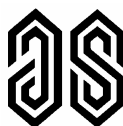


**【For immediate release】**



**ASIA STANDARD HOTEL GROUP LIMITED**

**Asia Standard Hotel  
Invests HK\$300 Million to Enrich Hotel Portfolio**

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**New Hotel Property in Prime Location of Urban Area to Establish  
Solid Foundation & Capture Market Opportunities**

(19 December, 2006, Hong Kong) – Asia Standard Hotel Group Limited (“Asia Standard Hotel” or the “Company”, together with its subsidiaries, the “Group”; stock code: 0292) announced that it has entered into a sale and purchase agreement with Asia Standard International Group Limited (“Asia Standard”, stock code: 0129), to acquire its indirect wholly owned subsidiary — Master Asia Enterprises Limited (“Master Asia”).

Pursuant to the agreement, Asia Standard Hotel will acquire the entire issued share capital of Master Asia at a consideration of HK\$300 million, including its entire beneficial interest in a property located at No.8, Wing Hing Street, Causeway Bay (“the Property”). The consideration is to be settled by the issue of zero coupon convertible bonds by Asia Standard Hotel with a maturity period of four years. Upon completion of the acquisition, Master Asia will become an indirect wholly owned subsidiary of Asia Standard Hotel, and the Property will be remodeled and transformed into a hotel.

The Property is a 28-storey office building completed in 1999, with a gross floor area of approximately 108,184 square feet (excluding the car park). In order to enhance property value, the Group decided to transform the Property into a hotel and has obtained the approval of changing the property use from the government. The new hotel will include 280 rooms, restaurant and retail outlets. The remodel work is scheduled to be completed within approximately 9 to 12 months from the commencement of construction. The conversion cost is approximately HK\$81 million.

Benefited from the favorable economic landscape, the prospects of Hong Kong’s tourism remain optimistic and the number of visitors is expected to grow continuously. With the limited supply of hotel rooms in urban area, the Group is confident that the newly added hotel property will be well-received by international business travelers and tourists with leverage on the prime location of the hotel. Situated in Causeway Bay, a business and shopping hub in Hong Kong, the Property will further enhance the Group’s market share, effectively strengthen the brand equity of “Empire branding” and improve overall profitability. Through adding a new hotel property, the Group not only enriches its hotel portfolio, but also improves overall operational efficiency by capitalizing on its proven hotel management system and experienced staff members. Furthermore, the acquisition can further fortify the Group’s negotiation power with suppliers, reduce cost and increase the Group’s revenue and profit. In addition, the consideration of the transaction will be satisfied by issue of zero coupon convertible bonds, which will not impose any pressure on the Group’s cash flow and financial position.

Commenting on the transaction, Mr. Poon Jing, Chairman of Asia Standard Hotel, said, "Upon completion of the acquisition and transformation of the Property, the total number of hotel rooms of Asia Standard Hotel in Hong Kong will increase from 677 to 957, representing a significant growth of 41%. As a renowned tourist spot and an international financial hub, Hong Kong is increasingly popular among mainland tourists and visitors around the world. We believe this trend is beneficial to the development of local hotel industry and will further consolidate the position of Hong Kong as a financial, retail and entertainment center in nearby regions. We are confident that the transaction is in line with the overall interest of the Group and shareholders. Looking ahead, Asia Standard Hotel will proactively seek acquisition opportunities with immense development potential, so as to expedite the Group's business expansion in Hong Kong and China."

Trading in the Group's shares was suspended on 18 December 2006 and is expected to resume on 20 December 2006.

*- End -*

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.

*For more information, please contact:*

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