

**[For immediate release]**



**ASIA STANDARD HOTEL GROUP LIMITED**

## **Asia Standard Hotel Group Announces 2008/09 Annual Results**

### **Empire Causeway Bay Hotel fully opened in May Substantial revenue contribution in the years to come**

#### **Financial Highlights**

For the year ended 31 <sup>st</sup> March	<b>2009 HK\$ mil</b>	2008 HK\$ mil
Revenue	<b>604</b>	633
Contribution from hotel operations	<b>150</b>	180
Net investments (loss)/gain	<b>(264)</b>	13
(Loss)/profit attributable to shareholders	<b>(230)</b>	96
Basic (loss)/earnings per share	<b>HK (1.77) cents</b>	HK 0.76 cent

(7<sup>th</sup> July 2009, Hong Kong) – Asia Standard Hotel Group Limited (“Asia Standard Hotel” or the “Company”; stock code: 0292) today announces its annual results for the year ended 31st March 2009.

During the period under review, the Company’s revenue was HK\$604 million, representing a decrease of 5% as compared to the previous year. A net loss of approximately HK\$ 230 million was recorded, the loss was mainly due to the unrealized mark to market losses of HK\$269 million arising from the investments activities of the Group that had no effect on the cash flow of the Group and did not affect the core business of the Group. As at 30 June 2009, the market value of the Group’s investment portfolio has recorded an improvement along with the current financial market performances. Recurring dividend and interest income from the investment of fixed income financial assets are also expected to generate a steady and significant cash contribution to the Group. The Board of Directors does not recommend the payment of a final dividend for the year ended 31st March 2009.

Commenting on the performance of the Group, Mr. Poon Jing, Chairman of Asia Standard Hotel, said, “2008 has been a strong year for Hong Kong tourism where the travel industry concluded with a growth of 4.7% in visitor arrivals and 4.6% in the per capita spending of overnight visitors. However, the financial crisis and the ensuing credit crunch in the second half of 2008 together with the widespread infections of swine-flu posed immense challenges to the global markets. All long-haul regions continued their decline trend from the last quarter of 2008 and registered double-digit decreases. In line with the market, our hotels achieved steady results during the year, though the negative market sentiment began to affect business activity in the first quarter of 2009.”

During the year under review, Empire Hong Kong’s average room rate increased by 5% and occupancy rate was 83% with a total revenue of HK\$111 million. During the year, a number of assets enhancement programs have been implemented, in particular, the establishment of a new meeting venue and a new executive club lounge to specifically target for the high yield business travelers, thus further capitalizing on its prime location in Wan Chai, one of Hong Kong’s prominent business

Empire Kowloon's average room rate grew by 2% while maintaining a high occupancy rate of 87%, leading to a total revenue amounted to HK\$99 million. The new 28 additional guest rooms were commissioned in February 2009, bringing the total room inventory from 315 rooms to 343 rooms, an increase of 9%.

Empire Landmark's average room rate increased by 5% but occupancy dropped from 69% to 60% with a total revenue amounted to HK\$88 million. Empire Landmark Hotel, the tallest hotel in the heart of Vancouver with the award-winning revolving "Cloud 9" restaurant, will be sharing the excitement of the Winter Olympic Games hosted by Canada in February 2010 through the provision of hotel accommodation and its 13,000 sq. ft. meeting facilities to delegates and athletes from around the world.

Empire Causeway Bay Hotel was fully opened in May 2009. The Group's room portfolio increased by 30% from the current 1,035 rooms to 1,343 rooms. Consequently, this hotel has no contribution to the Group's operating profit in this reporting period. Nevertheless, thanks to its convenient location, this hotel has been selected as one of the hotels for accommodating athletes of the 5th 2009 East Asian Games in Hong Kong.

Looking ahead, Mr. Poon said, "We expect the global economic slowdown and the widespread infections of swine-flu to have an adverse impact on tourism industries around the globe for the short term. Nonetheless, following the series of measures by the PRC government to facilitate Mainland residents to visit Hong Kong, we have refined our marketing strategy to better capitalize on the growth of the Mainland market and selected short-haul markets in light of the macro environment. More resources will also be deployed to develop emerging markets, high potential visitor segments, and new marketing windows. We will further step up our promotion on MICE (meeting, incentive, conference & exhibition) capitalizing on our new meeting facilities and location conveniences, and will take action to develop a number of marketing initiatives, whilst at the same time, to optimize operational efficiency."

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An announcement containing details of 2008/09 Annual Results is available for viewing on the Group's website: <http://www.asiastandardhotel.com/>

### **About Asia Standard Hotel Group Limited**

Asia Standard Hotel Group Ltd owns and operates hotels under the "Empire" brand. Asia Standard Hotel owns three 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 restaurants business both in Hong Kong and the PRC.

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