

## ASIA STANDARD HOTEL GROUP LIMITED

### Asia Standard Hotel Announces 2005/06 Interim Results

#### Financial Highlights

	For the Six Months ended 30 <sup>th</sup> September	
	2005 HK\$' m	(Restated) 2004 HK\$' m
Turnover	290	287
Operating profit before depreciation and amortisation	62	53
Depreciation and amortisation	36	37
Finance cost	26	18
Loss attributable to shareholders	25	11
Basic loss per share (in HK cent)	0.5	0.22

(20<sup>th</sup> December 2005, Hong Kong) – Asia Standard Hotel Group Limited (“Asia Standard Hotel” or the “Company”, together with its subsidiaries, the “Group”; stock code: 0292) announces its interim results for the six months ended 30<sup>th</sup> September 2005. The Group recorded a turnover of HK\$290 million and an operating profit of HK\$62 million before depreciation and amortisation, representing growth of 1% and 17% respectively. The Group recorded a loss attributable to shareholders of HK\$25 million, as a consequence of the new and revised Hong Kong Financial Reporting Standards, which hotels are stated at cost less depreciation and impairment losses rather than at open market value. The directors of the Company resolved not to declare an interim dividend.

“With the improvement in average room rate, our hotels saw a satisfactory growth during the reporting period. Also benefited from the strong recovery of international visitor arrivals in Hong Kong and the opening of East Rail Tsim

Sha Tsui Station nearby our restaurant, our catering business also had better results than last year.”, said Mr. Poon Jing, Chairman of Asia Standard Hotel.

During the period under review, the Group's Empire Hotel Hong Kong and Empire Hotel Kowloon saw encouraging increases of 13% and 15% in average room rates. Occupancy rate of Empire Hotel Hong Kong remained similar to last year, while Empire Hotel Kowloon experienced a slight drop to 90%. Through the additional crew added to the existing airline crew accommodation contract, Empire Landmark hotel in Vancouver, Canada recorded increases of 5% and 6.4% respectively in room rate as well as occupancy. During the period, a new Chinese restaurant was opened at the Empire Hong Kong hotel which brought increased rental income to the hotel.

Being affected by rising oil prices and fierce competition among the industry, the Group's travel agency business fell by 9% to HK\$147.6 million as compared with last year.

During the period under review, the Group's catering business has obtained encouraging results, which saw revenue for our franchised restaurants increased by 18% to HK\$11.4 million as compared with last year.

In November 2005, the Company raised approximately HK\$193 million net proceeds through the placement of new shares to independent investors. The proceeds were all used to reduce bank borrowings.

"In light of promising outlook for hotel industry, together with the Tourism Year in 2006 and various large scale conferences to be held in Hong Kong, we are confident that the prospects for performance of our hotel business in Hong Kong and catering business continue to be positive. We will capitalize on these opportunities to provide our shareholders with good returns." Mr. Poon concluded.

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#### About Asia Standard Hotel Group Limited

Asia Standard Hotel Group Ltd owns and operates deluxe hotel under the "Empire branding". Asia Standard Hotel Group owns two hotels in Hong Kong and one hotel in Vancouver Canada, which are conveniently located in shopping districts and close to business convention centers. In addition to hotel operation, the Group also operates travel agency and franchised restaurants business both in Hong Kong and the PRC.