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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

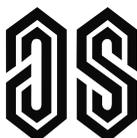
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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Asia Standard Hotel Group Limited, you should at once hand this circular with the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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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: 0292)**

#### PROPOSALS INVOLVING GENERAL MANDATES TO ISSUE NEW SHARES AND REPURCHASE ITS OWN SHARES, ADOPTION OF NEW SHARE OPTION SCHEME AND TERMINATION OF EXISTING SHARE OPTION SCHEME, RE-ELECTION OF DIRECTORS AND AMENDMENTS TO BYE-LAWS

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A letter from the Board of Directors of Asia Standard Hotel Group Limited (“Company”) is set out on pages 6 to 12 of this circular.

A notice convening the annual general meeting of the Company to be held on 28 August 2006 (Monday) at Basement 1, Empire Hotel, 33 Hennessy Road, Wanchai, Hong Kong at 10:00 a.m. is set out on pages 28 to 33 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited ([www.hkex.com.hk](http://www.hkex.com.hk)).

If you are not able to attend the annual general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s principal place of business in Hong Kong at 30th Floor, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of such meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so desire.

28 July 2006

\* For identification purposes only

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## **RESPONSIBILITY STATEMENT**

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This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquires, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

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## DEFINITIONS

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*In this circular (including in the Appendices), unless the context otherwise requires, the following expressions have the following meanings:*

“Annual General Meeting”	the 2006 annual general meeting of the Company to be held on 28 August 2006 (Monday) at Basement 1, Empire Hotel, 33 Hennessy Road, Wanchai, Hong Kong at 10:00 a.m.
“ASIGL”	Asia Standard International Group Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Stock Exchange and the holding company of the Company
“Associates”	has the same meaning as defined in the Listing Rules
“Board”	the board of Directors of the Company or a duly authorized committee thereof
“Business Day”	any day on which the Stock Exchange is open for business of dealing in securities
“Bye-Laws”	the bye-laws of the Company as amended from time to time
“Company”	Asia Standard Hotel Group Limited, a company incorporated in Bermuda with limited liability whose Shares are listed on the Stock Exchange
“Date of Grant”	the date (which must be a Business Day) on which the Board resolves to grant an Option to an Eligible Participant under the New Share Option Scheme
“Directors”	the directors of the Company
“Eligible Participant(s)”	any person who falls within any of the categories provided under paragraph 2 of the summary of the principal terms of the New Share Option Scheme as set out in Appendix II to this circular
“Existing Share Option Scheme”	the existing share option scheme of the Company adopted in a general meeting of the Company held on 24 May 2000

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## DEFINITIONS

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“Grantee”	any Eligible Participant who accepts the Offer in accordance with the terms of the New Share Option Scheme or where the context so permits, his legal personal representative entitled to such Options in consequence of the death of the original Grantee(s)
“Group”	the Company and its Subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong for the time being
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Invested Entity”	any entity in which the Company or any Subsidiary holds any interest
“Issue Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of the relevant Ordinary Resolution approving such grant
“Latest Practicable Date”	26 July 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented and otherwise modified from time to time
“Memorandum of Association”	the memorandum of association of the Company
“New Share Option Scheme”	a new share option scheme to be adopted by the Company pursuant to an Ordinary Resolution as set out in the Notice of Annual General Meeting
“Notice of Annual General Meeting”	the notice convening the Annual General Meeting as set out in this circular
“Offer”	the offer of the grant of an Option made in accordance with the New Share Option Scheme

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## DEFINITIONS

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“Ordinary Resolutions”	the proposed ordinary resolutions as referred to in the Notice of Annual General Meeting and “ <b>Ordinary Resolution</b> ” shall be construed accordingly
“Option(s)”	an option to subscribe for Shares granted pursuant to the Existing Share Option Scheme or the New Share Option Scheme and for the time being subsisting
“Option Period”	the period within which the Shares subject to the Options must be taken up, as determined and notified by the Board to the Grantee
“PRC”	People’s Republic of China
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares not exceeding 10% of the issued share capital of the Company as at the date of passing of the relevant Ordinary Resolution approving such grant
“Rights Issue”	the issue of 3,154,054,340 new Shares by the Company by way of rights on the basis of one rights Share for every two existing Shares to qualifying Shareholders as disclosed by the Company in the circular to the Shareholder dated 20 April 2006
“Share(s)”	shares of HK\$0.02 each in the capital of the Company
“Shareholder(s)”	registered holders of the Shares from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option, subject to any adjustments
“Subsidiary(ies)”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance (Cap 32 of the Laws of Hong Kong) or the Companies Act 1981 of Bermuda (as amended)), whether incorporated in Hong Kong, Bermuda or elsewhere

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## DEFINITIONS

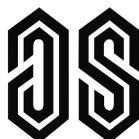
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“Supplementary Guidance”	the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 and any guidance and interpretation issued from time to time by the Stock Exchange relating to share option schemes
“SFO”	the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong)
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers and Share Repurchases
%	per cent

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## LETTER FROM THE BOARD

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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: 0292)

*Directors:–*

Mr. Poon Jing (*Chairman*)  
Dr. Lim Yin Cheng  
(*Deputy Chairman and Chief Executive*)  
Mr. Fung Siu To, Clement  
Mr. Poon Tin Sau, Robert  
Mr. Wong Shu Pui

*Non-executive Director:–*

Mr. Liang Shangli

*Independent non-executive Directors:–*

Mr. Ip Chi Wai  
Mr. Leung Wai Keung, Richard  
Mr. Hung Yat Ming

*Registered Office:–*

Canon's Court  
22 Victoria Street  
Hamilton HM12  
Bermuda

*Principal place of business  
in Hong Kong:–*

30th Floor  
Asia Orient Tower  
Town Place  
33 Lockhart Road  
Wanchai  
Hong Kong

28 July 2006

*To the Shareholders and existing holders of Options*

Dear Sir/Madam,

**PROPOSALS INVOLVING  
GENERAL MANDATES TO ISSUE  
NEW SHARES AND REPURCHASE ITS OWN SHARES,  
ADOPTION OF NEW SHARE OPTION SCHEME AND  
TERMINATION OF EXISTING SHARE OPTION SCHEME,  
RE-ELECTION OF DIRECTORS,  
AND  
AMENDMENTS TO BYE-LAWS**

### 1. INTRODUCTION

The purpose of this circular is to provide information to the Shareholders as required by the Stock Exchange on the proposals relating to:–

- (1) the grant to the Directors of the Issue Mandate and the Repurchase Mandate;

\* For identification purposes only

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## LETTER FROM THE BOARD

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- (2) the adoption of the New Share Option Scheme and termination of the Existing Share Option Scheme;
- (3) the re-election of the retiring Directors; and
- (4) the amendments to the Bye-Laws

and to give to the Shareholders the Notice of Annual General Meeting at which resolutions approving the above proposals will be considered and voted upon.

The Company will publish an announcement on the outcome of the Annual General Meeting for the adoption of the New Share Option Scheme on the Business Day following such meeting.

### **2. GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE NEW SHARES**

At the annual general meeting of Shareholders held on 26 August 2005, approval was given by Shareholders for the granting of, inter alia, a general mandate to the Directors (i) to repurchase Shares on the Stock Exchange up to 10% of the issued share capital of the Company; and (ii) allot and issue Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company, both as at the date of passing the relevant resolutions. In accordance with the terms of the approval, these general mandates will shortly expire on 28 August 2006 upon the conclusion of the forthcoming Annual General Meeting. To keep in line with current corporate practice, the grant of fresh general mandates for the same purpose is being sought from Shareholders and an Ordinary Resolution to grant the Repurchase Mandate to the Directors will be proposed at the forthcoming Annual General Meeting. The explanatory statement required by the Listing Rules to be sent to Shareholders in connection with the proposed Ordinary Resolution on the Repurchase Mandate is set out in Appendix I to this circular.

Ordinary Resolutions will also be proposed (i) to grant to the Directors the Issue Mandate and (ii) to approve the addition to the Issue Mandate to issue and allot Shares under (i) above of such number of Shares purchased by the Company in accordance with the Repurchase Mandate.

As at the Latest Practicable Date, the total number of Shares in issue was 9,462,163,021 Shares. Assuming there is no issue of Shares or repurchase of Shares from the Latest Practicable Date up to the date of the Annual General Meeting, the number of Shares issuable pursuant to the Issue Mandate and that can be purchased by the Company under the Repurchase Mandate will be 1,892,432,604 and 946,216,302 Shares respectively, representing 20% and 10% of the Company's issued share capital as at the date of the Annual General Meeting.

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## LETTER FROM THE BOARD

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If the Repurchase Mandate and Issue Mandate are granted to the Directors, they will be valid for the period from the date of passing the relevant Ordinary Resolutions up to the date of the next annual general meeting in 2007, or the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws or any applicable laws to be held, or the revocation or variation of the Repurchase Mandate and the Issue Mandate by Ordinary Resolution in a general meeting of the Company, whichever of these three events occurs first.

### **3. PROPOSAL FOR ADOPTION OF NEW SHARE OPTION SCHEME AND TERMINATION OF EXISTING SHARE OPTION SCHEME**

#### **3.1 Existing Share Option Scheme**

The Existing Share Option Scheme was adopted by the Company on 24 May 2000. Since then, the Company had granted Options to subscribe for 250,000,000 Shares to certain Directors and employees of the Group pursuant to the Existing Share Option Scheme, of which Options to subscribe for 246,000,000 Shares had been exercised. Options to subscribe for 4,000,000 Shares were still outstanding and no Options had lapsed in accordance with the terms of the Existing Share Option Scheme. Following the adjustments made to the number of Options granted under the Existing Share Option Scheme and the Subscription Price thereof as a result of the Rights Issue, as at the Latest Practicable Date there were outstanding Options to subscribe for 4,465,909 Shares.

It is contemplated that the Existing Share Option Scheme will terminate upon the New Share Option Scheme taking effect. Options granted and not yet exercised under the Existing Share Option Scheme will however remain effective and bound by the terms of the Existing Share Option Scheme. Upon termination, no further Options will be granted under the Existing Share Option Scheme.

#### **3.2 New Share Option Scheme**

The purpose of the New Share Option Scheme is to enable the Board to grant Options to Eligible Participants as incentives and/or rewards in recognition or acknowledgment of the contributions that Eligible Participants have made and will make to the Group.

The New Share Option Scheme will provide the Eligible Participants with an opportunity to have a personal stake in the Company with a view to motivating the Eligible Participants to utilize their performance and efficiency for the benefit of the Group and attracting and retaining or otherwise maintaining an on-going relationship with the Eligible Participants whose contributions are or will be beneficial to the long term growth of the Group.

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## LETTER FROM THE BOARD

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Individual person or company eligible to be granted of the Options were categorized and defined in the New Share Option Scheme as an Eligible Participant.

Under the New Share Option Scheme, the Board may in its sole discretion select such Eligible Participants to take up an Option at such Subscription Price as the Board may determine provided such price shall comply with the requirements of the Listing Rules. The Offer shall specify the terms on which the Option is to be granted. The New Share Option Scheme does not specify any minimum period for which an Option must be held nor a performance target which must be satisfied or achieved before an Option can be exercised. However, the New Share Option Scheme provides that the Directors may determine at their sole discretion such terms on the grant of an Option.

As at the Latest Practicable Date, the number of Shares in issue was 9,462,163,021. On the basis of such figure (assuming no further Shares will be issued and no Shares will be repurchased between the period from the Latest Practicable Date to the date of the adoption of the New Share Option Scheme), the maximum number of Shares that may be issued upon exercise of all options which may be granted under the New Share Option Scheme and to be granted under any other share option schemes of the Company will be 946,216,302 Shares, representing 10% of the issued share capital of the Company as at the date of passing the Ordinary Resolution relating to the adoption of the New Share Option Scheme. The Company may however obtain approval from its Shareholders to refresh such 10% limit in accordance with the Listing Rules, provided that the maximum number of Shares to be issued upon exercise of all outstanding options under the New Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the issued share capital of the Company from time to time.

A summary of the principal terms of the New Share Option Scheme is set out in Appendix II to this circular. Appendix II serves as a summary of the terms of the New Share Option Scheme only but does not constitute the full terms of the same. The full terms of the New Share Option Scheme can be inspected at the principal place of business of the Company as set out below.

### **3.3 Value of Options**

The Board considers that it is not appropriate to value all the Options that can be granted under the New Option Scheme as if they had been granted on the Latest Practicable Date, as a number of variables which are crucial for the calculation of the value of the Options cannot be reasonably determined at this stage. Such variables include the exercise price, the terms, restrictions, conditions and limitations (if any) imposed by the Board upon the grant of the Options and other relevant variables. The Subscription Price payable for the

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## LETTER FROM THE BOARD

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Shares depends on the closing price of the Shares as quoted on the Stock Exchange, which in turn depends on when the Board is to grant the Options under the New Option Share Scheme. With a scheme extending over a life of 10 years, the Board is of the view that it is too premature to state whether or not the Options will be granted under the New Share Option Scheme, and if so, to determine the number of Options that may be granted. On these premises, the Board is of the view that the value of the Options can only be ascertained subject to a number of theoretical bases and speculative assumptions. Accordingly, the Board believes that any calculation of the value of the Options will not be meaningful and may be misleading to Shareholders in the circumstances. The New Share Option Scheme will however be valued under the new Hong Kong Financial Reporting Standards and the Company will comply with such rules in the preparation of its interim report and annual report.

### **3.4 Conditions for the Adoption of the New Share Option Scheme**

The adoption of the New Share Option Scheme is conditional upon:–

- (i) the passing of an Ordinary Resolution approving the New Share Option Scheme at the Annual General Meeting by the Shareholders;
- (ii) the passing of an ordinary resolution approving the adoption by the Company of the New Share Option Scheme by the shareholders of ASIGL at a general meeting, as required by the Listing Rules; and
- (iii) the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in any Shares which may fall to be issued pursuant to the exercise of Options granted under the New Share Option Scheme, which Shares shall not exceed 10% of the issued share capital of the Company as at the date of approval of the New Share Option Scheme.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued under the New Share Option Scheme, which shall not exceed 10% of the issued share capital of the Company as at the date of approval of the New Share Option Scheme.

## **4. RE-ELECTION OF DIRECTORS**

In accordance with Bye-Law 99 of the existing Bye-Laws, one-third of the Directors retiring by rotation at the Annual General Meeting are Messrs. Lim Yin Cheng and Ip Chi Wai. Messrs. Lim Yin Cheng and Ip Chi Wai, being eligible, offer themselves for re-election. As required by the Listing Rules, the biographical information of the above Directors proposed to be re-elected at the

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## LETTER FROM THE BOARD

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Annual General Meeting are set out in Appendix III to this circular. Save for information set out in Appendix III to this circular, there is no information to be disclosed pursuant to any of the requirements of the provisions under Rule 13.51(2) of the Listing Rules nor there are any matters that need to be brought to the attention of the Shareholders in relation to the re-election of retiring Directors.

### **5. AMENDMENTS TO BYE-LAWS**

The Board proposes to seek the approval of the Shareholders at the Annual General Meeting to amend Bye-Law 119 of the Bye-Laws to permit the Board to have the flexibility to elect, at any time it considers appropriate, the Chairman and the Deputy Chairman of the Company and determine the period for which they are respectively to hold office.

The details of the proposed amendments to the Bye-Laws are set out in special resolution no. 7 of the Notice of Annual General Meeting.

### **6. PROCEDURE BY WHICH A POLL MAY BE DEMANDED**

Pursuant to Bye-Law 70 of the Bye-Laws, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) be demanded:–

- (a) by the Chairman of the meeting; or
- (b) by at least three Shareholders present in person or by a duly authorized corporate representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by any Shareholder or Shareholders present in person or by a duly authorized corporate representative or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (d) by any Shareholder or Shareholders present in person or by a duly authorized corporate representative or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

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## LETTER FROM THE BOARD

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### 7. ANNUAL GENERAL MEETING

The Notice of Annual General Meeting (as appearing on pages 28 to 33 of this circular) sets out the proposed resolutions for the Issue Mandate, the Repurchase Mandate, the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme, the re-election of Directors and the amendments to the Bye-Laws.

A form of proxy is herewith enclosed for use at the Annual General Meeting. If you are not able to attend the Annual General Meeting in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's principal office in Hong Kong at 30th Floor, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time fixed for holding the Annual General Meeting. Completion and deposit of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjourned meeting if you so wish.

### 8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the New Share Option Scheme will be available for inspection during normal business hours between 9:00 a.m. and 5:30 p.m. at the principal place of business of the Company in Hong Kong at 30th Floor, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong for a period of 14 days before the date of the Annual General Meeting and at the Annual General Meeting.

### 9. RECOMMENDATION

The Directors believe that the proposed resolutions as set out in the Notice of Annual General Meeting are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of all such resolutions at the Annual General Meeting.

### 10. GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Explanatory Statement on the Repurchase Mandate), Appendix II (Summary of the principal terms of the New Share Option Scheme) and Appendix III (Details of Directors proposed to be re-elected at the Annual General Meeting) to this circular.

Yours faithfully,  
For and on behalf of

**ASIA STANDARD HOTEL GROUP LIMITED**

**Lim Yin Cheng**  
*Deputy Chairman*

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## **APPENDIX I            EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE**

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*This appendix serves as the explanatory statement required to be sent to Shareholders by the Listing Rules in connection with the repurchase by companies with a primary listing on the Stock Exchange of their own securities. The intention of this explanatory statement is to provide Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the proposed Repurchase Mandate to be granted to the Directors, which relates to Shares.*

### **1.        FUNDING OF REPURCHASE**

It is envisaged that repurchase will be funded entirely from the Company's available cash flow or working capital facilities which are funds otherwise available for dividend or distribution and thus legally available for such in accordance with the provision of the Memorandum of Association and Bye-Laws and the laws of Bermuda. There might be a material adverse impact on the working capital or gearing levels of the Company (as compared with the position disclosed in the financial statement for the year ended 31 March 2006) in the event the Repurchase Mandate was exercised in full at any one time. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

### **2.        REASONS FOR REPURCHASE**

Repurchases of securities will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or the earnings per Share.

### **3.        EXERCISE OF THE REPURCHASE MANDATE**

As at the Latest Practicable Date, the issued share capital of the Company was 9,462,163,021 Shares. Subject to the passing of Ordinary Resolutions no. 5B set out in the Notice of Annual General Meeting approving the Repurchase Mandate on the basis of 9,462,163,021 Shares in issue at the date of the Annual General Meeting (assuming no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of passing such resolution), the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 946,216,302 Shares during the period from the passing of the resolution granting the Repurchase Mandate at the Annual General Meeting up to (i) the conclusion of the next annual general meeting, or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws or any relevant law to be held, or (iii) when revoked or varied by an ordinary resolution of the Shareholders in general meeting of the Company, whichever occurs first.

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**APPENDIX I            EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE**

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**4.     SHARE PRICES**

In each of the previous twelve months before the Latest Practicable Date, the highest and lowest traded prices for the Shares on the Stock Exchange were as follows:–

	<b>Traded Market Price</b>	
	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2005</b>		
July	0.757A	0.543A
August	1.157A	0.863A
September	1.323A	0.203A
October	0.247A	0.165A
November	0.191A	0.113A
December	0.141A	0.119A
<b>2006</b>		
January	0.151A	0.120A
February	0.147A	0.131A
March	0.139A	0.105A
April	0.131A	0.107
May	0.129	0.102
June	0.106	0.087
July (up to the Latest Practicable Date)	0.119	0.093

*A = adjusted*

**5.     UNDERTAKING OF THE DIRECTORS****(a)     Directors, their Associates and Connected Person**

None of the Directors nor, to the best of the knowledge and belief of the Directors, having made all reasonable enquiries, any of their respective Associates, has any present intention, in the event that the proposed Repurchase Mandate is approved by the Shareholders, to sell securities to the Company.

No connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she has a present intention to sell securities to the Company nor has he/she undertaken not to sell any of the securities held by him/her to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

**(b) Undertaking of the Directors**

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make repurchase pursuant to the Repurchase Mandate and in accordance with the Listing Rules, any applicable laws of Bermuda, and in accordance with the Memorandum of Association and the Bye-Laws.

**(c) Effect of Takeovers Code**

If as the result of a repurchase of securities, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. As result, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. As at the Latest Practicable Date, Asia Orient Holdings Limited ("**AOHL**") and ASIGL, in which AOHL has controlling interest, together hold 5,656,723,156 Shares representing approximately 59.78% of the issued capital of the Company. Mr. Poon Jing (a Director and having controlling interest in AOHL) is personally interested in 373,405 Shares, representing less than 0.01% of the issued capital of the Company. Assuming the full exercise of the power under the Repurchase Mandate (and if the present shareholdings remain the same), the interest of AOHL, ASIGL and Mr. Poon Jing in the issued share capital of the Company will be increased to approximately 66.43%. The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchase of Shares made under the Repurchase Mandate.

**6. SHARE PURCHASE MADE BY THE COMPANY**

No purchase of Shares has been made by the Company in the six months preceding the Latest Practicable Date (whether on the Stock Exchange or otherwise).

*The following is a summary of the principal terms of the New Share Option Scheme but does not form part of, nor is it intended to be part of, the New Share Option Scheme, nor should it be taken as affecting the interpretation of the contents of the New Share Option Scheme.*

**1. PURPOSE OF THE NEW SHARE OPTION SCHEME**

- (a) The purpose of the New Share Option Scheme is to enable the Board to grant Options to Eligible Participants as incentives and/or rewards in recognitions or acknowledgement of the contributions that Eligible Participants have made and will make to the Group.
- (b) The New Share Option Scheme will provide the Eligible Participants with an opportunity to have a personal stake in the Company with a view to motivating the Eligible Participants to utilize their performance and efficiency for the benefit of the Group and attracting and retaining or otherwise maintaining an on-going relationship with the Eligible Participants whose contributions are or will be beneficial to the long term growth of the Company.

**2. WHO MAY JOIN**

The Eligible Participants of the New Share Option Scheme may include:

- (a) any director (whether executive, non-executive or independent non-executive director), employee (whether full time or part time employee), consultant, customer, supplier, agent, partner or advisers of or contractor to the Group or any Invested Entity;
- (b) any discretionary trust whose discretionary objects include any director (whether executive, non-executive or independent non-executive director), employee (whether full time or part time employee), consultant, customer, supplier, agent, partner or adviser of or contractor to the Group or any Invested Entity; and
- (c) any company beneficially owned by any director (whether executive, non-executive or independent non-executive director), employee (whether full time or part time employee), consultant, customer, supplier, agent, partner or adviser of or contractor to the Group or any Invested Entity.

**3. MAXIMUM NUMBER OF SHARES AVAILABLE****(a) 30% limit**

The overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company must not exceed 30 % of the Shares in issue from time to time (the “**Scheme Limit**”).

**(b) 10% limit**

In addition to the Scheme Limit, and subject to the following paragraph, the total number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10 % of the Shares in issue as at the date of approval of the New Share Option Scheme (excluding any options which have lapsed in accordance with the terms of the New Share Option Scheme or any other share options schemes of the Company) (the “**Scheme Mandate Limit**”).

The Company, may, from time to time, refresh the Scheme Mandate Limit by obtaining the approval of the Shareholders in general meeting. Once refreshed, the total number of securities which may be issued upon exercise of all options to be granted under the New Share Option Scheme and all other share option schemes of the Company under the limit, as refreshed, must not exceed 10 % of the Shares in issue as at the date of approval of the refreshment of the Scheme Mandate Limit by the Shareholders. Options previously granted under the New Share Option Scheme and any other share option scheme of the Company (including those outstanding, cancelled or lapsed in accordance with the New Share Option Scheme or any other share option scheme of the Company and exercised options) prior to the approval of such refreshment shall not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed.

The Company may seek separate approval of the Shareholders in general meeting to grant Options beyond the Scheme Mandate Limit or the refreshed Scheme Mandate Limit provided that the Options in excess of such limit are granted only to the Eligible Participants specially identified before such approval is sought. A circular containing a general description of the specified Eligible Participants who may be granted such Options, the numbers and terms of the Options to be granted, the purpose of granting the Options to be the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose and other information required under the Listing Rules must be sent to the Shareholders.

**4. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT**

Unless approved by the Shareholders, the total number of securities issued and to be issued upon exercise of the Options granted to each Eligible Participant (including both exercised and outstanding Options) in any 12 month period must not exceed 1% of the Shares in issue. Where any further grant of Options to an Eligible Participant would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such Eligible Participant (including exercised, cancelled and outstanding Options) in the 12 month period up to and including the date of such further grant representing in aggregate over 1% of the relevant class of securities in issue, such further grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his Associates abstaining from voting. The Company must send a circular to the Shareholders and the circular must disclose the identity of the Eligible Participant, the number and terms of the Options to be granted (and Options previously granted to such Eligible Participant).

**5. PERFORMANCE TARGET**

Unless otherwise determined by the Board at its sole discretion, there is no performance target which must be satisfied or achieved before the Options can be granted.

**6. MINIMUM PERIOD FOR WHICH AN OPTION MUST BE HELD**

Unless otherwise determined by the Board at its sole discretion, there is no minimum period for which an Option must be held before such an Option can be exercised under the terms of the New Share Option Scheme.

**7. SUBSCRIPTION PRICE OF SHARES**

The Subscription Price shall be at the discretion of the Board, but it must be at least the highest of: (a) the closing price of a Share as stated in the daily quotations sheet of the Stock Exchange on the Date of Grant which must be a Business Day; and (b) the average of the closing prices of the Shares as shown on the daily quotations sheets of the Stock Exchange for the five Business Days immediately preceding the Date of Grant; and (c) the nominal value of a Share.

**8. AMOUNT PAYABLE UPON ACCEPTANCE OF OPTION**

HK\$1.00 is payable by each Eligible Participant to the Company on acceptance of an Offer of an Option, which shall be paid on or before the last day by which the Offer must be accepted.

**9. TERM OF THE NEW SHARE OPTION SCHEME**

The New Share Option Scheme shall commence on the date on which the New Share Option Scheme is approved by a resolution of Shareholders at a general meeting of the Company and shall continue in force until and including the date immediately preceding the tenth anniversary of the date of commencement.

**10. RIGHTS PERSONAL TO THE OPTION HOLDER**

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any Option or part thereof granted to such Grantee without compensation to the extent not already exercised.

**11. TIME OF EXERCISE OF OPTION**

An Option shall be exercisable at any time during an Option Period to be notified by the Board to each Grantee, provided that no Option shall be exercisable later than ten years after its Date of Grant.

**12. GRANT OF AN OPTION TO CONNECTED PERSONS**

- (a) Any grant of Options to a director, chief executive or substantial shareholder (as defined in the Listing Rules) (the “**substantial shareholder**”) of the Company or its Subsidiaries or any of their respective Associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is a Grantee).
- (b) Where Options are proposed to be granted to a substantial shareholder or an independent non-executive director of the Company or its Subsidiaries, or any of their respective Associates, and where the total number of Shares issued and to be issued upon exercise of all Options granted or to be granted to such person (including Options exercised, cancelled and outstanding) in the 12-month period up to and including the date of such grant to such person:
  - (i) represents in aggregate over 0.1% of the Shares in issue, and
  - (ii) at the date of such grant has an aggregate value in excess of HK\$5,000,000, based on the closing price of the Shares at the date of each grant,

then the proposed grant must be subject to the approval by the Shareholders at a general meeting taken on a poll. All connected persons of the Company must abstain from voting in favour of such resolution in the general meeting. The Company shall issue a circular to the Shareholders explaining the proposed grant, disclosing the number and terms (including the Subscription Price) of the Options to be granted to each Grantee and containing a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is a Grantee) on whether or not to vote in favour of the proposed grant and including all the information required under the Listing Rules.

**13. RIGHTS ON CEASING TO BE AN ELIGIBLE PARTICIPANT**

- (a) In the event of the Grantee (being an individual) ceasing to be an Eligible Participant by reason of his death before exercising his Option in full and where the termination of employment or engagement is not made as a result of the Grantee being guilty of persistent or serious misconduct, unable to pay his debts, having committed an act of bankruptcy or having been convicted of a criminal offence, his personal representative(s) may exercise such Option (to the extent that such Option has vested (if vesting condition applies to such Option) and not already exercised) in whole or in part within a period of 6 months from the date of his death and any Option not so exercised shall lapse and determine without compensation at the expiry of such period.
- (b) In the event of the employing company of a Grantee (who is a director or an employee of such employing company) ceasing to be a member of the Group or an Invested Entity or in the event of the Grantee (being an individual) ceasing to be an Eligible Participant by reason of his ill-health, injury or disability (in each case evidenced to the satisfaction of the Board), or in the event of termination of employment of the Grantee (by an individual) by reason of retirement or resignation whether with notice in accordance with provisions of his contract of employment or with pay in lieu of such notice, then the Grantee may exercise his Option in whole or in part at any time within a period of 3 months (or such other period as the Board may determine) commencing on the date of the cessation and any Option not so exercised shall lapse and determine without compensation at the end of such period.
- (c) In the event of the Grantee (who is a director or an employee of the Group or an Invested Entity) ceasing to be such a director or employee of the Group or an Invested Entity (and therefore ceasing to be an Eligible Participant) as a result of the Grantee being guilty of persistent or serious misconduct, unable to pay his debts, having committed an act of bankruptcy or having been convicted of a criminal offence, and before exercising his Option in full, such Option (to the extent not already exercised) shall lapse and determine without compensation on the date of cessation and not be exercisable.

- (d) In the event of the Grantee ceasing to be an Eligible Participant for any reason other than as described in sub-paragraphs (a) to (c) above, then all his Options shall lapse and determine on the date he so ceases (to the extent not already exercised).

Provided that in any such case the Board may in its absolute discretion determine that all or any of such Options shall not so lapse (or shall lapse on a later date) subject to such conditions or limitations as the Board may decide.

#### **14. EFFECT ON TAKEOVER**

If, in consequence of any general offer made to all the Shareholders (or all such Shareholders other than the offeror, any person controlled by the offeror and any person acting in association or concert with the offeror) (including an offer made in the first instance on a condition such that, if it is satisfied, the offeror will have control of the Company) or otherwise, and such offer becomes or is declared unconditional, then the Board shall as soon as practicable thereafter notify every Grantee accordingly and each Grantee shall be entitled at any time within the period of 21 days after such Offer becomes or is declared unconditional to exercise all or any of his outstanding Options (to the extent that such Options has vested (if any vesting condition applies to such Option) and has not lapsed or been cancelled) and such Options shall, to the extent not having been exercised, lapse and determine without compensation upon the expiry of such period.

#### **15. EFFECT ON WINDING UP**

In the event a notice is given by the Company to the Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution for the voluntary winding up of the Company, the Company shall as soon as possible give notice thereof to every Grantee and the Grantee shall be entitled by notice in writing to the Company (such notice to be received by the Company not later than four Business Days prior to the proposed Shareholders' general meeting) to exercise all or any of his Option (to the extent that such Options has vested (if any vesting condition applies to such Option) and has not lapsed or been cancelled) and the Company shall as soon as possible and in any event not later than the day immediately prior to the date of the proposed Shareholders' general meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise and all Options shall, to the extent not having been exercised, lapse and determine without compensation upon the expiry of such period.

**16. EFFECT ON RECONSTRUCTION**

If a compromise or arrangement between the Company and its Shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to every Grantee on the same day as it despatches to each Shareholder or creditor of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each Grantee shall be entitled by notice in writing to the Company accompanied by the remittance for the Subscription Price in respect of his Option (such notice to be received by the Company not later than two Business Days prior to the proposed meeting) to exercise all or any of his Option (to the extent that such Options has vested (if any vesting condition applies to such Option) and has not lapsed or been cancelled).

Upon the occurrence of any of the events set out in paragraphs 14 to 16, the Company may at its discretion and notwithstanding the terms of the relevant Option, also give notice to the Grantee that his Option may be exercised at any time within such period as shall be notified by the Company and/or to the extent (not being less than the extent to which it could then be exercised in accordance with its terms) as shall be notified by the Company.

**17. RANKING OF SHARES**

Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Bye-Laws for the time being in force and will rank *pari passu* in all respects with the existing fully paid Shares in issue on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (the “**exercise date**”) and accordingly will entitle the holders thereof to participate in all dividends or other distributions (including distributions made upon the liquidation of the Company) paid or made on or after the exercise date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date thereof shall be before the exercise date. A Share allotted and issued upon the exercise of an Option shall not carry voting rights until the name of the Grantee has been duly entered onto the register of members of the Company as the holder thereof.

**18. EFFECT OF ALTERATION OF CAPITAL**

In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable or the New Share Option Scheme remains in effect, including but not limited to any capitalisation issue, rights issue, subdivision or consolidation of Shares or reduction of the share capital of the Company, then, in such case, the number or nominal amount of Shares to which the New Share Option Scheme or any Option relates (insofar as it is unexercised) and/or the Subscription Price and/or the maximum number of Shares subject to the New Share Option Scheme determined under paragraph 3 above shall be adjusted in such manner as the Board may deem appropriate, provided always that:

- (i) any such adjustment shall be made to give a Grantee the same proportion of the equity capital of the Company as that to which that Grantee was previously entitled (as interpreted in accordance with the Supplementary Guidance); and
- (ii) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value.

If any adjustments occur (save where an adjustment arises by way of a capitalisation issue) the Board shall instruct the auditors of the Company or an independent financial adviser to certify in writing that in their fair and reasonable opinion the adjustment proposed complies with Rule 17.03(13) of the Listing Rules (as amended from time to time) and the note thereto and the Supplementary Guidance.

**19. CANCELLATION OF OPTION**

The Board shall have the right to cancel any or all of the Options granted to a Grantee (but not exercised) without compensation if any of the following events happens:

- (a) any liquidator, provisional liquidator, receiver or any person carrying out any similar function has been appointed anywhere in the world in respect of the whole or any part of the assets or undertaking of the Grantee (being a corporation);
- (b) the Grantee (being a corporation) has ceased or suspended payment of its debts, become unable to pay its debts (within the meaning of Section 178 of the Companies Ordinance or any similar laws or regulations) or otherwise become insolvent;
- (c) there is unsatisfied judgment, order or award outstanding against the Grantee;

- (d) there are circumstances which entitle any person to take any action, appoint any person, commence proceedings or obtain any order of the type mentioned in subparagraphs (a), (b) and (c) above;
- (e) a bankruptcy order has been made against any director of the Grantee (being a corporation) in any jurisdiction; or
- (f) a petition for bankruptcy has been presented against any director of the Grantee (being a corporation) in any jurisdiction.

Any Options granted but not exercised may not be cancelled except with the prior sanction of the Board or by an ordinary resolution of the Shareholders.

Where the Company cancels Options and issue new Options to the same Grantee, the issue of such new Options may only be made with available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit.

## **20. TIME OF GRANT OF OPTIONS**

A grant of Option may not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been announced pursuant to the requirements of the Listing Rules. In particular, no Option may be granted during the period commencing one month immediately preceding the earlier of (a) the date of the Board meeting for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules), and (b) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement.

## **21. TERMINATION AND ALTERATION OF SCHEME**

- (a) The Company by an ordinary resolution adopted at a general meeting of the Company or by a resolution of the Board approved with a simple majority vote of the Directors, may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered but in all other respects the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme and any Options granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

- (b) Any alteration to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of Options granted must be approved by the Shareholders in general meeting except where the alterations take effect automatically under the existing terms of the New Share Option Scheme.
- (c) The New Share Option Scheme may be altered in any respect by a resolution of the Board save that any provisions relating to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of the Eligible Participants without the prior approval of the Shareholders in general meeting with the Eligible Participant and their Associates abstaining from voting.
- (d) The Board shall be entitled to amend the terms of the New Share Option Scheme so as to comply with the Listing Rules and any Supplementary Guidance from time to time applicable to the New Share Option Scheme, provided that such amendments are allowed by the Listing Rules and any Supplementary Guidance from time to time applicable.
- (e) Any change to the authority of the Board in relation to any alteration to the terms of the New Share Option Scheme must be approved by the Shareholders in a general meeting.
- (f) The amended terms of the New Share Option Scheme and all Options shall continue to comply with the relevant requirements of the Listing Rules.

## **22. LAPSE OF OPTIONS**

An Option shall automatically lapse, determine and not be exercisable (to the extent not already exercised) on the earliest of:–

- (a) the expiry of the Option Period;
- (b) the occurrence of the events stated in, inter alia, paragraphs 10, 13, 14, 15, 16 and 19 above;
- (c) the date of commencement of the winding up of the Company;
- (d) the date on which the Grantee commits a breach of any terms and conditions of the New Share Option Schemes or of the grant of his Option, if the Board shall exercise the Company's rights to cancel the Option; and
- (e) the date on which the Board considers that the Grantee fails to meet the continuing eligibility criteria as provide in the New Share Option Scheme, if the Board shall exercise the Company's rights to cancel the Option.

*Pursuant to the Listing Rules, the biographical and other details of the retiring Directors standing for re-election at the Annual General Meeting are set out below:–*

**LIM Yin Cheng**

**Dr. Lim Yin Cheng**, aged 61, is the Deputy Chairman, Chief Executive and the Chairman of the Remuneration Committee of the Company, the Deputy Chairman of ASIGL and AOHL and an Executive Director and Chief Executive Officer of Q9 Technology Holdings Limited (“Q9”). Dr. Lim is a holder of Bachelor of Science (Chemical Engineering) and Doctor of Philosophy degrees. He has over 25 years of experience in engineering, project management and administration. He joined the Group in 1994. Save as disclosed above, Dr. Lim did not hold any other directorships in listed public companies during the past three years.

As at the Latest Practicable Date, Dr. Lim did not hold any interest in the Company within the meaning of Part XV of SFO. There is no service contract between the Company and Dr. Lim. The remuneration of Dr. Lim will be determined by the Board with reference to his experience and the remuneration level in the industry together with his work and contribution to the Company. During the financial year ended 31 March 2006, Dr. Lim has been granted options to subscribe for 50,000,000 Shares at a subscription price of HK\$0.217 per Share, all of which have been exercised. Dr. Lim is not appointed for a specific term and he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws. He is the brother-in-law of Mr. Poon Jing, the chairman of the Company, the Managing Director and chief executive of ASIGL and AOHL.

Save as disclosed above, (a) Dr. Lim does not have any relationship with any Director, senior management, substantial or controlling shareholder of the Company, (b) there is no other information which is discloseable pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and (c) there are no other matters that need to be brought to the attention of the Shareholders.

**IP Chi Wai**

**Mr. Ip Chi Wai**, aged 38, is the independent non-executive Director and a member of the audit committee and remuneration committee of the Company. Mr. Ip graduated from the University of Hong Kong with a Bachelor degree in law. He is a qualified solicitor in Hong Kong and has over 10 years of experience in the legal profession. He is an independent non-executive director and the chairman of the audit committee and a member of remuneration committee of Q9. He joined the Group in September 2003. Save as disclosed above, Mr. Ip did not hold any other directorships in listed public companies during the past three years.

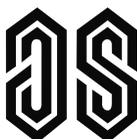
As at the Latest Practicable Date, Mr. Ip did not hold any interest in the Company within the meaning of Part XV of SFO. There is no service contract between the Company and Mr. Ip. Mr. Ip is entitled to a director's fee, the amount of which is to be determined by the Board with reference to his experience together with his work and contribution to the Company. During the financial year ended 31 March 2006, Mr. Ip received director's fee of HK\$120,000.00. Mr. Ip is not appointed for a specific term and he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws.

Save as disclosed above, (a) Mr. Ip does not have any relationship with any Director, senior management, substantial or controlling shareholder of the Company, (b) there is no other information which is discloseable pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and (c) there are no other matters that need to be brought to the attention of the Shareholders.

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## NOTICE OF ANNUAL GENERAL MEETING

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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: 0292)

#### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an annual general meeting of the shareholders of Asia Standard Hotel Group Limited (“**Company**”) will be held at Basement 1, Empire Hotel, 33 Hennessy Road, Wanchai, Hong Kong on 28 August 2006 (Monday) at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions (“**Resolutions**”):-

1. To receive and consider the audited financial statements and the reports of the directors of the Company (“**Directors**”) and auditors for the year ended 31 March 2006;
2. To declare a final dividend for the year ended 31 March 2006;
3. To re-elect retiring Directors and authorize the board of directors (“**Board**”) to fix the remuneration of the Directors;
4. To appoint auditors and authorize the Board to fix their remuneration;
5. As special business to consider and, if thought fit, pass with or without amendments, the following Resolutions as ordinary resolutions:-

#### ORDINARY RESOLUTIONS

A. “**THAT**

- (a) subject to paragraph 5A(c) of this Resolution and without prejudice to Resolution 5C set out in the notice of this meeting (“**Notice**”), the Board be and is generally and unconditionally authorised to exercise during the Relevant Period (as defined in paragraph 5A(d)) of this Resolution all the powers of the Company to issue, allot or otherwise deal with shares of HK\$0.02 each in the capital of the Company (“**Shares**”) and to issue,

\* *For identification purposes only*

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## NOTICE OF ANNUAL GENERAL MEETING

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allot or grant securities convertible into Shares or options, warrants or similar rights to subscribe for any Shares or such convertible securities and to make or grant offers, agreements and options which might require the exercise of such powers, subject to and in accordance with all applicable laws;

- (b) the approval in paragraph 5A(a) of this Resolution shall authorise the Board during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally, or unconditionally, to be allotted (whether pursuant to an option or otherwise) by the Board pursuant to the approval in paragraph 5A(a) and 5A(b) of this Resolution, otherwise than pursuant to:–
  - (i) a Rights Issue (as defined in paragraph 5A(d) of this Resolution);
  - (ii) the exercise of rights of subscription or conversion under the terms of any securities or notes for the time being in force which are convertible into Shares;
  - (iii) the exercise of subscription or conversion right under the terms of any warrants of the Company or any option granted under any share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of options to subscribe for or rights to acquire Shares; and
  - (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company (“**Bye-Laws**”);

shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution and the said approval shall be limited accordingly;

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## NOTICE OF ANNUAL GENERAL MEETING

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(d) for the purpose of this Resolution:–

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:–

- (i) the conclusion of the next annual general meeting of the Company;  
or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws or any applicable laws of Bermuda to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Board made to holders of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, or in any territory outside, Hong Kong).”

**B. “THAT**

- (a) subject to paragraph 5B(b) of this Resolution, the Board be and is generally and unconditionally authorised to exercise during the Relevant Period (as defined in paragraph 5A(d)) of this Resolution all powers of the Company to repurchase Shares listed on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) or any other stock exchange on which the securities of the Company may be listed and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Hong Kong Code on Takeovers and Mergers and Share Repurchases, for this purpose subject to and in accordance with all applicable laws and in accordance with the provisions of, and in the manner specified in, the Rules Governing the Listing of Securities on the Stock Exchange or that of any other stock exchange as amended from time to time; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the aggregate nominal amount of the Shares to be repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph 5B(a) of this Resolution during the Relevant Period shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution and the said approvals shall be limited accordingly.”
- C. “**THAT** subject to the passing of Resolutions 5A and 5B in the Notice of which this Resolution forms part being passed, the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Board pursuant to and in accordance with the approval given in Resolution 5A set out in the Notice be and is hereby increased and extended by the addition of the aggregate nominal amount of the Shares which may be repurchased by the Company pursuant to and in accordance with the approval given in Resolution 5B set out in the Notice provided that such amount shall not exceed the aggregate nominal amount of the Shares repurchased pursuant to the said Resolution 5B and the said approval shall be limited accordingly.”
6. As special business, to consider and, if thought fit, pass, with or without modification, the following resolution as an Ordinary Resolution:–
- A. “**THAT** subject to the passing of Resolution 6B set out in the Notice, the existing share option scheme of the Company (the “**Existing Share Option Scheme**”) adopted pursuant to a resolution of the Shareholders held on 24 May 2000 be and is hereby terminated provided that any option granted under the Existing Share Option Scheme prior to the passing of this Resolution shall not in any way be affected or prejudiced and all such options shall continue to be valid and exercisable in accordance with the Existing Share Option Scheme.”
- B. “**THAT** (a) conditional upon the passing of an ordinary resolution by the shareholders of Asia Standard International Group Limited, the holding company of the Company, approving the adoption of the new share option scheme by the Company, a copy of which is marked “A” and produced to this meeting and for the purpose of identification signed by the Chairman hereof (the “**New Share Option Scheme**”); and (b) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in the Shares which may fall to be issued upon the exercise of the subscription rights attaching to the options to be granted under the New Share Option Scheme, the New Share

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## NOTICE OF ANNUAL GENERAL MEETING

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Option Scheme be and is hereby approved and adopted to be the new share option scheme for the Company and the Existing Share Option Scheme be and is hereby terminated and that the Directors be authorized to grant options thereunder and to allot and issue Shares upon exercise of subscription rights attaching to the options to be granted under the New Share Option Scheme and to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give effect to the New Share Option Scheme.”

7. As special business, to consider and, if thought fit, pass, with or without modification, the following resolution as a special resolution:–

### SPECIAL RESOLUTION

“**THAT** Bye-Law 119 of the Bye-Laws be and is hereby amended by deleting the first sentence of Bye-Law 119 of the Bye-Laws in its entirety and substituting therewith the following new sentence:

“Subject to section 91(4) of the Companies Act, the Board (i) may at any time elect one of its body to the office of Chairman of the Company and another to be the Deputy Chairman of the Company and determine the period they are respectively to hold office; and (ii) may from time to time elect or otherwise appoint other officers and determine the period for which each of them is to hold office.””

By Order of the Board of  
**Asia Standard Hotel Group Limited**  
**Lee Tai Hay, Dominic**  
*Secretary*

Hong Kong, 28 July 2006

*Registered Office:–*

Canon’s Court  
22 Victoria Street  
Hamilton HM12  
Bermuda

*Principal place of business in Hong Kong:–*

30th Floor  
Asia Orient Tower  
Town Place  
33 Lockhart Road  
Wanchai  
Hong Kong

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## NOTICE OF ANNUAL GENERAL MEETING

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*As at the date hereof, the board of Directors of the Company comprises Mr. Poon Jing, Dr. Lim Yin Cheng, Mr. Fung Siu To, Clement, Mr. Poon Tin Sau, Robert, Mr. Wong Shu Pui as Executive Directors, Mr. Liang Shangli as Non-executive Director and Mr. Ip Chi Wai, Mr. Leung Wai Keung, Richard and Mr. Hung Yat Ming as Independent non-executive Directors.*

*Notes:–*

1. Every shareholder entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
2. A form of proxy for use at the above meeting is enclosed herewith.
3. Where there are joint registered holders of any Shares, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such Shares as if he was solely entitled thereto, provided that if more than one of such joint holders is present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such Shares shall alone be entitled to vote in respect thereof.
4. To be valid, a form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the Company's principal place of business in Hong Kong at 30th Floor, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting (or any adjournment thereof).
5. Shareholders are recommended to read the circular of the Company containing information concerning the Resolutions proposed in this Notice.