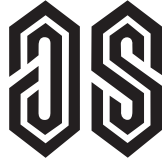


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**ASIA STANDARD HOTEL GROUP LIMITED**

**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 8 February 2011, JBC, an indirect wholly-owned subsidiary of the Company, executed the Tenancy Agreement 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 69.81% 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 one or more of the applicable percentage ratios in respect of the Annual Caps calculated according to Rule 14.07 of the Listing Rules are more than 0.1% but less than 5%, the transactions contemplated under the Tenancy Agreement constitute continuing connected transactions for the Company under Rule 14A.34(1) of the Listing Rules, which are only subject to the reporting and announcement requirements and are exempt from the independent shareholders' approval requirement. Details of the Tenancy Agreement will be disclosed in the Company's annual report for the financial years in which the transactions contemplated under the Tenancy Agreement are undertaken by the Company.

\* *For identification purpose only*

## 1. INTRODUCTION

Reference is made to the Announcement. The Directors wish to announce that on 8 February 2011, JBC, an indirect wholly-owned subsidiary of the Company, executed the Tenancy Agreement to renew the Old Tenancy Agreement with Hoi Chak.

## 2. THE TENANCY AGREEMENT

The principal terms of the Tenancy Agreement are as follows:-

Date:	8 February 2011
Landlord:	Hoi Chak
Tenant:	JBC
Premises:	16/F., Asia Standard Tower, 59-65 Queen's Road Central, Hong Kong
Term:	Two years commencing from 1 March 2011 and expiring on 28 February 2013. There is no option for the renewal of the tenancy.
Rent:	Monthly rental of HK\$162,600 (exclusive of rates, management fees, cleaning service charges, air-conditioning charges and all other outgoings), payable in advance within 15 days from the first date of each month.
Other material term:	Save for the principal terms set out above, the terms and conditions of the 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, cleaning service charges, air-conditioning charges and all other outgoings) payable under the Old Tenancy Agreement for the financial years ended 31 March 2009, 2010 and 2011 were HK\$130,080, HK\$1,560,960 and HK\$1,430,880 respectively.

The annual rent (exclusive of rates, management fees, cleaning service charges, air-conditioning charges and all other outgoings) paid by the Company under the Old Tenancy Agreement for the past three years ended 31 March 2009, 2010 and 2011 were HK\$130,080, HK\$1,560,960 and HK\$1,430,880 respectively.

Based on the terms of the Tenancy Agreement, the Directors propose to set the amount of the annual rent (exclusive of rates, management fees, cleaning service charges, air-conditioning charges and all other outgoings) for each of the financial years ended 31 March 2011, 2012 and 2013 to be HK\$162,600, HK\$1,951,200 and HK\$1,788,600 respectively.

#### **4. REASONS FOR AND BENEFITS OF THE TENANCY AGREEMENT**

The Annual Caps or the rent payable under the Tenancy Agreement was determined on an arm's length basis with reference to 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 Tenancy Agreement is on normal commercial terms, the terms of which including the Annual Caps are fair and reasonable, and that the execution of the Tenancy Agreement 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. Save for the controlling interest held by Mr. Poon Jing in Asia Standard International, none of the Directors has any material interest in the transactions contemplated under the Tenancy Agreement and therefore none of the Directors (other than Mr. Poon Jing) was required to abstain from voting on the resolution of the Board to approve the Tenancy Agreement and the Annual Caps.

By executing the Tenancy Agreement, 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 services and restaurant businesses.

The principal activities of Asia Standard International are 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 is also involved in hotel operation, travel agency services 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 69.81% 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 one or more of the applicable percentage ratios in respect of the Annual Caps calculated according to Rule 14.07 of the Listing Rules are more than 0.1% but less than 5%, the transactions contemplated under the Tenancy Agreement constitute continuing connected transactions for the Company under Rule 14A.34(1) of the Listing Rules, which are only subject to the reporting and announcement requirements and are exempt from the independent shareholders' approval requirement. Details of the Tenancy Agreement will be disclosed in the Company's annual report for the financial years in which the transactions contemplated under the Tenancy Agreement are undertaken by the Company.

## **6. DEFINITIONS**

“Announcement”	the announcement of the Company dated 9 April 2009 in relation to the Old Tenancy Agreement
“Annual Caps”	has the meaning ascribed to it in the paragraph headed “3. ANNUAL CAPS” 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 PRC
“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
“Old Tenancy Agreement”	the tenancy agreement dated 20 April 2009 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
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
“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
“Tenancy Agreement”	the tenancy agreement dated 8 February 2011 entered into between JBC and Hoi Chak in respect of the leasing of the Premises
“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, 4 April 2011

*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.*