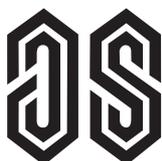

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 licensed securities dealers, bank managers, solicitors, professional accountants or other professional advisers.

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(s) or transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



ASIA STANDARD HOTEL GROUP LIMITED

泛海酒店集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 292)

**PROPOSED CAPITAL REORGANISATION
AND
NOTICE OF SPECIAL GENERAL MEETING**

A notice convening a special general meeting of Asia Standard Hotel Group Limited to be held at Empire Room 1, M/Floor, Empire Hotel Hong Kong, 33 Hennessy Road, Wanchai, Hong Kong, on Tuesday, 8 September 2009 at 10:00 a.m. (or immediately after the conclusion or adjournment of the annual general meeting of the Company, whichever is later) is set out on pages 12 to 14 of this circular. Whether or not you intend to attend and vote at the meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same with the Hong Kong Branch Share Registrar at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, 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.

* *For identification purposes only*

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of Directors;
“Bonus Warrants”	the warrants issued by the Company on 7 September 2007 entitling the holders thereof to subscribe, at any time from the date of issue and the date immediately preceding the date falling on the third anniversary of the date of issue, for fully paid Shares at the adjusted subscription price of HK\$0.052 per Share;
“Business Day(s) ”	any day (excluding a Saturday) on which banks generally are open for business in Hong Kong throughout their normal business hours;
“Bye-Laws”	the bye-laws of the Company as amended from time to time;
“Capital Reduction”	the proposed reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK\$0.18 on each of the issued Consolidated Share such that the nominal value of each issued Consolidated Share will be reduced from HK\$0.2 to HK\$0.02;
“Capital Reorganisation”	the proposed reorganisation of the share capital of the Company involving, <i>inter alia</i> , the Share Consolidation, the Capital Reduction and the Share Subdivision, details of which are set out in the section entitled “Capital Reorganisation” in this circular;
“CCASS”	the Central Clearing and Settlement System operated by HKSCC;
“Companies Act”	the Companies Act 1981 of Bermuda (as amended);
“Company”	Asia Standard Hotel Group Limited, an exempted company incorporated under the laws of Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange;
“Consolidated Share(s)”	ordinary share(s) of HK\$0.2 each in the share capital of the Company immediately after the Share Consolidation but before the Capital Reduction and the Share Subdivision;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;

DEFINITIONS

“HKSCC”	the Hong Kong Securities Clearing Company Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Hong Kong Branch Share Registrar”	Computershare Hong Kong Investor Services Limited, being the branch registrar of the Company in Hong Kong;
“Latest Practicable Date”	11 August 2009, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Reorganised Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company immediately after the Capital Reorganisation becoming effective;
“SGM”	the special general meeting of the Company to be convened and held at Empire Room 1, M/Floor, Empire Hotel Hong Kong, 33 Hennessy Road, Wanchai, Hong Kong, on Tuesday, 8 September 2009 at 10:00 a.m. (or immediately after the conclusion or adjournment of the annual general meeting of the Company, whichever is later) for the Shareholders to consider and, if thought fit, pass the resolution to approve the Capital Reorganisation;
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company prior to the Capital Reorganisation;
“Share Consolidation”	the proposed consolidation of every ten (10) Shares of HK\$0.02 each into one (1) Consolidated Share of HK\$0.2 each;
“Share Options”	the share options granted under the Share Option Scheme;
“Share Option Scheme”	the share option scheme of the Company adopted on 28 August 2006;
“Share Subdivision”	the proposed subdivision of each authorised but unissued Consolidated Share of HK\$0.2 each into ten (10) Reorganised Shares of HK\$0.02 each;
“Shareholder(s)”	holder(s) of the Share(s) or Reorganised Share(s) (as the case may be); and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

EXPECTED TIMETABLE

Set out below is an indicative timetable for the implementation of the Capital Reorganisation. The timetable is subject to the results of the SGM and other changes. The Company will notify the Shareholders of any significant changes to the expected timetable by way of announcement(s) as and when appropriate. All times and dates in this circular refer to Hong Kong times and dates.

2009

Latest time for lodging proxy forms for the SGM10:00 a.m. on Sunday, 6 September

SGM10:00 a.m. on Tuesday, 8 September

Expected effective date of the Capital ReorganisationWednesday, 9 September

Dealings in Reorganised Shares commenceWednesday, 9 September

Temporary close of original counter for trading in Shares
(represented by existing yellow share certificates)
in board lot of 10,000 Shares9:30 a.m. on Wednesday, 9 September

Temporary counter for trading in Reorganised Shares
(represented by existing yellow share certificates)
in board lot of 1,000 Reorganised Shares opens9:30 a.m. on Wednesday, 9 September

First day of free exchange of existing yellow share certificates
for new blue share certificates for the Reorganised SharesWednesday, 9 September

Original counter for trading in Reorganised Shares
(represented by new blue share certificates)
in board lot of 10,000 Reorganised Shares reopens9:30 a.m. on Wednesday, 23 September

Parallel trading in Reorganised Shares
(in the form of new and existing certificates) commences9:30 a.m. on Wednesday,
23 September

Designated agent to stand in the market to provide
matching services to facilitate the odd lots trading commences9:30 a.m. on Wednesday,
23 September

Closure of temporary counter for trading in Reorganised Shares
(represented by existing yellow share certificates)
in board lot of 1,000 Reorganised Shares4:00 p.m. on Wednesday, 14 October

Designated agent to stand in the market to provide
matching services ends4:00 p.m. on Wednesday, 14 October

EXPECTED TIMETABLE

Parallel trading in Reorganised Shares

(in the form of new and existing certificates) ends4:00 p.m. on Wednesday, 14 October

Last day for free exchange of existing yellow share certificates

for new blue share certificates for Reorganised SharesFriday, 16 October

LETTER FROM THE BOARD



ASIA STANDARD HOTEL GROUP LIMITED

泛海酒店集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 292)

Executive 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. Woo Wei Chun, Joseph

Registered Office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

Independent Non-executive Directors:

Mr. Ip Chi Wai

Mr. Leung Wai Keung

Mr. Hung Yat Ming

*Head office and principal place of
business in Hong Kong:*

30th Floor, Asia Orient Tower

Town Place, 33 Lockhart Road

Wanchai

Hong Kong

14 August 2009

To the Shareholders

Dear Sirs,

**PROPOSED CAPITAL REORGANISATION
AND
NOTICE OF SPECIAL GENERAL MEETING**

1. INTRODUCTION

Reference is made to the announcement made by the Company on 10 July 2009 in respect of the Capital Reorganisation. The purpose of this circular is to provide you with further information relating to the Capital Reorganisation and to give you notice of the SGM at which a special resolution will be proposed to the Shareholders to consider and, if thought fit, approve the Capital Reorganisation.

* *For identification purposes only*

LETTER FROM THE BOARD

2. CAPITAL REORGANISATION

The Capital Reorganisation will involve the Share Consolidation, the Capital Reduction and the Share Subdivision.

Share Consolidation

The Share Consolidation will involve the consolidation of every ten (10) Shares of HK\$0.02 each into one (1) Consolidated Share of HK\$0.2 each. As at the Latest Practicable Date, the authorised share capital of the Company is HK\$700,000,000 divided into 35,000,000,000 Shares of HK\$0.02 each. Immediately after the Share Consolidation, the authorised share capital of the Company will be HK\$700,000,000 divided into 3,500,000,000 Consolidated Shares of HK\$0.2 each. As at the Latest Practicable Date, there were 13,078,798,520 Shares of HK\$0.02 each in issue and fully paid. On the basis of such issued share capital, there will be 1,307,879,852 Consolidated Shares of HK\$0.2 each in issue once the Share Consolidation becomes effective. The Consolidated Shares will rank *pari passu* in all respects with each other.

Capital Reduction and Share Subdivision

The Capital Reduction of approximately HK\$235.4 million will involve a reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK\$0.18 on each of the then issued Consolidated Shares such that the nominal value of each issued Consolidated Share will be reduced from HK\$0.2 to HK\$0.02.

The Share Subdivision will involve the sub-division of each authorised but unissued Consolidated Share of HK\$0.2 each into ten (10) Reorganised Shares of HK\$0.02 each.

The credit arising from the Capital Reduction will be transferred to the contributed surplus account of the Company such that the Company may apply such surplus in any manner permitted by the laws of Bermuda and the Bye-Laws, such as distribution of contributed surplus to the Shareholders.

Conditions of the Capital Reorganisation

The Capital Reorganisation (which will be effected in accordance with the Bye-Laws and the Companies Act) is conditional upon:

- (a) the passing of a special resolution by the Shareholders approving the Capital Reorganisation at the SGM;
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Reorganised Shares in issue arising from the Capital Reorganisation;
- (c) the compliance with the requirements of section 46(2) of the Companies Act, including (i) publication of a notice in relation to the Capital Reduction in an appointed newspaper in Bermuda on a date not more than thirty (30) days and not less than fifteen (15) days before

LETTER FROM THE BOARD

the date on which the Capital Reduction is to take effect; and (ii) that on the date on which the Capital Reduction is to be effected, there are no reasonable grounds for believing that the Company is, or after the Capital Reduction would be, unable to pay its liabilities as they become due; and

- (d) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation.

Assuming the above conditions are fulfilled, it is expected that the Capital Reorganisation will become effective on the next Business Day following the date of passing of the relevant resolution approving the Capital Reorganisation. The legal advisers to the Company as to Bermuda law have confirmed that, subject to the conditions of the Capital Reorganisation as set out above being satisfied, the Capital Reorganisation will be in compliance with the laws of Bermuda.

Effects of the Capital Reorganisation

As at the Latest Practicable Date, the Company had:

- (a) Share Options entitling the holders thereof to subscribe for an aggregate of 789,999,991 Shares; and
- (b) Bonus Warrants entitling the holders thereof to subscribe for an aggregate of 2,493,271,883 Shares.

Subject to the Capital Reorganisation becoming unconditional, the subscription price and/or the number of Reorganised Shares to be issued under the Share Option Scheme and the subscription price of the Bonus Warrants may require adjustments in accordance with the terms and conditions of the Share Option Scheme and the instrument constituting the Bonus Warrants, respectively, and Rule 17.03(13) of the Listing Rules and the guidance letter dated 5 September 2005 issued by the Stock Exchange. Should any such adjustments be required, the Company will arrange for such adjustments to be certified by an approved merchant bank or an independent financial adviser or auditors of the Company (as the case may be) in accordance with the terms and conditions of the Share Option Scheme and the instrument constituting the Bonus Warrants, respectively, and will publish a further announcement in this regard.

Based on the Company's existing authorised share capital of HK\$700,000,000, represented by 35,000,000,000 Shares of HK\$0.02 each and the existing issued share capital of HK\$261,575,970.4, represented by 13,078,798,520 Shares of HK\$0.02 each, upon completion of the Capital Reorganisation, the authorised share capital of the Company will remain at HK\$700,000,000 represented by 35,000,000,000 Reorganised Shares of HK\$0.02 each, and the issued share capital will be HK\$26,157,597.04 represented by 1,307,879,852 Reorganised Shares of HK\$0.02 each. Immediately after the Capital Reorganisation becoming effective, the Reorganised Shares will be traded in board lots of 10,000 Reorganised Shares. Any fraction of Reorganised Shares arising from the Capital Reorganisation will be aggregated and sold (if a premium, net of expenses, can be obtained) for the benefit of the Company. The Reorganised Shares will rank *pari passu* in all respects with each other.

LETTER FROM THE BOARD

The effect of the Capital Reorganisation is summarised below:

	Prior to the Capital Reorganisation	Immediately following the Capital Reorganisation becoming effective <i>(Note)</i>
Nominal value of each Share/Reorganised Share	HK\$0.02	HK\$0.02
Number of authorised Shares/Reorganised Shares	35,000,000,000	35,000,000,000
Authorised share capital	HK\$700,000,000	HK\$700,000,000
Number of Shares/Reorganised Shares in issue	13,078,798,520	1,307,879,852
Issued and fully paid-up share capital	HK\$261,575,970.4	HK\$26,157,597.04

Note: The issued share capital immediately after the Capital Reorganisation becoming effective is presented on the assumption that no further Shares would be issued or repurchased between the date of this circular and the date of the SGM.

Based on 13,078,798,520 Shares in issue as at the Latest Practicable Date, a credit of approximately HK\$235.4 million will arise as a result of the Capital Reorganisation and will be transferred to the contributed surplus account of the Company.

Implementation of the Capital Reorganisation will not, of itself, alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests of the Shareholders, except for the payment of the related expenses. The Board believes that the Capital Reorganisation will not have any adverse effect on the financial position of the Group and the Board believes that on the date the Capital Reorganisation is to be effected, there will be no reasonable grounds for believing that the Company is, or after the Capital Reorganisation would be, unable to pay its liabilities as they become due. No capital will be lost as a result of the Capital Reorganisation and, except for the expenses involved in relation to the Capital Reorganisation which are expected to be insignificant in the context of the net asset value of the Company, the net asset value of the Company will remain unchanged before and after the Capital Reorganisation becoming effective. The Capital Reorganisation does not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any paid-up capital of the Company nor will it result in any change in the relative rights of the Shareholders.

In order to alleviate the difficulties arising from the existence of odd lots of Reorganised Shares arising from the Capital Reorganisation, the Company has appointed an agent, Taifook Securities Company Limited, to stand in the market to provide matching services for the odd lots of Reorganised Shares on a best effort basis to the Shareholders who wish to top up or sell their holdings of odd lots of Reorganised Shares during the period from Wednesday, 23 September 2009 to Wednesday, 14 October 2009 (both dates inclusive). Holders of odd lots of Reorganised Shares who wish to take advantage of this arrangement either to dispose of their odd lots of the Reorganised Shares or top up

LETTER FROM THE BOARD

to a full board lot may, directly or through their brokers, contact Ms. Canna Wong of Taifook Securities Company Limited by phone on (852) 2160 9982 during this period. Holders of odd lots of Reorganised Shares should note that successful matching of the sale and purchase of odd lots of the Reorganised Shares would be made on a best effort basis but would not be guaranteed. Any Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers.

Based on the closing price of HK\$0.044 per Share as quoted on the Stock Exchange on the Latest Practicable Date, the theoretical market value of each board lot of Reorganised Shares will be HK\$4,400 following the Capital Reorganisation.

Reasons for the Capital Reorganisation

Given that the Capital Reorganisation will (a) increase the trading price per board lot and hence reduce the overall transaction and handling costs for dealing in the Reorganised Shares; and (b) result in a smaller number of Reorganised Shares and hence reduce the operating costs of the Company, the Directors are of the view that the Capital Reorganisation is fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

Listing and Dealings

Application has been made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Reorganised Shares arising from the Capital Reorganisation.

The Reorganised Shares will be identical in all respects and rank *pari passu* in all respects with each other as to all future dividends and distributions which are declared, made or paid. Subject to the granting of the listing of, and permission to deal in, the Reorganised Shares on the Stock Exchange, the Reorganised Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Reorganised Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

No part of the securities of the Company is listed or dealt in or of which listing or permission to deal is being or is proposed to be sought, on any other stock exchange.

Free exchange of Share Certificates

Subject to the Capital Reorganisation becoming effective, the Shareholders may submit existing yellow certificates for Shares to the Hong Kong Branch Share Registrar from Wednesday, 9 September 2009 to Friday, 16 October 2009 (both dates inclusive) to exchange, at the expense of the Company, for new blue certificates for the Reorganised Shares in board lot of 10,000 Reorganised Shares. Thereafter, existing yellow certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.5 (or such higher amount as may from time to time be allowed by the Stock

LETTER FROM THE BOARD

Exchange) for each existing yellow share certificate of the Shares cancelled or each new blue share certificate issued for the Reorganised Shares, whichever number of certificates cancelled/issued is higher. Nevertheless, existing yellow certificates for the Shares will continue to be good evidence of legal title but will no longer be valid for dealings, trading and settlement purposes after the Capital Reorganisation has become effective, and may be exchanged for new blue certificates for the Reorganised Shares at any time in accordance with the foregoing.

Trading Arrangements

Subject to the Capital Reorganisation becoming effective, the arrangement for trading in the Reorganised Shares will be as follows:

- (i) with effect from 9:30 a.m. on Wednesday, 9 September 2009, the original counter for trading in Shares in board lots of 10,000 Shares will be temporarily closed;
- (ii) with effect from 9:30 a.m. on Wednesday, 9 September 2009, a temporary counter for trading in Reorganised Shares in board lots of 1,000 Reorganised Shares, in the form of existing yellow share certificates for the Shares, will be opened, and for the purpose of settlement and delivery for trading at this temporary counter every ten (10) Shares will be deemed to represent one (1) Reorganised Share. Only existing yellow share certificates for the Shares can be traded at this counter;
- (iii) with effect from 9:30 a.m. on Wednesday, 23 September 2009, the original counter will be re-opened for trading in the Reorganised Shares in the board lots of 10,000. Only new blue share certificates for the Reorganised Shares can be traded at this counter;
- (iv) during the period from 9:30 a.m. on Wednesday, 23 September 2009 to 4:00 p.m. to Wednesday, 14 October 2009 (both dates inclusive), parallel trading will be permitted at the above two (2) counters;
- (v) the temporary counter for trading in Reorganised Shares in board lots of 1,000 in the form of existing yellow share certificates will be removed after the close of trading at 4:00 p.m. on Wednesday, 14 October 2009; and
- (vi) with effect from 9:30 a.m. Thursday, 15 October 2009, trading will only be done in Reorganised Shares in board lots of 10,000 (in the form of new blue share certificates). Existing yellow certificates will only be valid for delivery and settlement in respect of dealing for the period up to and including 4:00 p.m. on Wednesday, 14 October 2009 and thereafter will not be acceptable for trading and settlement purposes.

The Shareholders are recommended to consult their licensed securities dealers, bank managers, solicitors, professional accountants or other professional advisers if they are in any doubt about the arrangements described above.

LETTER FROM THE BOARD

3. SPECIAL GENERAL MEETING

The SGM will be held for the Shareholders to consider and, if thought fit, pass the resolution to approve the Capital Reorganisation. A notice of the SGM is set out on pages 12 to 14 of this circular.

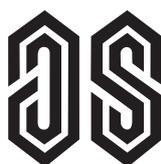
A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend, you are requested to complete and return the enclosed form of proxy, in accordance with the instructions printed thereon and deposit the same with the Hong Kong Branch Share Registrar at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, 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.

4. RECOMMENDATION

The Directors are of the opinion that the Capital Reorganisation is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the relevant resolution to be proposed at the SGM.

Yours faithfully,
For and on behalf of
ASIA STANDARD HOTEL GROUP LIMITED
Lim Yin Cheng
Deputy Chairman

NOTICE OF SPECIAL GENERAL MEETING



ASIA STANDARD HOTEL GROUP LIMITED

泛海酒店集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 292)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of Asia Standard Hotel Group Limited (the “**Company**”) will be held at Empire Room 1, M/Floor, Empire Hotel Hong Kong, 33 Hennessy Road, Wanchai, Hong Kong, on Tuesday, 8 September 2009 at 10:00 a.m. (or immediately after the conclusion or adjournment of the annual general meeting of the Company, whichever is later) for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution of the Company:

SPECIAL RESOLUTION

“**THAT** subject to the fulfillment of all the conditions set out in the section headed “Conditions of the Capital Reorganisation” in the circular of the Company dated 14 August 2009 (the “**Circular**”), a copy of which has been produced to the meeting marked “A” and initialled by the Chairman for the purpose of identification, with effect from 9:30 a.m. on Wednesday, 9 September 2009 Hong Kong time (the “**Effective Date**”):

- (a) every ten (10) issued and unissued shares of HK\$0.02 each in the share capital of the Company be consolidated into one (1) share of HK\$0.2 (the “**Consolidated Share**”) in the share capital of the Company (the “**Share Consolidation**”), and any fractional entitlements to the then issued Consolidated Shares resulting from the Share Consolidation shall be aggregated and sold in the form of Consolidated Shares for the benefit of the Company in such manner and on such terms as the directors of the Company (the “**Directors**”) may think fit;
- (b) subject to and forthwith upon the Share Consolidation taking effect, the issued share capital of the Company be reduced by cancelling the paid-up capital of the Company to the extent of HK\$0.18 on each of the then issued Consolidated Shares on the Effective Date such that the nominal value of each of the then issued Consolidated Shares will be reduced from HK\$0.2 to HK\$0.02 (the “**Capital Reduction**”);
- (c) subject to and forthwith upon the Capital Reduction taking effect, each of the authorised but unissued Consolidated Shares (including those arising from the Capital Reduction) be sub-divided into ten (10) shares of HK\$0.02 each (the “**Share Subdivision**”);

NOTICE OF SPECIAL GENERAL MEETING

- (d) the credit arising from the Capital Reduction be transferred to the contributed surplus account of the Company where it will be utilized by the Directors in accordance with the bye-laws of the Company and all applicable laws of Bermuda, including without limitation, distribution of contributed surplus to the shareholders of the Company (the “**Credit Application**”); and
- (e) the Directors be and are hereby authorised to do all things and acts and sign all documents which they consider necessary, desirable, or expedient in connection with the implementation of the Share Consolidation, the Capital Reduction, the Share Subdivision and the Credit Application.”

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

Hong Kong, 14 August 2009

Registered Office:
Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

*Head office and principal place of
business in Hong Kong:*
30th Floor
Asia Orient Tower
Town Place
33 Lockhart Road
Wanchai
Hong Kong

Notes:

1. Every shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint one (1) 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 (1) of such persons may vote at the meeting, either personally or by proxy or by a duly authorised corporate representative (as defined in the bye-laws of the Company), in respect of such shares as if he was solely entitled thereto provided that if more than one (1) of such joint holders be present at the meeting personally or by proxy or by a duly authorised corporate representative, the person whose name stands first on the register of shareholders 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

NOTICE OF SPECIAL GENERAL MEETING

deposited at the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting (or any adjournment thereof).

5. The Shareholders are recommended to read the Circular containing information concerning the resolution proposed in this Notice.

As at the date hereof, the Board comprises Mr. Poon Jing, Dr. Lim Yin Cheng, Mr. Fung Siu To, Clement, Mr. Poon Tin Sau, Robert and Mr. Woo Wei Chun, Joseph as Executive Directors; Mr. Ip Chi Wai, Mr. Leung Wai Keung and Mr. Hung Yat Ming as Independent Non-executive Directors.

** For identification purposes only*