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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 OF RESULTS FOR THE YEAR ENDED 31ST MARCH 2011

FINANCIAL HIGHLIGHTS <i>(in HK\$ million, except otherwise indicated)</i>	2011	2010	Change
Revenue	696	594	+17%
Contribution from hotel operations	213	150	+42%
Net investment gain	223	400	-44%
Profit for the year attributable to shareholders	326	435	-25%
Net assets	2,796	2,364	+18%
Net debt	1,699	1,370	+24%
Supplementary information with hotel properties at valuation:			
Revalued net assets	6,313	4,514	+40%
Revalued net assets per share (HK\$)	4.11	3.44	+19%
Gearing – net debt to revalued net asset value	27%	30%	-3%

* for identification purpose only

The Directors of Asia Standard Hotel Group Limited (the “Company”) announce that the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31st March 2011 together with the comparative figures for the year ended 31st March 2010 were as follows:

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31st March 2011

	<i>Note</i>	2011 HK\$'000	2010 HK\$'000
Revenue	2	695,851	594,157
Cost of sales		(330,246)	(302,072)
Gross profit		365,605	292,085
Selling and administrative expenses		(107,503)	(92,675)
Depreciation		(89,046)	(88,830)
Net investment gain	3	222,905	399,629
Other gain and charges	4	12,664	(30,700)
Operating profit		404,625	479,509
Finance costs		(51,899)	(32,955)
Profit before income tax		352,726	446,554
Income tax expense	6	(26,524)	(11,974)
Profit for the year attributable to shareholders		326,202	434,580
Dividends	7	15,367	13,187
Earnings per share (HK cents)			
Basic	8	22.65	33.20
Diluted	8	21.98	31.06

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March 2011

	2011 HK\$'000	2010 HK\$'000
Profit for the year	<u>326,202</u>	<u>434,580</u>
Other comprehensive income		
Net fair value gain on available-for-sale investments	8,175	93,430
Impairment of available-for-sale investments charged to profit and loss account	551	1,531
Release of reserve upon disposal of available-for-sale investments	(9,008)	21,735
Currency translation differences	10,574	36,568
Other comprehensive income for the year	<u>10,292</u>	<u>153,264</u>
Total comprehensive income for the year attributable to shareholders	<u>336,494</u>	<u>587,844</u>

CONSOLIDATED BALANCE SHEET

As at 31st March 2011

	<i>Note</i>	2011 HK\$'000	2010 HK\$'000 (Restated)	1st April 2009 HK\$'000 (Restated)
Non-current assets				
Property, plant and equipment		2,586,848	2,636,737	2,616,988
Available-for-sale investments		220,100	228,258	182,428
Deferred income tax assets		-	1,338	7,771
		<u>2,806,948</u>	<u>2,866,333</u>	<u>2,807,187</u>
Current assets				
Inventories		2,341	2,206	2,160
Trade and other receivables	9	102,826	87,811	83,867
Financial assets at fair value through profit or loss		1,699,188	928,857	308,132
Derivative financial instruments		-	-	12,806
Bank balances and cash		111,705	76,452	75,884
		<u>1,916,060</u>	<u>1,095,326</u>	<u>482,849</u>
Current liabilities				
Trade and other payables	10	47,112	62,053	53,931
Derivative financial instruments		23,767	14,571	15,773
Warrant liabilities		-	53,904	-
Borrowings		842,295	799,018	731,712
Income tax payable		19,340	14,630	14,512
		<u>932,514</u>	<u>944,176</u>	<u>815,928</u>
Net current assets/(liabilities)		<u>983,546</u>	<u>151,150</u>	<u>(333,079)</u>
Total assets less current liabilities		<u>3,790,494</u>	<u>3,017,483</u>	<u>2,474,108</u>
Non-current liabilities				
Long term borrowings		968,165	647,370	675,695
Deferred income tax liabilities		26,619	6,143	602
Warrant liabilities		-	-	23,935
		<u>994,784</u>	<u>653,513</u>	<u>700,232</u>
Net assets		<u>2,795,710</u>	<u>2,363,970</u>	<u>1,773,876</u>
Equity				
Share capital		30,757	26,246	261,409
Reserves		2,764,953	2,337,724	1,512,467
		<u>2,795,710</u>	<u>2,363,970</u>	<u>1,773,876</u>

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale investments, financial assets at fair value through profit or loss and derivative financial instruments, which are carried at fair value, and in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

The following new and revised standards, amendments to existing standards and interpretation (“new HKFRS”) are relevant to the Group’s operations and are mandatory for accounting periods beginning on or after 1st January 2010:

HKAS 1 (Amendment)	Presentation of Financial Statements
HKAS 17 (Amendment)	Leases
HKAS 36 (Amendment)	Impairment of Assets
HK-Int 5	Presentation of Financial Statements – Classification by The Borrower of a Term Loan that Contains a Repayment on Demand Clause

Except for certain changes in accounting policies as described below, the adoption of the new HKFRS in the current year did not have any significant effect on the consolidated financial statements or result in any substantial changes in the Group’s significant accounting policies.

- HKAS 1 (Amendment) provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time.

In order to comply with the requirements of HK-Int 5, the Group has changed its accounting policy on the classification of term loans that contain a repayment on demand clause. Under the new policy, term loans with clauses which give the lender the unconditional right to call the loan at any time are classified as current liabilities in the consolidated balance sheet. Previously such term loans were classified in accordance with the agreed repayment schedule unless the Group had breached any of the loan covenants set out in the agreement as of the reporting date or otherwise had reason to believe that the lender would invoke its rights under the immediate repayment clause within the foreseeable future.

The new accounting policy has been applied retrospectively by re-presenting the opening balances at 1st April 2009, with consequential reclassification adjustments to comparatives for the year ended 31st March 2010. The reclassification has had no effect on reported profit or loss, total comprehensive income or equity for any period presented.

1. Basis of preparation (continued)

- HKAS 17 (Amendment) deletes specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating using the general principles of HKAS 17. Prior to the amendment, land interest which title is not expected to pass to the Group by the end of the lease term was classified as operating lease under “Leasehold land”, and amortised over the lease term. HKAS 17 (Amendment) has been applied retrospectively for annual periods beginning 1st January 2010 in accordance with the effective date and transitional provisions of the amendment. The Group has reassessed the classification of leasehold land on the basis of information existing at the inception of those leases, and recognised the leasehold land in Hong Kong as finance lease retrospectively. As a result of the reassessment, the Group has reclassified the leasehold land from operating lease to finance lease. Since the property interest is held for own use, that land interest classified as finance lease is accounted for as land and buildings and is depreciated from the land interest available for its intended use over the lease term.
- HKAS 36 (Amendment) clarifies that the largest cash-generating unit (or group of units) to which goodwill should be allocated for the purposes of impairment testing is an operating segment, as defined by paragraph 5 of HKFRS 8, ‘Operating segments’ (that is, before the aggregation of segments with similar economic characteristics).

Certain new and revised standards, interpretations and amendments to existing standards have been issued but not yet effective for the year ended 31st March 2011 and have not been early adopted by the Group.

2. Turnover and segment information

Turnover comprises revenue from hotel, catering services, travel agency operations, dividend and interest income, together with gross proceeds from disposal of financial assets at fair value through profit or loss and derivative financial instruments.

Revenue comprises revenue from hotel, catering services, travel agency operations, dividend and interest income.

	2011 HK\$'000	2010 HK\$'000
Turnover		
Revenue		
Hotel operating income	402,216	303,795
- Room rentals	320,264	233,554
- Food and beverages	59,741	49,420
- Ancillary services	8,388	7,424
- Rental income	13,823	13,397
Catering income	12,258	10,738
Travel agency income	217,031	207,692
Investments	62,596	69,960
Other operations	1,750	1,972
	<u>695,851</u>	<u>594,157</u>
Gross proceeds from disposal of financial assets at fair value through profit or loss and derivative financial instruments	<u>385,316</u>	<u>477,646</u>
	<u><u>1,081,167</u></u>	<u><u>1,071,803</u></u>

2. Turnover and segment information (continued)

	Hotel operation HK\$'000	Catering services HK\$'000	Travel agency HK\$'000	Investments HK\$'000	Others HK\$'000	Total HK\$'000
2011						
Turnover	402,216	12,258	217,031	447,912	1,750	1,081,167
Segment revenue	<u>402,216</u>	<u>12,258</u>	<u>217,031</u>	<u>62,596</u>	<u>1,750</u>	<u>695,851</u>
Contribution to segment results	212,958	(1,091)	(1,445)	62,928	1,750	275,100
Depreciation	(88,721)	(161)	(55)	-	(109)	(89,046)
Net investment gain	-	-	-	222,905	-	222,905
Other gain and charges	-	-	-	-	12,664	12,664
Segment results	<u>124,237</u>	<u>(1,252)</u>	<u>(1,500)</u>	<u>285,833</u>	<u>14,305</u>	<u>421,623</u>
Unallocated corporate expenses						<u>(16,998)</u>
Operating profit						404,625
Finance costs						<u>(51,899)</u>
Profit before income tax						352,726
Income tax expense						<u>(26,524)</u>
Profit for the year attributable to shareholders						<u>326,202</u>
2010						
Turnover	303,795	10,738	207,692	547,606	1,972	1,071,803
Segment revenue	<u>303,795</u>	<u>10,738</u>	<u>207,692</u>	<u>69,960</u>	<u>1,972</u>	<u>594,157</u>
Contribution to segment results	149,516	(3,146)	(237)	70,424	1,972	218,529
Depreciation	(88,539)	(174)	(26)	-	(91)	(88,830)
Net investment gain	-	-	-	399,629	-	399,629
Other gain and charges	-	-	-	-	(30,700)	(30,700)
Segment results	<u>60,977</u>	<u>(3,320)</u>	<u>(263)</u>	<u>470,053</u>	<u>(28,819)</u>	<u>498,628</u>
Unallocated corporate expenses						<u>(19,119)</u>
Operating profit						479,509
Finance costs						<u>(32,955)</u>
Profit before income tax						446,554
Income tax expense						<u>(11,974)</u>
Profit for the year attributable to shareholders						<u>434,580</u>

2. Turnover and segment information (continued)

	Hotel operation HK\$'000	Catering services HK\$'000	Travel agency HK\$'000	Investments HK\$'000	Others HK\$'000	Total HK\$'000
2011						
Segment assets	2,619,332	3,670	10,629	1,947,701	29,971	4,611,303
Other unallocated assets						<u>111,705</u>
						<u>4,723,008</u>
Segment liabilities						
Borrowings	1,097,683	-	-	712,777	-	1,810,460
Other unallocated liabilities						<u>116,838</u>
						<u>1,927,298</u>
Additions to non-current assets*	<u>29,093</u>	<u>234</u>	<u>46</u>	<u>-</u>	<u>3,675</u>	<u>33,048</u>
2010						
Segment assets	2,671,927	3,507	14,985	1,167,602	25,848	3,883,869
Other unallocated assets						<u>77,790</u>
						<u>3,961,659</u>
Segment liabilities						
Borrowings	967,374	-	-	479,014	-	1,446,388
Other unallocated liabilities						<u>151,301</u>
						<u>1,597,689</u>
Additions to non-current assets*	<u>53,561</u>	<u>5</u>	<u>13</u>	<u>-</u>	<u>-</u>	<u>53,579</u>

* The amounts exclude financial instruments and deferred income tax assets

2. Turnover and segment information (continued)

	2011 HK\$'000	2010 HK\$'000
Revenue		
Hong Kong	554,595	448,593
Overseas	141,256	145,564
	<u>695,851</u>	<u>594,157</u>
Non-current assets*		
Hong Kong	2,315,045	2,361,553
Overseas	271,803	275,184
	<u>2,586,848</u>	<u>2,636,737</u>

* The amounts exclude financial instruments and deferred income tax assets

3. Net investment gain

	2011 HK\$'000	2010 HK\$'000
Financial assets at fair value through profit or loss		
- net unrealised gain from market value movements	162,567	262,774
- net unrealised exchange gain/(loss)	48,096	(9,991)
- net realised gain	20,940	135,471
- provision for interest receivable	-	(15,164)
Available-for-sale investments		
- net realised gain	2,314	23,162
- impairment	(551)	(1,531)
Derivative financial instruments		
- net unrealised (loss)/gain	(10,461)	8,552
- net realised loss	-	(3,644)
	<u>222,905</u>	<u>399,629</u>

During the year, HK\$186,757,000 unrealised gain (2010: HK\$64,191,000 unrealised loss) on financial assets at fair value through profit or loss accumulated in prior years had been realised upon disposal.

4. Other gain and charges

	2011 HK\$'000	2010 HK\$'000
Fair value gain/(loss) on warrant liabilities	<u>12,664</u>	<u>(30,700)</u>

5. Income and expenses by nature

	2011 HK\$'000	2010 HK\$'000
Income		
Interest income		
- Listed investments	34,886	20,835
- Unlisted investments	9	87
- Other receivables	1,750	1,750
- Bank deposits	483	226
Dividend income		
- Listed investments	27,218	48,384
- Unlisted investments	-	178
	<u> </u>	<u> </u>
Expenses		
Operating lease rental expense for land and buildings	6,285	6,158
Cost of goods sold	185,972	178,421
	<u> </u>	<u> </u>

6. Income tax expense

	2011 HK\$'000	2010 HK\$'000
Current income tax	4,710	-
Deferred income tax	21,814	11,974
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

Hong Kong profits tax is provided at the rate of 16.5% on the estimated assessable profit for the year. In 2010, no Hong Kong profits tax has been provided for as the Group has sufficient tax loss brought forward to set off against the estimated assessable profit for last year. Income tax on overseas has been calculated on the estimated assessable profit for the year at the rates of tax prevailing in the countries in which the Group operates.

7. Dividends

	2011 HK\$'000	2010 HK\$'000
Interim, paid, of HK0.25 (2010: Nil) cent per share	3,833	-
Final, proposed, of HK0.75 (2010: HK1) cent per share	11,534	13,187
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

At a meeting held on 24th June 2011, the Board of Directors has proposed to pay a final dividend of HK0.75 (2010: HK1) cent per share with a scrip option. The proposed dividend is not reflected in the financial statements, but will be reflected as an appropriation of revenue reserve in the year ending 31st March 2012.

The amount of HK\$11,534,000 is based on 1,537,832,379 issued shares as at 24th June 2011.

8. Earnings per share

The calculation of basic earnings per share is based on the profit for the year attributable to shareholders of HK\$326,202,000 (2010: HK\$434,580,000) and divided by the weighted average number of 1,440,079,623 (2010: 1,309,007,818) shares in issue during the year.

The calculation of diluted earnings per share for the year ended 31st March 2011 was based on the profit for the year attributable to shareholders of HK\$326,202,000 (2010: HK\$434,580,000) and 1,483,849,051 (2010: 1,399,023,323) shares equaling to the weighted average number of 1,440,079,623 (2010: 1,309,007,818) shares in issue during the year plus 43,769,428 (2010: 90,015,505) potential shares deemed to be in issue assuming the outstanding warrants had been exercised. The outstanding of share options did not have dilutive effect on the earnings per share for the year ended 31st March 2011 and 2010.

9. Trade and other receivables

Trade and other receivables of the Group include trade receivables, deposits and prepayments, accrued interest and dividend and other receivables.

Trade receivables of the Group amounted to HK\$30,348,000 (2010: HK\$33,246,000). The credit terms given to the customers vary and are generally based on the financial strengths of individual customers. In order to effectively manage the credit risks associated with trade receivables, credit evaluations of customers are performed periodically.

Aging analysis of trade receivables net of provision for impairment is as follows:

	2011	2010
	HK\$'000	HK\$'000
0 - 60 days	29,825	31,597
61 - 120 days	500	1,439
More than 120 days	23	210
	<u>30,348</u>	<u>33,246</u>

10. Trade and other payables

Trade and other payables of the Group include trade payables, rental and management fee deposits, retentions payable of construction costs and various accruals.

Trade payables of the Group amounted to HK\$15,137,000 (2010: HK\$15,808,000).

Aging analysis of trade payables is as follows:

	2011	2010
	HK\$'000	HK\$'000
0 - 60 days	15,073	15,593
61 - 120 days	47	12
More than 120 days	17	203
	<u>15,137</u>	<u>15,808</u>

11. Comparative figures

Certain comparative figures have been restated as a result of the adoption of new HKFRS and to conform with the current year's presentation.

The figures in this preliminary announcement of the Group's results for the year ended 31st March 2011 have been agreed by the Group's auditor, PricewaterhouseCoopers ("PwC HK") to the amounts set out in the Group's consolidated financial statements for the year. The work performed by PwC HK in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PwC HK for this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

The Group's revenue for the twelve months ended 31st March 2011 amounted to HK\$696 million, increased by HK\$102 million or 17% compared with the same period of last year. Profit attributable to shareholders, however, decreased by 25% to HK\$326 million when compared with HK\$435 million of the same period of last year. The decrease was mainly due to the reduction in gain from net realised gain from disposal of financial assets during the year and the fair value gain from financial assets held for trading at the balance sheet date over last year.

BUSINESS REVIEW

Hong Kong visitors arrivals has been robust where cumulative arrivals between April 2010 and March of 2011 reached 37 million, 20% more than the same period of last year. The significant growth was led by a number of factors, including steady growth of the world's economy, appreciation of most currencies against the Hong Kong dollar, as well as the expansion of the scope of the Individual Visit Scheme for Shenzhen residents by the Central Government.

Mainland China continued to be the primary driver of growth in arrivals to Hong Kong in the period under review, with arrivals increased by 26% to 23.7 million, and accounted for 64% of total arrivals. Such buoyant performance underlines Hong Kong's popularity as a travel destination for Mainland travellers.

Empire Hotel Hong Kong

Empire Hong Kong's average room rate increased by 25% and average occupancy rate increased by 8% to 91%. Total revenue amounted to HK\$123 million and its gross operating profit amounted to HK\$73 million. The hotel lobby, its lower façade and entrance had undergone renovation in the period under review, and were completed in early October. We will further step up our promotion on MICE and high yield business travelers capitalising on our new lobby, meeting facilities and location conveniences.

Empire Hotel Kowloon

Empire Kowloon's average room rate increased by 30% and average occupancy rate increased by 6% to 92%. Total revenue amounted to HK\$114 million and its gross operating profit amounted to HK\$69 million.

Empire Hotel Causeway Bay

Empire Causeway Bay's average room rate increased by 35% and average occupancy increased by 11% to 89%. Total revenue amounted to HK\$78 million and its gross operating profit amounted to HK\$43 million. Its notable performance in the period under review is the result of increasing awareness of the hotel after last year's opening.

Empire Landmark Hotel Vancouver

Empire Landmark's average room rate remained the same as last year and the average occupancy rate increased by 1%. Total revenue amounted to HK\$87 million, and its gross operating profit amounted to HK\$28 million.

Travel and Catering

Revenues for the travel and catering amounted to HK\$217 million and HK\$12 million respectively.

Investments

The Group's financial investment portfolio of HK\$1,919 million were denominated in Hong Kong Dollars (21%), United States Dollars (25%), Sterling (38%) and Euro (16%) (2010: HK\$1,157 million). This segment of business generated through profit and loss account a total income of HK\$62 million (2010: HK\$70 million) and an investment gain of HK\$223 million (2010: HK\$400 million), which included a HK\$48 million unrealised exchange gain (2010: HK\$10 million unrealised exchange loss).

As at 31st March 2011, an approximate value of HK\$492 million (2010: HK\$55 million) of these investments were pledged to banks as collateral for credit facilities granted to the Group.

FINANCIAL REVIEW

Total assets amounted to HK\$4,723 million (2010: HK\$3,962 million). Based on independent valuation, the total revalued amount of the four hotel properties as at 31st March 2011 was HK\$6,791 million, increased by 30% when compared with that as at 31st March 2010.

The shareholders' funds amounted to HK\$2,796 million (2010: HK\$2,364 million). The increase was mainly due to profit from operations, the fair value gain on financial assets and an increase in capital from exercise of warrants. Taking into account the market value of the hotel properties, the revalued net asset value of the Group would be HK\$6,313 million.

The consolidated net bank borrowings was HK\$1,699 million (2010: HK\$1,370 million). 73% of the gross bank borrowings or HK\$1,329 million was denominated in HK dollars, and the remaining 27% or to the equivalent of HK\$483 million were in foreign currencies incurred in operations and investment in financial assets overseas.

Of the total gross bank borrowings, 42% was repayable within one year, and 44% was repayable after five years. As at 31st March 2011, the Group had net current assets of HK\$984 million (2010: HK\$151 million).

The Group's gearing ratio, expressed as a percentage of net debt over the net asset value, increased to 61% (2010: 58%), and after taking into account the fair value of hotel properties at the balance sheet date, the gearing was at a level of 27% (2010: 30%).

The aggregate net book value of hotel properties pledged as collateral for banking facilities of the Group as at 31st March 2011 amounted to HK\$2,582 million (2010: HK\$2,635 million).

The aggregate carrying amount of financial assets at fair value though profit or loss pledged to banks as collateral for credit facilities of the Group amounted to HK\$492 million (2010: HK\$55 million).

HUMAN RESOURCES

As at 31st March 2011, the total number of employees of the Company and its subsidiaries was 429. In addition to salary payment, the Group provides other benefits including insurance, share options, medical scheme and retirement plans and others to its employees.

FUTURE PROSPECTS

Among 300 global destinations, Hong Kong has been voted alongside New York, London and Paris as one of the top 10 travel destinations worldwide and the best in Asia in May 2011 by users of travel website TripAdvisor, one of the world's best known and largest online travel site. We very much remain optimistic on the longer-term prospects, capitalising on location conveniences of our hotels from the continuous robust growth of the mainland economies, and from that of the global economy.

DIVIDENDS

The Directors recommend a final dividend for the year ended 31st March 2011 of HK0.75 cent (2010: HK1 cent) per share. The shareholders will be given an option to elect to receive shares of the Company credited as fully paid in lieu of cash in respect of part or all of the proposed final dividend (the “Scrip Dividend Scheme”). Total dividend for the year, including interim dividend of HK0.25 cent (2010: Nil) per share, amounts to HK1 cent (2010: HK1 cent) per share.

The Scrip Dividend Scheme will be subject to (i) the approval of the proposed final dividend at the 2011 annual general meeting to be held on 25th August 2011 (the “Annual General Meeting”); and (ii) The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting listing of and permission to deal in the new shares to be allotted thereunder. Full details of the Scrip Dividend Scheme will be set out in a circular to be despatched to the shareholders.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Tuesday, 23rd August 2011 to Thursday, 25th August 2011 both days inclusive, for the purpose of determining the identity of members who are entitled to attend and vote at the Annual General Meeting. During which period no transfer of shares of the Company will be registered and no shares will be allotted and issued on the exercise of the subscription rights attached to the outstanding share options granted by the Company. In order to qualify for attending the Annual General Meeting, all transfers of shares of the Company accompanied by the relevant share certificates and the appropriate transfer forms must be lodged with the Company’s Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 22nd August 2011.

The proposed final dividend is subject to the approval of the shareholders at the Annual General Meeting. The record date for entitlement to the proposed final dividend is 1st September 2011. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed on both days of Wednesday, 31st August 2011 to Thursday, 1st September 2011, during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company’s Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 30th August 2011. The final dividend will be paid on 3rd October 2011.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, the Company had not redeemed any of its shares. Neither the Company nor any of its subsidiaries purchased or sold any of the Company’s listed securities during the year.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Director of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code during the year, and they all confirmed that they have fully complied with the required standard set out in the Model Code throughout the year ended 31st March 2011.

CODE ON CORPORATE GOVERNANCE PRACTICES

During the year, the Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules, except for the deviation from code provision A.4.1 which stated that Non-executive Directors should be appointed for a specific term, subject to re-election. All Independent Non-executive Directors of the Company were not appointed for specific terms, but subject to retirement by rotations and re-elections at the annual general meeting of the Company in accordance with the Bye-Laws of the Company.

AUDIT COMMITTEE

The Audit Committee has reviewed the annual results of the Group for the year ended 31st March 2011.

By Order of the Board
Asia Standard Hotel Group Limited
POON JING
Chairman

Hong Kong, 24th June 2011

As at the date of this announcement, the Executive Directors of the Company 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.