

**[For immediate release]**



**ASIA STANDARD HOTEL GROUP LIMITED**

## **2009/10 Interim Results**

### **Financial Highlights**

| For the six months ended 30 <sup>th</sup><br>September | <b>2009<br/>HK\$ mil</b>                        | 2008<br>HK\$ mil                     | Change<br>(%) |
|--------------------------------------------------------|-------------------------------------------------|--------------------------------------|---------------|
| Revenue                                                | <b>260</b>                                      | 337                                  | -23%          |
| Contribution from hotel operations                     | <b>51</b>                                       | 94                                   | -46%          |
| Net investment gain/(loss)                             | <b>325</b>                                      | (86)                                 | N/A           |
| Profit attributable to shareholders                    | <b>313</b>                                      | 1.5                                  | +204 times    |
| Basic earnings per share                               | <b>HK 23.96 cents</b>                           | HK 0.12 cents                        | +199 times    |
|                                                        | <b>As at 30<sup>th</sup><br/>September 2009</b> | As at 31 <sup>st</sup><br>March 2009 |               |
| Revalued net asset value per share                     | <b>HK\$2.84</b>                                 | HK\$2.50                             | +14%          |
| Gearing ratio*                                         | <b>40%</b>                                      | 42%                                  | -2%           |

\* *Net debt to revalued net asset value*

(8<sup>th</sup> December 2009, Hong Kong) – Asia Standard Hotel Group Limited (“Asia Standard Hotel” or the “Company”; stock code: 0292) today announces its interim results for the six months ended 30th September 2009.

The Company’s revenue for the six months ended 30th September 2009 amounted to HK\$260 million, decreasing 23% compared with the same period of last year. However, profit attributable to shareholders increased to HK\$313 million when compared with HK\$1.5 million of the same period of last year. The improvement was mainly attributable to the fair value gain of HK\$328 million from financial assets held for trading at the balance sheet date in contrast to a fair value loss being recorded in the same period of 2008. These fair value gains have no effect on the cash flow of the Group in the Reporting Period. Basic earnings per share during the period was HK23.96 cents when compared with the basic earnings per share of HK0.12 cent in 2008. The Board of Directors does not recommend the payment of an interim dividend for the six months ended 30th September 2009.

Commenting on the performance of the Group, Mr. Poon Jing, Chairman of Asia Standard Hotel, said, “Operating environment has been challenging during the period under review. On the demand side, visitor arrivals to Hong Kong between April and September dropped 5% from the same period of last year, while all market regions show negative growth during the period. On the supply side, the number of hotel rooms under high tariff B category has seen a 14% increase during the period under review from the same period of last year. With the combined effect of declined demand and increased supply, the Company’s operation was inevitably affected.”

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During the period under review, Empire Hong Kong's average room rate decreased 35% at an average occupancy rate of 77%. Total revenue amounted to HK\$37 million and its gross operating profit amounted to HK\$16 million. With a number of refurbishment projects being completed during the period under review, including particularly the provision of more corporate meeting spaces and facilities, the hotel would be in a promising position to earn market share further in the higher yield business segment.

Empire Kowloon's average room rate decreased 33% at an average occupancy rate of 79%. Total revenue amounted to HK\$34 million and its gross operating profit amounted to HK\$15 million. The 28 new rooms in operation since February 2009 were successful in improving the hotel yield.

Empire Landmark's average room rate decreased 18% at an average occupancy rate of 63%. Total revenue amounted to HK\$45 million, and its gross operating profit amounted to HK\$17 million. This hotel had completed several major upgrade works during the period, and commenced replacement works on various in-room furnishings such as TV. This extensive asset enhancement program shall continue progressively in the next 2 years to further improve the guest experience and to position itself as one of the best in its class. The hotel has made provision of its rooms and its 13,000 sq ft meeting facilities for accommodating delegates, athletes and participants for the Winter Olympic Games hosted by Canada in February 2010.

Empire Causeway Bay has recorded an occupancy rate of 82% in the second quarter of the reporting period since its commencement of business in mid April 2009. On the strength of its convenience, it has been selected as one of the hotels for accommodating athletes for the 5th 2009 East Asian Games to be hosted in Hong Kong in December 2009. Its stylish design and convenient location are well received by corporate clients and leisure visitors. The Company is confident it will bring in substantial contributions in the future.

The Group's room portfolio during the period under review has enlarged 30% from 1,035 rooms to 1,343 rooms.

Looking ahead, Mr. Poon said, "We expect the operating environment to remain challenging in the short-run, as the economic adjustments affecting Hong Kong tourism industry continued due to volatility in the global economic environment. However, in view of the gradual recovery of global economy and subsiding swine flu worries, the arrivals to Hong Kong rebounded in August. This growth trend continued in September, driven mainly by a continued gain from Mainland China as well as seasonal growth from South East Asia. The Group's earnings outlook would be further strengthened when contributions from the new 280 rooms' Empire Causeway Bay fully set in. We remain optimistic on the longer-term prospects as the global economy regains footing, which will lead to growth in the tourism sector."

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An announcement containing details of 2009/10 Interim Results is available for viewing on the Group's website: <http://www.asiastandardhotelgroup.com/>

**About Asia Standard Hotel Group Limited**

Asia Standard Hotel Group Ltd owns and operates hotels under the "Empire" brand. Asia Standard Hotel owns three 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 restaurants business both in Hong Kong and the PRC.

*For more information, please contact:*

iPR Ogilvy Ltd.

Patrick Chan/ Karen Tse/ Natalie Tam

Tel: 3170 6609/ 2136 6950/ 2136 6182

Fax: 2136 6606

Email: [patrick.chan@iprogilvy.com](mailto:patrick.chan@iprogilvy.com) / [karen.tse@iprogilvy.com](mailto:karen.tse@iprogilvy.com) /  
[natalie.tam@iprogilvy.com](mailto:natalie.tam@iprogilvy.com)