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**ASIA STANDARD HOTEL
GROUP LIMITED**

(泛海酒店集團有限公司)*
(Incorporated in Bermuda with limited liability)
(Stock Code: 292)

**PLACING OF EXISTING
SHARES AND
TOP-UP SUBSCRIPTION OF
NEW SHARES**

Financial Adviser



結好融資有限公司
GET NICE CAPITAL LIMITED



**ASIA STANDARD INTERNATIONAL
GROUP LIMITED**

(泛海國際集團有限公司)*
(Incorporated in Bermuda with limited liability)
(Stock Code: 129)

**DISCLOSEABLE TRANSACTION
DEEMED DISPOSAL OF
INTEREST IN
ASIA STANDARD HOTEL
GROUP LIMITED**

Placing Agent



結好投資有限公司
GET NICE INVESTMENT LTD.

**PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION OF NEW
SHARES**

On 15 November 2005 the Vendor entered into the Placing Agreement and the Top-Up Subscription Agreement with the Placing Agent and the Company respectively. Pursuant to the Placing Agreement, the Vendor agreed to place, through the Placing Agent an aggregate of 1,010,000,000 existing Shares, on a fully underwritten basis, to not fewer than six placees (being independent individual, corporation and/or institutional investors to be identified by the Placing Agent and who will be independent third parties not connected with the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or associates of any of them), at a price of HK\$0.195 per Share. Pursuant to the Top-Up Subscription Agreement, the Vendor conditionally agreed to subscribe for an aggregate of 1,010,000,000 new Shares at a price of HK\$0.195 per Share.

The Placing Shares (or the Top-Up Subscription Shares) of 1,010,000,000 Shares represent approximately 19.06% of the Company's existing issued share capital and approximately 16.01% of its issued share capital as enlarged by the Top-Up Subscription.

The Placing Price (or the Top-Up Subscription Price) of HK\$0.195 represents (i) a discount of approximately 4.88% to the closing price of the Shares of HK\$0.205 quoted on the Stock Exchange on 15 November 2005, being the date of the Placing Agreement; (ii) a discount of approximately 8.02% to the average closing price of the Shares of approximately HK\$0.212 quoted on the Stock Exchange for the five consecutive trading days immediately prior to 15 November 2005; and (iii) a discount of approximately 10.96% to the average closing price of the Shares of approximately HK\$0.219 quoted on the Stock Exchange for the ten consecutive trading days immediately prior to 15 November 2005.

The gross proceeds from the Top-Up Subscription will be approximately HK\$196.95 million and the net proceeds from the Top-Up Subscription of approximately HK\$192.75 million will be entirely used for repayment of part of the Group's long-term mortgage bank loans.

The Placing is unconditional. The Top-Up Subscription is conditional upon, among other things, (1) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Top-Up Subscription Shares and (2) completion of the Placing.

DEEMED DISPOSAL OF INTEREST IN THE COMPANY HELD BY ASIGL

Upon completion of the Placing and the Top-up Subscription, the shareholding of the Company held by the Vendor and The Sai Group Limited will be diluted from approximately 67.73% to approximately 56.89%. Since the Vendor and The Sai Group Limited are wholly-owned subsidiaries of ASIGL, such dilution constitutes a deemed disposal of interest in the Company by ASIGL. As the applicable percentage ratio of the size tests for this deemed disposal by ASIGL is more than 5% but less than 25%, such deemed disposal constitutes a discloseable transaction for ASIGL under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements pursuant to Rule 14.33 of the Listing Rules.

PLACING AGREEMENT DATED 15 NOVEMBER 2005

Vendor:

Asia Standard International Limited, the immediate holding company of the Company and a wholly-owned subsidiary of ASIGL

Placing Agent and Placees:

The Placing is arranged by Get Nice Investment Limited which is and whose ultimate beneficial owners are third parties independent of the Company and its subsidiaries and connected persons of the Company and its subsidiaries as defined in the Listing Rules.

The Placees, being independent individual, corporation and/or institutional investors to be identified by the Placing Agent, will be third parties independent of the Company and its subsidiaries and connected persons of the Company and its subsidiaries as defined in the Listing Rules.

The Placing Shares will be placed to not less than six Placees. It is expected that none of the Placees will become substantial shareholder of the Company immediately after the Placing.

Number of Placing Shares:

The Placing Shares of 1,010,000,000 Shares represent approximately 19.06% of the Company's existing issued share capital and approximately 16.01% of its issued share capital as enlarged by the Top-Up Subscription.

Placing Price:

The Placing Price (or the Top-Up Subscription Price) of HK\$0.195 represents (i) a discount of approximately 4.88% to the closing price of the Shares of HK\$0.205 quoted on the Stock Exchange on 15 November 2005, being the date of the Placing Agreement; (ii) a discount of approximately 8.02% to the average closing price of the Shares of approximately HK\$0.212 quoted on the Stock Exchange for the five consecutive trading days immediately prior to 15 November 2005; and (iii) a discount of approximately 10.96% to the average closing price of the Shares of approximately HK\$0.219 quoted on the Stock Exchange for the ten consecutive trading days immediately prior to 15 November 2005.

The net placing price for the Placing is approximately HK\$0.191 per Share.

The Placing Price was negotiated on arm's length basis between the Company and the Placing Agent. The Directors consider that the Placing Price is fair and reasonable based on current market conditions and in the interest of the Company and its shareholders as a whole.

Underwriting commission payable to the Placing Agent:

The Placing is fully underwritten by the Placing Agent with underwriting commission calculated as 1.5% of the amount equal to the Placing Price multiplied by the number of the Placing Shares.

Condition of the Placing:

The Placing is unconditional.

THE TOP-UP SUBSCRIPTION AGREEMENT DATED 15 NOVEMBER 2005

Parties Involved:

The Company as the issuer and the Vendor as the subscriber.

The Top-Up Subscription Price:

The Top-Up Subscription Price is HK\$0.195 per Share. The Top-Up Subscription Price is the same to the Placing Price and was determined after arm's length negotiation between the Company and the Vendor with reference to the Placing Price of the Placing Shares.

Number of Top-Up Subscription Shares:

The number of Top-Up Subscription Shares is equivalent to the number of Placing Shares, being 1,010,000,000 Shares.

Ranking of Top-Up Subscription Shares:

The Top-Up Subscription Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the existing issued Shares.

Conditions of the Top-Up Subscription:

The Top-Up Subscription is conditional upon:

1. the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, all of the Top-Up Subscription Shares;
2. completion of the Placing; and
3. if required, the Bermuda Monetary Authority granting or agreeing to grant permission to allot, issue and subsequent transfer of the Top-Up Subscription Shares pursuant to the Top-Up Subscription.

The Top-Up Subscription Agreement does not provide either party the rights to waive the above conditions. However, to the best knowledge of the Directors, the approval from the Bermuda Monetary Authority as referred in condition (3) above is not required.

Application for Listing:

Application will be made by the Company to the Stock Exchange for the listing of and permission to deal in the Top-Up Subscription Shares.

General Mandate:

The Top-Up Subscription Shares will be allotted and issued pursuant to the general mandate granted to the Directors at the Company's annual general meeting held on 26 August 2005. As at the date hereof, no Shares have been issued and allotted under such general mandate. The Top-Up Subscription Shares will utilize approximately 100% of the 1,010,421,736 Shares that are allowed to be allotted and issued under the general mandate.

Completion of the Top-Up Subscription:

Completion of the Top-Up Subscription will take place upon the fulfillment of all conditions listed above and on the second Business Day immediately following the fulfillment of the conditions listed above (or such later date as the Vendor and the Company may agree but in any case not later than 29 November 2005). Under the Listing Rules, the Top-Up Subscription must be completed within 14 days from the date of the Placing Agreement, that is, on or before 29 November 2005.

In the event that the conditions to the Top-Up Subscription Agreement are not fulfilled by 29 November 2005, the Company and the Vendor may elect, subject to compliance with all requirements in relation to connected transactions under the Listing Rules, to postpone completion of the Top-Up Subscription to a later date to be agreed between the Company and the Vendor. Further announcement will be made by the Company in this regard.

REASONS FOR THE PLACING AND TOP-UP SUBSCRIPTION AND USE OF PROCEEDS

The gross proceeds from the Top-Up Subscription will be approximately HK\$196.95 million and the net proceeds from the Top-Up Subscription (after deducting the underwriting commission for the Placing and other expenses relating to the Placing and the Top-Up Subscription) of approximately HK\$192.75 million will be entirely used for repayment of part of the Group's long-term mortgage bank loans. Upon such repayment, the outstanding long-term mortgage bank loans of the Group will be reduced to approximately HK\$835 million.

Taking into account of the Group's current working capital requirement and considering the lower costs and shorter time involved in the Placing and the Top-Up Subscription when compared with other means of fund raising exercises such as rights issue or open offer, the Directors believe the Placing and the Top-Up Subscription is the most appropriate method as they can enhance the capital base of the Company and the terms (including the underwriting commission of the Placing) of the Placing and Top-Up Subscription are fair and reasonable.

FUND RAISING DURING THE PAST 12 MONTHS

The Company had not conducted any fund raising exercise during the past twelve months.

SHAREHOLDING STRUCTURE

	Immediately before completion of the Placing		Immediately after completion of the Placing but before the Top-Up Subscription		After completion of the Placing and the Top-Up Subscription	
	Shares	%	Shares	%	Shares	%
Vendor (Note 1)	3,583,280,394	67.63	2,573,280,394	48.57	3,583,280,394	56.81
The Sai Group Limited (Note 1)	<u>5,054,764</u>	<u>0.10</u>	<u>5,054,764</u>	<u>0.10</u>	<u>5,054,764</u>	<u>0.08</u>
Total held by ASIGL	3,588,335,158	67.73	2,578,335,158	48.67	3,588,335,158	56.89
associates of the						
Vendor (Note 2)	161,062,553	3.04	161,062,553	3.04	161,062,553	2.55
Public Shareholders:						
- The Placees	—	—	1,010,000,000	19.06	1,010,000,000	16.01
- Others	<u>1,548,710,970</u>	<u>29.23</u>	<u>1,548,710,970</u>	<u>29.23</u>	<u>1,548,710,970</u>	<u>24.55</u>
Total	<u>5,298,108,681</u>	<u>100</u>	<u>5,298,108,681</u>	<u>100</u>	<u>6,308,108,681</u>	<u>100</u>

Notes:

1. Both of the Vendor and The Sai Group Limited are the wholly-owned subsidiaries of ASIGL.
2. Out of the 161,062,553 Shares, 160,813,616 Shares are held by Asia Orient Holdings Limited of which ASIGL is its associate company and the remaining 248,937 Shares are held by Mr. Poon Jing, an executive Director.

INFORMATION ON THE COMPANY AND ASIGL

The principal activity of the Company is investment holding. The principal activities of its subsidiaries consist of holding and operating three hotels in Hong Kong and Canada, a travel agency in Hong Kong and two franchise restaurants in Hong Kong and Shanghai.

ASIGL is engaged in investment and development of commercial, retail and residential properties in Hong Kong and the PRC. Through its listed subsidiary, the Company, ASIGL also indirectly owns and operates three hotels in Hong Kong and Canada, a travel agency in Hong Kong and two franchise restaurants in Hong Kong and Shanghai.

DISCLOSEABLE TRANSACTION FOR ASIGL

As disclosed in the Company's annual report for the financial year ended 31 March 2005, the audited consolidated net assets of the Group as at 31 March 2005 was approximately HK\$2,223 million. The audited net profit before and after taxation of the Group for the financial year ended 31 March 2005 amounted to approximately HK\$105.76 million and HK\$84.90 million respectively. The audited net loss before and after taxation of the Group for the financial year ended 31 March 2004 amounted to approximately HK\$7.64 million and HK\$11.97 million respectively.

Upon completion of the Placing and the Top-up Subscription, the shareholding in the Company held by the Vendor and The Sai Group Limited will be diluted from approximately 67.73% to approximately 56.89%. Since the Vendor and The Sai Group Limited are wholly-owned subsidiaries of ASIGL, the Company will continue to be accounted for as a subsidiary of ASIGL. However, such dilution of interest in the Company constitutes a deemed disposal of interest in the Company by ASIGL. Based on the unaudited consolidated management financial information of the Company as at 30 September 2005, it is expected that ASIGL's share of the Company's consolidated net assets will be decreased by about HK\$22.5 million as a result of the deemed disposal. The above expected decrease in ASIGL's share of the Company's consolidated net assets represents the difference between ASIGL's 67.73% share of the Company's unaudited consolidated net assets as at 30 September 2005 and ASIGL's 56.89% share of the Company's unaudited consolidated net assets as enlarged by the net proceeds from the Top-up Subscription. It is also expected that the share of the assets and the financial results of the Group by ASIGL will be decreased from approximately 67.73% to approximately 56.89% in the consolidated account of ASIGL after completion of the Placing and Top-Up Subscription.

As the applicable percentage ratio of the size tests for this deemed disposal by ASIGL is more than 5% but less than 25%, such deemed disposal constitutes a discloseable transaction for ASIGL under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements pursuant to Rule 14.33 of the Listing Rules.

A circular, among other information, containing further details of the deemed disposal of the interests in the Company by ASIGL will be issued by ASIGL to its shareholders as soon as practicable.

DEFINITIONS

In the announcement, the following expressions have the meanings set out below unless the context otherwise requires.

“ASIGL”	Asia Standard International Group Limited, a company incorporated in Bermuda and whose shares are listed on the main board of the Stock Exchange (stock code: 129), the holding company of the Company.
“associate(s)”	has the meaning ascribed in the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday) on which banks generally open for business in Hong Kong
“Company”	Asia Standard Hotel Group Limited, a company incorporated in Bermuda and whose shares are listed on the main board of the Stock Exchange (stock code: 292)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placees”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	placing of 1,010,000,000 existing Shares beneficially owned by the Vendor at the Placing Price pursuant to the Placing Agreement
“Placing Agent”	Get Nice Investment Limited, a deemed licensed corporation within the meaning of the SFO, who is and whose ultimate beneficial owners are independent third parties not connected with the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or associates of any of them
“Placing Agreement”	the placing agreement entered into between the Placing Agent and the Vendor dated 15 November 2005
“Placing Price”	HK\$0.195 per Share

“Placing Shares”	1,010,000,000 existing Shares held by the Vendor to be placed under the Placing
“PRC”	The People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.02 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Top-Up Subscription”	the subscription by the Vendor for the Top-Up Subscription Shares pursuant to the terms of the Top-Up Subscription Agreement
“Top-Up Subscription Agreement”	the subscription agreement between the Vendor and the Company dated 15 November 2005 in relation to the Top-Up Subscription
“Top-Up Subscription Price”	HK\$0.195 per Share
“Top-Up Subscription Shares”	a total of 1,010,000,000 new Shares to be subscribed for by the Vendor and to be issued by the Company pursuant to the Top-Up Subscription Agreement
“Vendor”	Asia Standard International Limited, a company incorporated in Hong Kong, the immediate holding company of the Company and a wholly-owned subsidiary of ASIGL
“HK\$”	Hong Kong dollars
“%”	per cent.

By order of the board of directors of
Asia Standard Hotel Group Limited
Lim Yin Cheng
Deputy Chairman

By order of the board of directors of
Asia Standard International Group Limited
Fung Siu To Clement
Chairman

Hong Kong, 15 November 2005

As at the date of this announcement, the executive Directors of the Company are Mr. Poon Jing, Mr. Lim Yin Cheng, Mr. Fung Siu To Clement, Mr. Poon Tin Sau Robert and Mr. Wong Shu Pui; the non-executive Director is Mr. Liang Shangli; and the independent non-executive Directors are Mr. Ip Chi Wai, Mr. Leung Wai Keung Richard and Mr. Hung Yat Ming.

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

** for identification purpose only*

Please also refer to the published version of this announcement in The Standard.