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ASIA ORIENT HOLDINGS LIMITED
(滙漢控股有限公司)*

(Incorporated in Bermuda with limited liability)
(Stock code: 214)



ASIA STANDARD INTERNATIONAL GROUP LIMITED
(泛海國際集團有限公司)*

(Incorporated in Bermuda with limited liability)
(Stock code: 129)

- (1) DISCLOSEABLE TRANSACTION**
(2) RESUMPTION OF TRADING

- (1) RIGHTS ISSUE OF NOT LESS THAN 1,710,518,044 RIGHTS SHARES AND NOT MORE THAN 1,953,704,830 RIGHTS SHARES AT HK\$0.175 EACH ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY THREE EXISTING AS SHARES HELD ON THE RECORD DATE**
(2) RESUMPTION OF TRADING

Underwriter of the Rights Issue



TAIFOOK SECURITIES COMPANY LIMITED

Financial adviser



TAIFOOK CAPITAL LIMITED

THE RIGHTS ISSUE

Asia Standard proposes to raise not less than approximately HK\$299.3 million and not more than approximately HK\$341.9 million before expenses by way of a rights issue of not less than 1,710,518,044 Rights Shares and not more than 1,953,704,830 Rights Shares at the Subscription price of HK\$0.175 per Rights Share on the basis of one Rights Share for every three existing AS Shares held on the Record Date. Pursuant to the Rights Issue, the Qualifying Shareholders will be provisionally allotted one Rights Share in nil-paid form for every three existing AS Shares held on the Record Date.

Each of Asia Orient, Grosvenor and Mr. Poon has undertaken irrevocably that it/he shall continue to own on the Record Date 2,149,166,192 AS Shares, 758,530,000 AS Shares and 4,602,392 AS Shares respectively and to accept or procure the acceptance of 716,388,722 Rights Shares, 252,843,333 Rights Shares and 1,534,130 Rights Shares respectively to be provisionally allotted to it/him or its/his nominee(s) as the holder of such AS Shares pursuant to the Rights Issue. Mr. Poon has also undertaken that in the event that any of the subscription rights attaching to the Share Options are exercised and additional AS Shares are issued to him or his nominee(s) as the holder of such additional AS Shares upon exercise of such subscription rights on or before the Record Date, he shall accept or procure the acceptance of all the additional Rights Shares to be provisionally allotted to him or his nominee(s) as the holder of such additional AS Shares in respect of such additional AS Shares. In addition, Grosvenor has undertaken that in the event that any of the conversion rights attaching to the outstanding HK\$115,000,000 7% convertible bonds due 2007 are exercised by its wholly-owned subsidiary and additional AS Shares are issued to such wholly-owned subsidiary or its nominee(s) as the holder of such additional

AS Shares upon exercise of such conversion rights on or before the Record Date, it shall procure the acceptance of all the additional Rights Shares to be provisionally allotted to such wholly-owned subsidiary or its nominee(s) as the holder of such AS Shares in respect of such additional AS Shares.

The Underwritten Rights Shares will be fully underwritten by Taifook Securities on the terms and subject to the conditions set out in the Underwriting Agreement.

The estimated net proceeds of the Rights Issue will be between approximately HK\$295 million (assuming that no outstanding Share Options are exercised and none of the Convertible Bonds is converted before the Record Date) and approximately HK\$337 million (assuming that all outstanding Share Options are exercised and the Convertible Bonds are converted in full before the Record Date). Asia Standard intends to apply the net proceeds of the Rights Issues as to approximately HK\$134 million to fully repay the convertible bonds due 2007 (together with the related interest accrued thereon) of the Asia Standard Group and as to the remaining net proceeds of approximately HK\$161 million to HK\$203 million for repayment of bank loans of the Asia Standard Group. In the event that the convertible bonds due 2007 are fully converted, Asia Standard intends to apply the aforesaid approximately HK\$134 million for further repayment of bank loans of the Asia Standard Group.

If Taifook Securities terminates the Underwriting Agreement (see sub-section headed "Termination of the Underwriting Agreement" below) or the conditions precedent to the Rights Issue (see sub-section headed "Conditions precedent to the Rights Issue" below) are not fulfilled or waived, the Rights Issue will not proceed. **Accordingly, the Rights Issue may or may not proceed. Investors' attention is drawn to the section headed "Warning of the risks of dealings in the AS Shares and the nil-paid Rights Shares" below.**

The last day of dealing in the AS Shares on a cum-rights basis is Wednesday, 11 October 2006. The AS Shares will be dealt with on an ex-rights basis from Thursday, 12 October 2006. The Rights Shares are expected to be dealt with in their nil-paid form from Monday, 23 October 2006 to Tuesday, 31 October 2006 (both dates inclusive). To qualify for the Rights Issue, any transfer of the AS Shares (together with the relevant share certificates) must be lodged for registration with Asia Standard's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 46/F, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:00 p.m. on Friday, 13 October 2006.

The last day for acceptance and payment of the Rights Shares are expected to be on Friday, 3 November 2006. Asia Standard will apply to the Listing Committee for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms.

GENERAL

The undertaking given by Asia Orient to take up its assured entitlement under the Rights Issue constitute a discloseable transaction for Asia Orient under Chapter 14 of the Listing Rules. If Taifook Securities terminates the Underwriting Agreement or the conditions precedent to the Rights Issue (see sub-section headed “Conditions precedent to the Rights Issue” below) are not fulfilled or waived, the Rights Issue will not proceed. Accordingly, the discloseable transaction for Asia Orient may or may not proceed. A circular containing, among other things, further details of its participation in the Rights Issue will be despatched by Asia Orient to its shareholders as soon as practicable in accordance with the Listing Rules.

Asia Standard will despatch the Rights Issue Documents to the Qualifying Shareholders and the Prospectus to the Excluded Shareholders for their information only, on or around Thursday, 19 October 2006.

RESUMPTION OF TRADING

At the request of Asia Standard, trading in the AS Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Monday, 25 September 2006 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the AS Shares with effect from 9:30 a.m. on Wednesday, 27 September 2006.

At the request of Asia Orient, trading in the shares of Asia Orient on the Stock Exchange was suspended with effect from 9:30 a.m. on Monday, 25 September 2006 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the shares of Asia Orient with effect from 9:30 a.m. on Wednesday, 27 September 2006.

RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue:	One Rights Share for every three existing AS Shares held on the Record Date
Number of authorised AS Shares:	400,000,000,000 AS Shares
Number of AS Share in issue:	5,076,925,957 AS Shares as at the date of this announcement
Number of AS Shares in issue after the issue of Scrip Shares on 3 October 2006:	5,131,554,134 AS Shares (assuming that no Share Options are exercised and none of the Convertible Bonds are converted before the Record Date) 5,861,114,491 AS Shares (assuming that all outstanding Share Options are exercised and the Convertible Bonds are converted in full before the Record Date)

Number of Rights Shares: not less than 1,710,518,044 Rights Shares (assuming that no Share Options are exercised and none of the Convertible Bonds are converted before the Record Date) and not more than 1,953,704,830 Rights Shares (assuming that all outstanding Share Options are exercised and the Convertible Bonds are converted in full before the Record Date)

Underwriter: Taifook Securities

The Underwritten Rights Shares will be fully underwritten by Taifook Securities on the terms and subject to the conditions set out in the Underwriting Agreement. Assuming that no Share Options are exercised and none of the Convertible Bonds are converted before the Record Date, the 1,710,518,044 nil-paid Rights Shares proposed to be provisionally allotted represent approximately 33.3% of Asia Standard's issued share capital as enlarged by the Scrip Shares and approximately 25% of Asia Standard's issued share capital as enlarged by the Scrip Shares and the issue of the Rights Shares.

As at the date of this announcement, there are outstanding Share Options and Convertible Bonds attaching the rights entitling holders thereof to subscribe for 160,000,000 AS Shares and 569,560,357 AS Shares upon exercise of the Share Options and upon conversion of the Convertible Bonds respectively. In addition, 54,628,177 AS Shares will be issued by Asia Standard as Scrip Shares to the AS Shareholders on 3 October 2006 pursuant to the scrip dividend scheme as set out in the circular of Asia Standard dated 30 August 2006.

Undertakings of Asia Orient, Grosvenor and Mr. Poon

Each of Asia Orient, Grosvenor and Mr. Poon has irrevocably undertaken to Asia Standard that it/he shall continue to own on the Record Date 2,149,166,192 AS Shares, 758,530,000 AS Shares and 4,602,392 AS Shares respectively and to accept or procure the acceptance of 716,388,722 Rights Shares, 252,843,333 Rights Shares and 1,534,130 Rights Shares respectively to be provisionally allotted to it/him or its/his nominee(s) as the holder of such AS Shares pursuant to the Rights Issue. Mr. Poon has also undertaken that in the event that any of the subscription rights attaching to the Share Options are exercised and additional AS Shares are issued to him or his nominee(s) as the holder of such additional AS Shares upon exercise of such subscription rights on or before the Record Date, he shall accept or procure the acceptance of all the additional Rights Shares to be provisionally allotted to him or his nominee(s) as the holder of such additional AS Shares in respect of such additional AS Shares. In addition, Grosvenor has undertaken that in the event that any of the conversion rights attaching to the outstanding HK\$115,000,000 7% convertible bonds due 2007 are exercised by its wholly-owned subsidiary and additional AS Shares are issued to such wholly-owned subsidiary or its nominee(s) as the holder of such additional AS Shares upon exercise of such conversion rights on or before the Record Date, it shall procure the acceptance of all the additional Rights Shares to be provisionally allotted to such wholly-owned subsidiary or its nominee(s) as the holder of such AS Shares in respect of such additional AS Shares.

Qualifying Shareholders

To qualify for the Rights Issue, an AS Shareholder must be registered as a member of Asia Standard on the Record Date. In order to be registered as members of Asia Standard on the Record Date, all transfers of AS Shares must be lodged (together with the relevant share certificate(s)) with Asia Standard's branch share registrar in Hong Kong by 4:00 p.m. (Hong Kong time) on Friday, 13 October 2006.

The address of the branch share registrar of Asia Standard in Hong Kong, namely Computershare Hong Kong Investor Services Limited, is 46/F, Hopewell Centre, 183 Queen's Road East, Hong Kong.

Asia Standard will send the Rights Issue Documents to the Qualifying Shareholders and the Prospectus only to the Excluded Shareholders for their information purposes.

As at the date of this announcement, Asia Standard has certain AS Shareholders whose addresses as shown on the register of members are outside Hong Kong and located in Canada, the Macau Special Administrative Region of the PRC, Malaysia and Singapore. In determining who will be the Excluded Shareholders, Asia Standard will make enquiry regarding the legal restrictions (if any) under the laws of the relevant places and the requirements of the relevant regulatory bodies or stock exchanges for Asia Standard's offering the Rights Shares to the Excluded Shareholders in compliance with the Listing Rules. Asia Standard will make further announcement regarding the Excluded Shareholders on or before the Posting Date, which is expected to be on Thursday, 19 October 2006.

Closure of register of members

The register of members of Asia Standard will be closed from Monday, 16 October 2006 to Wednesday, 18 October 2006, both dates inclusive. No transfer of AS Shares will be registered during this period.

TERMS OF THE RIGHTS ISSUE

Subscription Price

HK\$0.175 per Rights Share, payable in full by a Qualifying Shareholder upon acceptance of the provisional allotment of the Rights Shares under the Rights Issue or application for excess Rights Shares or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 24.9% to the closing price of HK\$0.233 per AS Share as quoted on the Stock Exchange on 22 September 2006, being the last trading day of the AS Shares on the Stock Exchange prior to the suspension of the trading in the AS Shares on the Stock Exchange on 25 September 2006 pending the release of this announcement;
- (ii) a discount of approximately 26.5% to the average closing price of approximately HK\$0.238 per AS Share for the 10 consecutive trading days up to and including 22 September 2006 as quoted on the Stock Exchange;
- (iii) a discount of approximately 28.3% to the average closing price of approximately HK\$0.244 per AS Share for the 30 consecutive trading days up to and including 22 September 2006 as quoted on the Stock Exchange;
- (iv) a discount of approximately 19.9% to the theoretical ex-rights price of HK\$0.2185 based on the closing price of HK\$0.233 per AS Share as quoted on the Stock Exchange on 22 September 2006; and
- (v) a discount of approximately 74.3% to the audited consolidated net tangible assets value per AS Share of approximately HK\$0.68 as at 31 March 2006.

The Subscription Price was arrived at after arm's length negotiation between Asia Standard and Taifook Securities with reference to the market price of the AS Shares under the prevailing market conditions. The AS Directors consider the terms of the Rights Issue to be fair and reasonable and in the best interests of Asia Standard and the AS Shareholders as a whole.

Basis of provisional allotments:

One Rights Share (in nil-paid form) for every three existing AS Shares held by the Qualifying Shareholders as at the close of business on the Record Date.

Status of the Rights Shares

The Rights Shares (when allotted, issued and fully paid) will rank pari passu with the then existing AS Shares in issue in all respects. The holders of fully paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment and issue of the Rights Shares.

Certificates for the Rights Shares

Subject to the fulfillment or the waiver of the conditions of the Rights Issue, certificates for fully-paid Rights Shares are expected to be posted by Friday, 10 November 2006 to those Qualifying Shareholders who have paid for and have accepted the Rights Shares, at their own risk.

Fractions of the Rights Shares

Asia Standard will not provisionally allot and issue and will not accept application for any fraction of the Rights Shares. Asia Standard will sell in the market any nil-paid Rights Shares created by adding fractions of the Rights Shares, if any, and will keep the net proceeds for its own benefit.

Application for excess Rights Shares

The Qualifying Shareholders shall be entitled to apply for any unsold entitlements of the Excluded Shareholders, any unsold Rights Shares created by adding together fractions of the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders. Application may be made by completing the form of application for excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares being applied for. The AS Directors will allocate the excess Rights Shares at their discretion, but on a fair and reasonable basis as far as practicable.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted by Friday, 10 November 2006 by ordinary post to the relevant unsuccessful applicants therefor at their own risk.

The AS Shareholders with their AS Shares held by a nominee company should note that the AS Directors will regard the nominee company as a single Shareholder according to the register of members of Asia Standard. Accordingly, the AS Shareholders should note that the aforesaid arrangement in relation to the application for excess Rights Shares will not be extended to beneficial owners individually. The AS Shareholders with their AS Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant AS Shares in the name of the beneficial owner(s) prior to the Record Date.

For the AS Shareholders whose AS Shares are held by their nominee(s) and would like to have their names registered on the register of members of Asia Standard, they must complete the relevant registration with Asia Standard's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 46/F, Hopewell Centre, 183 Queen's Road East, Hong Kong, by 4:00 p.m. on Friday, 13 October 2006.

Application for listing

Asia Standard will apply to the Listing Committee for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms.

Nil-paid Rights Shares are expected to be traded in board lots of 2,000 (the AS Shares are currently traded on the Stock Exchange in board lots of 2,000). Dealings in the Rights Shares (in both nil-paid and fully-paid forms) will be subject to the payment of stamp duty, Stock Exchange trading fee, Securities and Futures Commission transaction levy or any other applicable fees and charges in Hong Kong.

CONDITIONS PRECEDENT TO THE RIGHTS ISSUE

The Rights Issue is conditional upon the following:

- (a) the delivery by or on behalf of Asia Standard not later than the Posting Date of (i) one copy of each of the Rights Issue Documents, duly signed by or on behalf of any two AS Directors together with any requisite accompanying documents, to the Stock Exchange and the Registrar of Companies in Hong Kong for filing and registration in accordance with the provisions of the Companies Ordinance; and (ii) one copy of the Prospectus, duly signed by or on behalf of each of the AS Directors together with any requisite accompanying documents, to the Registrar of Companies in Bermuda for filing in accordance with the Companies Act 1981 of Bermuda (as amended);
- (b) the Listing Committee granting or agreeing to grant (subject to allotment) listing of and permission to deal in all the Rights Shares (in their nil-paid and fully-paid forms) before 8:00 a.m. on the date of commencement of dealing in the nil-paid Rights Shares on the Stock Exchange and not having withdrawn or revoked such listings and permission before 8:00 a.m. on the date of commencement of dealing in the fully-paid Rights Shares on the Stock Exchange;
- (c) the Bermuda Monetary Authority granting consent (if required) to the issue of the Rights Shares by no later than the Posting Date;
- (d) the posting of the Rights Issue Documents to the Qualifying Shareholders and of the Prospectus to the Excluded Shareholders;
- (e) compliance with and performance of all the undertakings and obligations of Asia Standard under the terms of the Underwriting Agreement;
- (f) compliance with and performance by each of Asia Orient, Grosvenor and Mr. Poon of all of his/its obligations and undertakings under the terms of the irrevocable undertakings given by them; and
- (g) the obligations of Taifook Securities not being terminated by Taifook Securities in accordance with the terms hereof.

If the conditions precedent are not satisfied and/or waived by the Latest Time for Termination or such later date or dates as Taifook Securities may agree with Asia Standard in writing, the Underwriting Agreement shall terminate and (save in respect of any reasonable legal fees and other reasonable out-of-pocket expenses, if any, of Taifook Securities, or the indemnity given to Taifook Securities and any rights or obligations which may accrue under the Underwriting Agreement prior to such termination) no party will have any claim against the other party for costs, damages, compensation or otherwise.

UNDERWRITING ARRANGEMENT

Underwriting Agreement

Date:	25 September 2006
Underwriter:	Taifook Securities, which is independent of and not connected with the directors, chief executive and substantial shareholders (as defined in the Listing Rules) of Asia Standard or any of its subsidiaries and their respective associates
Number of the Rights Shares underwritten:	not less than 739,751,859 Right Shares and not more than 894,150,766 Rights Shares
Commission:	2% of the aggregate Subscription Price of all the Rights Shares underwritten by Taifook Securities

Taifook Securities principally participates in investment holding, securities broking and dealing, leverage foreign exchange trading, the provision of marginal financing, placing, underwriting and sub-underwriting and nominee services.

TERMINATION OF THE UNDERWRITING AGREEMENT

Taifook Securities shall be entitled by notice in writing to Asia Standard, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement if prior to the Latest Time for Termination:

- (a) in the reasonable opinion of Taifook Securities acting in good faith, the success of the Rights Issue would be materially and adversely affected by:
 - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may materially and adversely affect the business or the financial or trading position or prospects of the Asia Standard Group as a whole; or
 - (ii) the occurrence of any local, national or international event or change, whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof, of a political, financial, economic currency, market or other nature (whether or not *ejusdem generis* with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may materially and adversely affect the business or financial or trading position or prospects of the Asia Standard Group as a whole; or
 - (iii) any material adverse change in the business or in the financial or trading position or Prospectus of the Asia Standard Group as a whole; or
 - (iv) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would materially and adversely affect the business or the financial or trading position or prospects of the Asia Standard Group as a whole; or

- (v) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the AS Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
 - (vi) the commencement by any third party of any litigation or claim against any company in the Asia Standard Group which is or might be material to the Asia Standard Group taken as a whole; or
 - (vii) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions on Hong Kong, the PRC or other jurisdiction relevant to any company in the Asia Standard Group and a change in currency conditions includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which makes it inexpedient or inadvisable to proceed with the Rights Issue; or
 - (viii) the Prospectus when published contain information (either as to business prospects or the condition of the Asia Standard Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date hereof been publicly announced or published by Asia Standard and which is material to Asia Standard Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a prudent investor not to accept the Rights Shares provisionally allotted to it.
- (b) Taifook Securities shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination, there occurs:
- (i) any material breach of any of the warranties or undertakings contained in the relevant clauses in the Underwriting Agreement comes to the knowledge of Taifook Securities and such material breach materially and adversely affects the success of the Rights Issue; or
 - (ii) any event occurring or matter arising on or after the date thereof and prior to the Latest Time for Termination which if it had occurred or arisen before the date thereof would have rendered any of the warranties contained in the relevant clause in the Underwriting Agreement untrue or incorrect in any material respect comes to the knowledge of Taifook Securities and such event materially and adversely affects the success of the Rights Issue.

If Taifook Securities exercises such right, the Rights Issue will not proceed.

CHANGES IN THE SHAREHOLDING STRUCTURE OF ASIA STANDARD

Assuming that no Share Options are exercised and none of the Convertible Bonds is converted before the Record Date, the simplified shareholding structure of Asia Standard as a result of completion of the Rights Issue are as follows:

	Number of AS Shares in issue after the issue of the Scrip Shares		Immediately after completion of the Rights Issue on the assumption as set out in Note 1		Immediately after completion of the Rights Issue on the assumption as set out in Note 2	
	<i>No. of AS Shares</i>		<i>No. of AS Shares</i>		<i>No. of AS Shares</i>	
		<i>%</i>		<i>%</i>		<i>%</i>
Asia Orient	2,149,166,192	41.88	2,865,554,914	41.88	2,865,554,914	41.88
Grosvenor	758,530,000	14.78	1,011,373,333	14.78	1,011,373,333	14.78
Mr. Poon	<u>4,602,392</u>	<u>0.09</u>	<u>6,136,522</u>	<u>0.09</u>	<u>6,136,522</u>	<u>0.09</u>
Sub-total	2,912,298,584	56.75	3,883,064,769	56.75	3,883,064,769	56.75
Taifook Securities Public AS Shareholders	—	—	—	—	739,751,859	10.81
	<u>2,219,255,550</u>	<u>43.25</u>	<u>2,959,007,409</u>	<u>43.25</u>	<u>2,219,255,550</u>	<u>32.44</u>
Total	<u>5,131,554,134</u>	<u>100.00</u>	<u>6,842,072,178</u>	<u>100.00</u>	<u>6,842,072,178</u>	<u>100.00</u>

Notes:

1. Assuming all AS Shareholders take up their respective provisional allotments of the Rights Shares in full.
2. Assuming (i) all AS Shareholders (other than Asia Orient, Grosvenor and Mr. Poon) do not take up any provisional allotments of the Rights Shares; and (ii) the provisional allotments of the Rights Shares of all AS Shareholders (other than Asia Orient, Grosvenor and Mr. Poon) are taken up by Taifook Securities pursuant to the Underwriting Agreement.

Assuming that all the outstanding Share Options are exercised and the Convertible Bonds are converted in full before the Record Date, the simplified shareholding structure of Asia Standard as a result of completion of the Rights Issue are as follows:

	Number of AS Shares in issue		Immediately after completion of the Rights Issue on the assumption as set out in Note 3		Immediately after completion of the Rights Issue on the assumption as set out in Note 4	
	After the issue of the Scrip Shares		in Note 3		in Note 4	
	<i>No. of AS Shares</i>	<i>%</i>	<i>No. of AS Shares</i>	<i>%</i>	<i>No. of AS Shares</i>	<i>%</i>
Asia Orient	2,149,166,192	36.67	2,865,554,914	36.67	2,865,554,914	36.67
Grosvenor	1,019,893,636	17.40	1,359,858,181	17.40	1,359,858,181	17.40
Mr. Poon	9,602,392	0.16	12,803,189	0.16	12,803,189	0.16
Other AS Directors and a director of a subsidiary of Asia Standard	<u>115,000,000</u>	<u>1.96</u>	<u>153,333,333</u>	<u>1.96</u>	<u>115,000,000</u>	<u>1.47</u>
Sub-total	3,293,662,220	56.19	4,391,549,617	56.19	4,353,216,284	55.70
Taifook Securities Public AS Shareholders	—	—	—	—	894,150,766	11.44
Total	<u>5,861,114,491</u>	<u>100.00</u>	<u>7,814,819,321</u>	<u>100.00</u>	<u>7,814,819,321</u>	<u>100.00</u>

Notes:

- Assuming all AS Shareholders take up their respective provisional allotments of the Rights Shares in full.
- Assuming (i) all AS Shareholders (other than Asia Orient, Grosvenor and Mr. Poon) do not take up any provisional allotments of the Rights Shares; and (ii) the provisional allotments of the Rights Shares of all AS Shareholders (other than Asia Orient, Grosvenor and Mr. Poon) are taken up by Taifook Securities pursuant to the Underwriting Agreement.

In the event that Taifook Securities is called upon to subscribe for the balance of the Rights Shares in full pursuant to its obligations under the Underwriting Agreement, the interest of Taifook Securities in the issued share capital of Asia Standard would increase from nil to a maximum of approximately 10.81% (assuming that no Share Options are exercised and none of the Convertible Bonds are converted before the Record Date) or 11.44% (assuming that the outstanding Share Options are exercised and the Convertible Bonds are converted in full before the Record Date) immediately upon completion of the Rights Issue.

EXPECTED TIMETABLE

Last day of dealings in the AS Shares on a cum-rights basis	Wednesday, 11 October 2006
Commencement of dealings in the AS Shares on an ex-rights basis	Thursday, 12 October 2006
Latest time for lodging transfer of the AS Shares in order to be qualified for the Rights Issue	4:00 p.m. on Friday, 13 October 2006
Register of members closes	Monday, 16 October 2006 to Wednesday, 18 October 2006 (both dates inclusive)
Record Date	Wednesday, 18 October 2006
Register of members re-opens	Thursday, 19 October 2006
Posting Date	Thursday, 19 October 2006
First day of dealings in nil-paid Rights Shares	Monday, 23 October 2006
Latest time for splitting nil-paid Rights Shares	4:00 p.m. on Wednesday, 25 October 2006
Last day of dealings in nil-paid Rights Shares	Tuesday, 31 October 2006
Latest time for acceptance of, and payment for, the Rights Shares and application for excess Rights Shares	4:00 p.m. on Friday, 3 November 2006
Latest time for termination of the Underwriting Agreement	4:00 p.m. on Tuesday, 7 November 2006
Announcement of results of the Rights Issue on newspapers	Friday, 10 November 2006
Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares expected to be posted on or before	Friday, 10 November 2006
Certificates for the Rights Shares expected to be despatched on or before	Friday, 10 November 2006

Dealings in fully-paid Rights Shares commence on Tuesday, 14 November 2006

All times in this announcement refer to Hong Kong times. Dates stated in this announcement for events mentioned in the timetable are indicative only and may be extended or varied. Any changes to the expected timetable for the Rights Issue will be announced as appropriate.

The latest time for acceptance of, and payment for, the Rights Shares and application for excess Rights Shares is expected to be at 4:00 p.m. on Friday, 3 November 2006, or such later date as may be agreed between Asia Standard and Taifook Securities. If there is:

- a tropical cyclone warning signal number 8 or above; or
- a “black” rainstorm warning signal

in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m. on Friday, 3 November 2006, or if there are similar extraneous factors as are acceptable to the AS Directors, the latest time for acceptance of, and payment for, the Rights Shares and application for excess Rights Shares will be postponed to 4:00 p.m. on the next Business Day which is not subject to the abovementioned conditions at any time between 9:00 a.m. and 4:00 p.m. in Hong Kong. Under such circumstances, the dates mentioned in the expected timetable above (including, but without limitation to, the latest time for termination of the Underwriting Agreement) may be affected. Further announcement will be made by Asia Standard if such circumstances arise.

WARNING OF THE RISKS OF DEALINGS IN THE AS SHARES AND THE NIL-PAID RIGHTS SHARES

Existing AS Shares will be dealt with on an ex-rights basis from Thursday, 12 October 2006. The Rights Shares will be dealt with in their nil-paid form from Monday, 23 October 2006 to Tuesday, 31 October 2006 (both dates inclusive). If prior to 4:00 p.m. Tuesday, 7 November 2006 (or such later date as Taifook Securities may agree with Asia Standard), Taifook Securities terminates the Underwriting Agreement (see sub-section headed “Termination of the Underwriting Agreement” above) or any of the conditions precedent to the Rights Issue (see sub-section headed “Conditions precedent to the Rights Issue” above) cannot be fulfilled or is not waived, the Rights Issue will not proceed.

Any dealings in the AS Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled or waived, and any dealings in the Rights Shares in their nil-paid form between Monday, 23 October 2006 to Tuesday, 31 October 2006 (both days inclusive), accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any AS Shareholders or other persons contemplating any dealings in the AS Shares or the Rights Shares in their nil-paid forms are recommended to consult their own professional advisers.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

Asia Standard is principally engaged in the investment and development of commercial, retail and residential properties in Hong Kong and the PRC. Through its 56.88% owned listed subsidiary, namely Asia Standard Hotel Group Limited, Asia Standard also indirectly owns and operates three hotels, of which two are situated in Hong Kong and one is situated in Canada, a travel agency in Hong Kong and two franchised restaurants in Hong Kong and Shanghai.

For the year ended 31 March 2005 and the year ended 31 March 2006, (i) the audited consolidated profit before taxation of the Asia Standard Group amounted to approximately HK\$307.5 million and HK\$201.6 million respectively; and (ii) the audited consolidated net profit after taxation attributable to the shareholders of the Asia Standard Group amounted to approximately HK\$278.7 million and HK\$167.9 million respectively.

The estimated net proceeds of the Rights Issue will be between approximately HK\$295 million (assuming that no outstanding Share Options are exercised and none of the Convertible Bonds are converted before the Record Date) and approximately HK\$337 million (assuming that all outstanding Share Options are exercised and Convertible Bonds are converted in full before the Record Date). Asia Standard intends to apply the net proceeds of the Rights Issues as to approximately HK\$134 million to fully repay the convertible bonds due 2007 (together with the related interest accrued thereon) of the Asia Standard Group and as to the remaining net proceeds of approximately HK\$161 million to HK\$203 million for repayment of bank loans of the Asia Standard Group. In the event that the convertible bonds due 2007 are fully converted, Asia Standard intends to apply the aforesaid HK\$134 million for repayment of bank loans of the Asia Standard Group. The AS Directors consider that, as a result of such repayment, interest expenses will be reduced. In addition, the overall financial position of the Asia Standard Group will be enhanced in terms of increase in the equity base and the net assets, and the improvement in the gearing position of the Asia Standard Group.

The AS Directors believe that it is in the interests of Asia Standard and the AS Shareholders to enlarge the capital base of Asia Standard through the Rights Issue in order to support the continuing development of Asia Standard's existing business activities. The Rights Issue enables Asia Standard to carry out the fund raising exercise while the Qualifying Shareholders are given the opportunity to maintain their respective pro rata shareholding interests in Asia Standard by participating in the Rights Issue.

FUND RAISING ACTIVITIES OF ASIA STANDARD IN THE 12 MONTHS ENDED ON THE DATE OF THIS ANNOUNCEMENT

Date of announcement:	4 May 2006
Event:	Issue of series "A" 4% guaranteed convertible notes due in 2009 in the principal amount of HK\$94 million
Net proceeds raised:	HK\$91.9 million

Proposed use of the net proceeds: For repayment of 7% convertible bonds due 2007

Actual use of the net proceeds: HK\$89.8 million has been used for repayment of convertible bonds due 2007 and the remaining balance will be applied for further repayment of the same convertible bonds

Save as disclosed above and other than the issue of scrip dividends on 24 October 2005, Asia Standard did not issue any equity securities in the 12-month period immediately preceding the date of this announcement.

REASONS FOR THE PARTICIPATION OF ASIA ORIENT IN THE RIGHTS ISSUE

Asia Orient is an investment holding company. The principal activities of its major investee companies include investment and development of properties and investment and operation of hotels, restaurants, travel agency and securities investment.

The directors of Asia Orient consider that the acceptance of 716,388,722 Rights Shares to be provisionally allotted to Asia Orient or its nominee(s) would enable Asia Orient to maintain, support and enhance the value of its investment in Asia Standard since the acceptance will enable Asia Orient to maintain its shareholding in Asia Standard. Accordingly, the directors of Asia Orient believe that the participation of Asia Orient in the Rights Issue is in the interests of Asia Orient and its shareholders as a whole.

The directors of Asia Orient consider that the Rights Issue is on normal commercial terms and the Subscription Price are fair and reasonable as far as Asia Orient and its shareholders are concerned. The payment to be made by Asia Orient and its subsidiaries for taking up the Rights Shares will amount to approximately HK\$125.4 million, which will be financed by the internal resources of Asia Orient and its subsidiaries. It is the intention of Asia Orient to hold the Rights Shares to be allotted and issued to it as long term investments.

GENERAL

The undertaking given by Asia Orient to take up its assured entitlement under the Rights Issue constitute a discloseable transaction for Asia Orient under Chapter 14 of the Listing Rules. If Taifook Securities terminates the Underwriting Agreement or the conditions precedent to the Rights Issue (see sub-section headed "Conditions precedent to the Rights Issue" below) are not fulfilled or waived, the Rights Issue will not proceed. Accordingly, the discloseable transaction for Asia Orient may or may not proceed. A circular containing, among other things, further details of its participation in the Rights Issue will be despatched by Asia Orient to its shareholders as soon as practicable in accordance with the Listing Rules.

It is the intention of the directors of Asia Orient that Asia Orient will not apply for excess Rights Shares to the extent that its taking of Rights Shares will constitute a major transaction for Asia Orient under Chapter 14 of the Listing Rules. However, in the event that the taking of Right Shares by Asia Orient constitutes a major transaction, Asia Orient will comply with the relevant requirements of Listing Rules, including the shareholders' approval requirement.

Asia Standard will despatch the Rights Issue Documents to the Qualifying Shareholders and the Prospectus to the Excluded Shareholders for their information only, on or before Thursday, 19 October 2006.

RESUMPTION OF TRADING

At the request of Asia Standard, trading in the AS Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Monday, 25 September 2006 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the AS Shares with effect from 9:30 a.m. on Wednesday, 27 September 2006.

At the request of Asia Orient, trading in the shares of Asia Orient on the Stock Exchange was suspended with effect from 9:30 a.m. on Monday, 25 September 2006 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the shares of Asia Orient with effect from 9:30 a.m. on Wednesday, 27 September 2006.

DEFINITIONS

“AS Directors”	the directors of Asia Standard
“Asia Orient”	Asia Orient Holdings Limited (stock code: 214), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange. Asia Orient is beneficially interested in approximately 41.32% of the issued share capital of Asia Standard which is an associated company of Asia Standard as at the date of this announcement
“AS Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of Asia Standard
“AS Shareholder(s)”	the holder(s) of the AS Shares
“Asia Standard”	Asia Standard International Group Limited (stock code: 129), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange
“Asia Standard Group”	Asia Standard with its subsidiaries
“Business Day”	any day (other than a Saturday) on which banks in Hong Kong are generally open for business
“Companies Ordinance”	Companies Ordinance (Chapter 32 of the Laws of Hong Kong)

“Convertible Bonds”	the Series “A” 4% convertible bonds due 2009 with outstanding principal amount of HK\$94 million convertible into AS Shares at the conversion price of HK\$0.305 per Share and the 7% convertible bonds due 2007 with outstanding principal amount of HK\$115 million convertible into AS Shares at the conversion price of HK\$0.44 per Share
“Excluded Shareholders”	the AS Shareholders whose names appear on the register of members of Asia Standard as at the close of business on the Record Date and whose addresses as shown on such register are outside Hong Kong where the AS Directors, based on opinions to be provided by legal advisers before the Posting Date, consider it necessary or expedient not to offer the Rights Shares to such AS Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Grosvenor”	Grosvenor Asset Management Limited, a company incorporated in Hong Kong with limited liability. Grosvenor is beneficially interested in approximately 14.94% of the issued share capital of Asia Standard as at the date of this announcement and the 7% convertible bonds due 2007 with outstanding principal amount of HK\$115 million convertible into AS Shares at the conversion price of HK\$0.44 per AS Share
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Time for Termination”	4:00 p.m. on the second Business Day after Friday, 3 November 2006 or such later time to be agreed in writing between Asia Standard and Taifook Securities, being the latest time for acceptance of the offer of the Rights Shares
“Listing Committee”	the listing sub-committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Poon”	Mr. Poon Jing, the executive Director, who is beneficially interested in approximately 30.14% of the issued share capital of Asia Orient and is personally interested in approximately 0.09% of the issued share capital of Asia Standard as at the date of this announcement
“Posting Date”	19 October 2006 or such other date as Taifook Securities may agree in writing with Asia Standard for the despatch of the Rights Issue Documents

“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus to be issued by Asia Standard to the AS Shareholders as required under the Companies Ordinance in relation to the Rights Issue
“Qualifying Shareholder(s)”	the AS Shareholder(s) whose name(s) appear on the register of members of Asia Standard as at the close of business on the Record Date, other than those Excluded Shareholders
“Record Date”	Wednesday, 18 October 2006, the record date to determine entitlements of the AS Shareholders to participate in the Rights Issue
“Rights Issue”	the issue by way of rights of not less than 1,710,518,044 Rights Shares and not more than 1,953,704,830 Rights Shares at the Subscription Price on the basis of one Rights Share for every three existing AS Shares held on the Record Date on the terms and conditions set out in the Rights Issue Documents
“Rights Issue Documents”	the Prospectus, the provisional allotment letters in respect of the Rights Issue and the forms of application for use by the Qualifying Shareholders to apply for excess Rights Shares
“Rights Share(s)”	new AS Share(s) to be allotted and issued pursuant to the Rights Issue
“Scrip Shares”	54,628,177 AS Shares to be issued by Asia Standard as scrip shares on 3 October 2006 pursuant to the scrip dividend scheme set out in the circular of Asia Standard dated 30 August 2006
“Share Options”	options granted by Asia Standard to subscribe for an aggregate of 160,000,000 AS Shares pursuant to the share option scheme adopted by Asia Standard on 27 August 2004
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.175 per Rights Share
“Taifook Securities”	Taifook Securities Company Limited, the underwriter of the Rights Issue and a licensed corporation to carry out Types 1, 3 and 4 regulated activities for the purposes of Securities and Futures Ordinance

“Underwriting Agreement”	the underwriting agreement entered into between Taifook Securities and Asia Standard dated 25 September 2006 in relation to the Rights Issue
“Underwritten Rights Shares”	the Rights Shares of not less than 739,751,859 Right Shares and not more than 894,150,766 Rights Shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
Asia Orient Holdings Limited
Fung Siu To, Clement
Chairman

By Order of the Board
**Asia Standard International
Group Limited**
Fung Siu To, Clement
Chairman

Hong Kong, 26 September 2006

As at the date of this announcement, the board of directors of Asia Orient comprises Mr. Fung Siu To Clement, Dr. Lim Yin Cheng, Mr. Poon Jing, Mr. Lun Pui Kan and Mr. Kwan Po Lam Phileas as executive directors, Mr. Chan Sze Hung as non-executive director, and Mr. Cheung Kwok Wah Ken, Mr. Hung Yat Ming and Mr. Wong Chi Keung as independent non-executive directors.

As at the date of this announcement, the board of AS Directors comprises Mr. Fung Siu To Clement, Dr. Lim Yin Cheng, Mr. Poon Jing, Mr. Lun Pui Kan, Mr. Kwan Po Lam Phileas and Mr. Nicholas James Loup as executive AS Directors, Mr. Liang Shangli and Mr. Au Yat Chuen Raymond as non-executive AS Directors, and Mr. Koon Bok Ming Alan, Mr. Leung Wai Keung Richard and Mr. Wong Chi Keung as independent non-executive AS Directors.

** For identification purposes only*