of approximately HK\$5.24 per ICBC Share. The total consideration of approximately HK\$55.0 million (exclusive of transaction costs) represented the then market price of the ICBC Shares. As at the Latest Practicable Date, the considerations for the ICBC Investments have been fully settled by payment in cash from internal resources (including available banking facilities) of the Company.

### **CONSIDERATIONS FOR THE HSBC INVESTMENTS AND ICBC INVESTMENTS**

As the HSBC Investments and ICBC Investments were made through the market, the Company is not aware of the identities of the vendors of the HSBC Shares and the ICBC Shares and accordingly, to the best of the knowledge of the Directors having made all reasonable enquiries, the vendors of the HSBC Shares and the ICBC Shares and their respective ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

As regards the accounting treatments for the HSBC Investments and ICBC Investments, the Company will classify them as financial assets at fair value through profits or losses of the Company. There are no restrictions on subsequent sale of the HSBC Shares and the ICBC Shares.

In the event that any Further Investments when aggregated with the HSBC Investments or ICBC Investments (as the case may be) in accordance with the Listing Rules constitute a major transaction or any other type of notifiable transaction under the Listing Rules, the Company will comply with the relevant requirements of the Listing Rules.

### **REASONS FOR THE HSBC INVESTMENTS AND ICBC INVESTMENTS**

The principal activities of the Company is investment holding. The principal activities of its subsidiaries consist of holding and operating four hotels in Hong Kong and Canada; travel agency and restaurant businesses.

The Board considered that both the HSBC Investments and ICBC Investments would enhance the returns on investment. The HSBC Investments and ICBC Investments were funded from the internal resources and available banking facilities of the Company. Given the prevailing market prices of the HSBC Shares and the ICBC Shares, the Board considered that this was an opportunity for the company to acquire the HSBC Shares and the ICBC Shares as the HSBC Investments and ICBC Investments had

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## LETTER FROM THE BOARD

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the potential of increase in their respective values. In addition, as the HSBC Investments and the ICBC Investments were purchased at market price, the Board believed that the terms of which were fair and reasonable and in the interests of the Shareholders as a whole. At present, the Company intends to hold the HSBC Investments and ICBC Investments for the purposes of capital gain and dividend income.

The HSBC Investments and the ICBC Investments will increase both the assets and liabilities of the Group by HK\$216.6 million. There will be no immediate material effect on the earnings of the Group.

### INFORMATION ON HSBC

HSBC is a company incorporated in England with limited liability and whose HSBC Shares are listed on the main board of the Stock Exchange. Based on the company profile in the website of the Stock Exchange, the principal business of HSBC is the provision of comprehensive range of banking and related financial services through the internet and network in the Asia Pacific region, Europe, the America, the Middle East and Africa. Further information on HSBC could be found on the Stock Exchange website.

### INFORMATION ON ICBC

ICBC is a company incorporated in the PRC with limited liability and the H Shares of which are listed on the main board of the Stock Exchange. Based on the company profile in the website of the Stock Exchange, ICBC primarily operates in the PRC and provides an extensive range of commercial banking products and services. Further information on ICBC could be found on the Stock Exchange website.

### IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios under Chapter 14 of the Listing Rules for the HSBC Investments and the ICBC Investments, respectively, exceeds 5% but is less than 25%, the HSBC Investments and the ICBC Investments each constitute a discloseable transaction for the Company under rule 14.06(2) of the Listing Rules.

### ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendix to this circular.

Yours faithfully,  
For and on behalf of  
**Asia Standard Hotel Group Limited**  
**Lim Yin Cheng**  
*Deputy Chairman*

**1. RESPONSIBILITY STATEMENT**

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

**2. DIRECTORS' DISCLOSURE OF INTERESTS**

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation(s) which were required, (i) 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 they were taken or deemed to have under such provisions of the SFO); (ii) pursuant to Section 352 of the SFO, to be entered into the register referred to therein; or (iii) pursuant to the Model Code, to be notified to the Company and the Stock Exchange, were as follows:

**(i) Long positions in shares****(a) The Company**

Name of Director	Number of Shares held			Percentage of Shares in issue (%)
	Personal Interest	Corporate Interest	Total	
Poon Jing ("Mr. Poon")	403,383	9,121,284,139	9,121,687,522	70.67

*Note: The percentage of shareholding is calculated on the basis of 12,908,206,641 Shares in issue as at the Latest Practicable Date.*



(b) *Associated corporations*

Name of Director	Associated Corporation	Number of shares held			Percentage of shares in issue (%)
		Personal Interest	Corporate Interest	Total	
Mr. Poon	Asia Standard International Group Limited ("ASI")	9,397,533	4,888,401,048	4,897,798,581	45.03
Mr. Poon and Fung Siu To, Clement ("Mr. Fung")	Centop Investment Limited ("Centop")	—	20	20	20
Mr. Poon	Centop	—	80	80	80
Mr. Fung	Mark Honour Limited	9	—	9	9

*Notes:*

- By virtue of his controlling interest in Asia Orient Holdings Limited ("Asia Orient"), Mr. Poon is deemed to be interested in the shares of Asia Standard International Group Limited ("ASI") held by subsidiaries of Asia Orient.
- Centop is owned as to 80% by ASI and as to 20% by Kingscore Investment Limited ("Kingscore"). Each of Mr. Poon and Mr. Fung holds 50% interest in Kingscore. By virtue of their interest in Kingscore, each of Mr. Poon and Mr. Fung is deemed to have interest in the 20 shares held by Kingscore and duplicate the interest of the other.

(ii) **Long position in underlying shares — Interests in share options**(a) *The Company*

Name of Director	Capacity	Number of underlying Shares held	Percentage of Shares in issue (%)
Mr. Fung	Beneficial owner	80,000,000 (Note 1)	0.62
Poon Tin Sau, Robert	Beneficial owner	80,000,000 (Note 1)	0.62
Lim Yin Cheng	Beneficial owner	80,000,000 (Note 2)	0.62
Woo Wei Chun, Joseph	Beneficial owner	80,000,000 (Note 2)	0.62

*Notes:*

- As at the Latest Practicable Date, Mr. Fung and Mr. Poon Tin Sau, Robert, both executive directors and as beneficial owners, held the share options of the Company at a subscription price of HK\$0.1296 per Share. These share options of the Company were granted on 29 March 2007 and are exercisable from 29 March 2007 to 28 March 2017.

2. As at the Latest Practicable Date, Dr. Lim Yin Cheng and Mr. Woo Wei Chun, Joseph, respectively the deputy chairman and executive director and both as beneficial owners, held the share options of the Company at a subscription price of HK\$0.13 per Share. These share options of the Company were granted on 2 April 2007 and are exercisable from 2 April 2007 to 1 April 2017.

(b) *Associated corporation - ASI*

As at the Latest Practicable Date, the following Directors, as beneficial owners, held the share options of ASI entitling them to subscribe for the shares in ASI as shown below at a subscription price of HK\$0.315 (as adjusted) per share in ASI. The share options of ASI were granted to such Directors on 30 March 2005 and are exercisable from 30 March 2005 to 29 March 2015:-

<b>Name of Director</b>	<b>Capacity</b>	<b>Number of underlying shares subject to the outstanding share options</b>	<b>Percentage of shares in issue (%)</b>
Mr. Fung	Beneficial owner	20,621,761	0.19
Lim Yin Cheng	Beneficial owner	20,621,761	0.19
Mr. Poon	Beneficial owner	5,155,440	0.05

(iii) **Long position in underlying shares — Interests in warrants**

Details of interest in warrants of the Company and its associated corporations as the Latest Practicable Date held by the Directors are set out as follows:-

(a) *The Company*

<b>Name of Director</b>	<b>Number of underlying shares subject to the warrants</b>			<b>Percentage of Shares in issue (%)</b>
	<b>Personal Interest</b>	<b>Corporate Interest</b>	<b>Total</b>	
Mr. Poon	76,686	1,742,211,916	1,742,288,602	13.5

(b) *Associated corporations*

Name of Director	Associated Corporation	Number of underlying shares subject to the warrants			Total	Percentage of shares in issue (%)
		Personal Interest	Corporate Interest			
Mr. Poon	ASI	1,415,675	729,156,442	730,572,117	6.7	

Saved as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had any other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations which were required, (i) 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 they were taken or deemed to have under such provisions of the SFO); (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

**3. SUBSTANTIAL SHAREHOLDERS**

As at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, the following persons (other than a Director or chief executive of the Company), were deemed or taken to have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

(i) **Long position in the Shares**

Name	Number of Shares held	Percentage of Shares in issue (%)
Asia Standard Development (Holdings) Limited (“ASDHL”)	2,957,888,314	22.91
Asia Standard International Limited (“ASIL”)	5,772,774,195	44.72
ASI (Note 1)	8,738,777,562	67.70
Asia Orient Holdings (BVI) Limited (Notes 2 & 3)	9,121,284,139	70.66
Asia Orient (Note 3)	9,121,284,139	70.66

## (ii) Long position in the underlying Shares — interests in warrants

Name	Number of underlying Shares Subject to the warrants	Percentage of Shares in issue (%)
ASDHL	571,428,570	4.43
ASIL	1,103,857,657	8.55
ASI	1,676,843,387	12.99
Asia Orient Holdings (BVI) Limited	1,742,211,916	13.50
Asia Orient	1,742,211,916	13.50

The warrants of the Company are exercisable from 7 September 2007 to 6 September 2010 at an subscription price of HK\$0.084 per Share (as adjusted), subject to adjustments and reset arrangements.

*Notes:*

1. ASDHL and ASIL are the wholly-owned subsidiaries of ASI and ASI is deemed to be interest in and duplicates all the shares held by ASDHL and ASIL.
2. Asia Orient Holdings (BVI) Limited and its subsidiaries together hold more than one-third of the issued shares of ASI and is deemed to be interested in and duplicates the shares held by ASI.
3. Asia Orient Holdings (BVI) Limited is a wholly-owned subsidiary of Asia Orient and Asia Orient is deemed to be interested in and duplicates the shares held by Asia Orient Holdings (BVI) Limited and its subsidiaries.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors, no other person (other than a Director or chief executive of the Company) had, or was deemed or taken to have an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group.

**4. SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had entered into, or proposed to enter into, a service contract with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation, other than statutory compensation.

**5. COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors and their associates has interests in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

**6. LITIGATION**

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration or claim of material importance and, so far as the Directors were aware, no litigation or arbitration or claim of material importance was pending or threatened by or against any member of the Group.

**7. MISCELLANEOUS**

- (a) The company secretary of the Company is Mr. Lee Tai Hay, Dominic, a fellow member of The Hong Kong Institute of Chartered Secretaries.
- (b) The qualified accountant of the Company is Mr. Woo Wei Chun Joseph, an associate member of Hong Kong Institute of Certified Public Accountants.
- (c) The principal share registrars and transfer office of the Company is Butterfield Fund Services (Bermuda) Limited of Rosebank Centre, 11 Bermudiana Road, Pembroke HM08, Bermuda and the branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The registered office of the Company is at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda and the head office and principal place of business of the Company is 30th Floor, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong.
- (e) This circular has been prepared in both English and Chinese. In the case of any discrepancy, the English text shall prevail.