

[For immediate release]



ASIA STANDARD HOTEL GROUP LIMITED

Asia Standard Hotel Announces 2005/06 Annual Results

Financial Highlights

For the year ended 31 st March	2006 HK\$' mil	2005 HK\$' mil (restated)	YOY Change
Turnover	570	569	-
Gross operating profit	136	105	30%
Profit/(loss) attributable to shareholders	(21)	29	n/a
Basic earnings/(loss) per share	HK(0.38)cents	HK 0.58 cents	n/a
Revalued NAV	2,725	2,223	23%
Revalued NAV/share	HK\$0.43	HK\$0.44	-
Net borrowings	837	1,197	-30%
Gearing (Net debts to revalued NAV)	31%	54%	-23%

(13th July 2006, Hong Kong) – Asia Standard Hotel Group Limited (“Asia Standard Hotel” or the “Company”, together with its subsidiaries, the “Group”; stock code: 0292) today announces its annual results for the year ended 31st March 2006. The Group recorded a significant growth of 30% in gross operating profit, thanks primarily to the outstanding performances of its hotel businesses. However, due to the adoption of the new and revised Hong Kong Financial Reporting Standards (“HKFRS”), some non-cash accounting charges have significant impact on the financial statements of the Group. As a result, a loss of HK\$ 21 million was recorded. Basic loss per share was HK 0.38 cents. The Board has declared a final dividend of HK 0.32 cent per share.

According to the new HKFRS, the Group’s owned and operated hotels are stated at cost less depreciation and impairment losses rather than at open market value previously.

Commenting on the annual results, Mr. Poon Jing, Chairman of Asia Standard Hotel said, "Hong Kong Tourism Board reported a record high visitors arrivals of 23 million in 2005. The Group has benefited from the growth in visitor numbers and reported an increase in gross operating profit. The positive year for tourism helped the Group's Empire Hotel Hong Kong to achieve an occupancy rate of 82% for the year ended 31st March 2006 as compared to 78% last year. Average room rate also increased by 16%. These improvements were mainly due to the up-graded guest rooms that were well received by guests. With all the 362 guest rooms fully renovated in 2006/07, the average rates and occupancy are expected to improve further. As for the Group's Empire Hotel Kowloon, the occupancy rate maintained at 92%. It also enjoyed an increment on the average room rate of 16%. For the Group's business in Canada, the Empire Landmark Hotel's occupancy rate rose from 56.7% to 62.3% in 2006 and the average room rate maintained at a similar level.

With the recent opening of the Wetland Park, the hosting of the 2006 ITU World exhibition in December 2006, the outlook for hotel industry in Hong Kong remains promising. The Group will continue with its upgrading program of the Empire Hotel Hong Kong in order to capture the high yield market segment continually. The favorable location of the hotel will be able to draw travelers who will participate in different business conferences, sporting and leisure events in the Wan Chai District.

The Empire Hotel Kowloon will continue to seize the opportunity bring forth by Hong Kong Tourism Board making the year 2006 as the Tourism Year of Hong Kong. The Group's business in the travel agency, catering business will also be benefited from these factors as well.

The future prospect of Vancouver looks equally promising as the city has been named by the PRC government as the approved destination for travelers. We are confident that the performance of the Empire Landmark Hotel in Vancouver will continue to improve.

Commenting on the prospects of 2006, Mr. Poon said, "Asia Standard Hotel will grab the opportunity in the year ahead which is favorable to the industry. We will continue to uphold our quality service and we are confident to achieve satisfactory results in 2006 and creating the best return for our shareholders."

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About Asia Standard Hotel Group Limited

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

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