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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)

ANNOUNCEMENT

CONTINUING CONNECTED TRANSACTIONS

Reference is made to the Announcement. The Directors wish to announce that on 8th April 2009, JBC, an indirect wholly-owned subsidiary of the Company, has accepted the Offer made by Hoi Chak to renew the Old Tenancy Agreement.

Hoi Chak is an indirect wholly-owned subsidiary of Asia Standard International, which is in turn a substantial shareholder of the Company holding approximately 67.7% of the issued share capital of the Company. Both Hoi Chak and Asia Standard International are regarded as connected persons of the Company under the Listing Rules. As the percentage ratios (other than the profits ratio) for the Annual Caps calculated according to Rule 14.07 of the Listing Rules are more than 0.1% but less than 2.5%, the acceptance of the Offer will constitute continuing connected transactions for the Company under Rule 14A.34(1) of the Listing Rules, which is only subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirement. Details of the Offer will be disclosed in the Company's annual report for the financial years in which the transactions contemplated under the Offer are undertaken by the Company.

1. INTRODUCTION

Reference is made to the Announcement. The Directors wish to announce that on 8th April 2009, JBC, an indirect wholly-owned subsidiary of the Company, has accepted the Offer made by Hoi Chak to renew the Old Tenancy Agreement.

2. THE OFFER

The principal terms of the Offer are as follows:-

Date of Offer:	1st April 2009
Date of acceptance of the Offer by JBC:	8th April 2009
Landlord:	Hoi Chak
Tenant:	JBC
Premises:	16/F., Asia Standard Tower, 59-65 Queen's Road Central, Hong Kong
Term:	Two years commencing from 1st March 2009 and expiring on 28th February 2011. There is no option for the renewal of the tenancy.
Rent:	Monthly rental of HK\$130,080 (exclusive of rates, management fees, air-conditioning charges, cleaning service charges and other outgoings), payable in advance within 15 days from the first date of each month.
Other material term:	Upon acceptance of the Offer, a formal tenancy agreement incorporating the principal terms of the Offer shall be executed between Hoi Chak and JBC on or before 21st April 2009. The Directors confirm that there would not be any material differences in the principal terms of the Offer and the formal tenancy agreement. Save for the principal terms set out above, the terms and conditions of the formal tenancy agreement will be the same as those of the Old Tenancy Agreement.

3. ANNUAL CAPS

The Premises has been and is currently being used by JBC as its head office.

As disclosed in the Announcement, the annual caps in respect of the amount of annual rent (exclusive of rates, management fees and other outgoings) payable under the Old Tenancy Agreement for the financial years ended 31st March 2007, 2008 and 2009 were HK\$108,400, HK\$1,300,800 and HK\$1,192,400 respectively.

The annual rent (exclusive of rates, management fees and other outgoings) paid by the Company under the Old Tenancy Agreement for the past three years ended 31st March 2007, 2008 and 2009 were HK\$108,400, HK\$1,300,800 and HK\$1,192,400 respectively.

Based on the terms of the Offer, the Directors propose to set the amount of the annual rent, exclusive of rates, management fees and other outgoings for each of the financial years ended 31st March 2009, 2010 and 2011 to be HK\$130,080, HK\$1,560,960 and HK\$1,430,880 respectively (the “**Annual Caps**”).

4. REASONS FOR AND BENEFITS OF THE OFFER

The Annual Caps or the rent payable under the Offer was determined on an arm’s length basis with reference to the prevailing market rentals (as provided by Hoi Chak to JBC) of the building at which the Premises is located and the prevailing market rentals of the office premises located in the vicinity of the building at which the Premises is located. The Board, including the independent non-executive Directors, is of the opinion that the Offer is on normal commercial terms, the terms of which including the Annual Caps are fair and reasonable, and that the acceptance of the Offer is in the usual and ordinary course of business of the Company and in the interests of the Company and the Shareholders as a whole.

By accepting the Offer and executing a formal tenancy agreement in due course, the Directors consider that JBC and ultimately the Company will enjoy an approximately 10% discount on the monthly rental for the Premises when compared to the prevailing market rental of other office premises in the same building and savings on relocation costs.

5. GENERAL

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

The principal activities of Asia Standard International is engaged in investment and development of commercial, retail and residential properties in Hong Kong and the People's Republic of China. Through the Company, Asia Standard International also is involved in hotel operation, travel agency and restaurant businesses.

Hoi Chak is an investment holding company and an indirect wholly-owned subsidiary of Asia Standard International, which is in turn a substantial shareholder of the Company holding approximately 67.7% of the issued share capital of the Company. Both Hoi Chak and Asia Standard International are regarded as connected persons of the Company under the Listing Rules. Pursuant to Chapter 14A of the Listing Rules, the acceptance of the Offer will constitute connected transactions of the Company.

As the percentage ratios (other than the profits ratio) for the Annual Caps calculated according to Rule 14.07 of the Listing Rules are more than 0.1% but less than 2.5%, the acceptance of the Offer will constitute continuing connected transactions for the Company under Rule 14A.34(1) of the Listing Rules, which is only subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirement. Details of the Offer will be disclosed in the Company's annual report for the financial years in which the transactions contemplated under the Offer are undertaken by the Company.

6. DEFINITIONS

“Announcement”	the announcement of the Company dated 23rd February 2007 in relation to the Old Tenancy Agreement
“Annual Caps”	has the meaning ascribed to it in paragraph 3 of this announcement
“Asia Standard International”	Asia Standard International Group Limited (Stock Code: 129), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange and a substantial shareholder of the Company

“Board”	the board of Directors
“Company”	Asia Standard Hotel Group Limited (Stock Code: 292), a company incorporated in Bermuda with limited liability whose shares are listed on the Stock Exchange
“Directors”	the directors of the Company
“Hoi Chak”	Hoi Chak Properties Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of Asia Standard International
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“JBC”	JBC Travel Company Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Offer”	the letter of offer dated 1st April 2009 granted by Hoi Chak to JBC in respect of the leasing of the Premises in accordance with the terms and provisions set out therein
“Old Tenancy Agreement”	The tenancy agreement dated 28th February 2007 entered into between JBC and Hoi Chak in respect of the leasing of the Premises
“percentage ratios”	has the meaning ascribed to it in Chapter 14 of the Listing Rules
“Premises”	16/F., Asia Standard Tower, 59-65 Queen’s Road Central, Hong Kong
“Shareholder(s)”	holder(s) of the share(s) of HK\$0.02 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong
“%” per cent.

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

Hong Kong, 9th April 2009

As at the date of this announcement, the executive Directors are Mr. Poon Jing, Dr. Lim Yin Cheng, Mr. Fung Siu To, Clement, Mr. Poon Tin Sau, Robert and Mr. Woo Wei Chun, Joseph and the independent non-executive Directors are Mr. Ip Chi Wai, Mr. Leung Wai Keung and Mr. Hung Yat Ming.

** For identification purpose only*