



ASIA STANDARD HOTEL GROUP LIMITED

Stock Code: 292

Interim Report 2009



THE EMPIRE
HOTELS & RESORTS



Corporate Information

Directors

Executive

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

Independent Non-executive

Mr. Ip Chi Wai

Mr. Leung Wai Keung

Mr. Hung Yat Ming

Audit committee

Mr. Hung Yat Ming (*Chairman*)

Mr. Leung Wai Keung

Mr. Ip Chi Wai

Remuneration committee

Dr. Lim Yin Cheng (*Chairman*)

Mr. Hung Yat Ming

Mr. Ip Chi Wai

Authorised representatives

Dr. Lim Yin Cheng

Mr. Lee Tai Hay, Dominic

Company secretary

Mr. Lee Tai Hay, Dominic

Registered office

Canon's Court,
22 Victoria Street,
Hamilton HM12,
Bermuda

Principal office in Hong Kong

30th Floor, Asia Orient Tower, Town Place,
33 Lockhart Road, Wanchai,
Hong Kong
Telephone 2866 3336
Facsimile 2866 3772
Website www.asiastandardhotelgroup.com
E-mail info@asia-standard.com.hk

Principal bankers

Bank of China (Hong Kong) Limited
Industrial and Commercial Bank of
China (Asia) Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking
Corporation Limited
DBS Bank (Hong Kong) Limited
Wing Hang Bank Limited
Chong Hing Bank Limited
The Bank of East Asia (Canada)

Legal advisers

Stephenson Harwood & Lo
35th Floor, Bank of China Tower,
1 Garden Road, Central,
Hong Kong

Appleby
8th Floor, Bank of America Tower,
12 Harcourt Road, Central,
Hong Kong

Auditor

PricewaterhouseCoopers
Certified Public Accountants
22nd Floor, Prince's Building,
Central, Hong Kong

Share registrar in Bermuda

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre,
11 Bermudiana Road,
Pembroke HM08,
Bermuda

Hong Kong branch share registrar and transfer office

Computershare Hong Kong Investor
Services Limited
Shops 1712-1716, 17th Floor,
Hopewell Centre,
183 Queen's Road East,
Wan Chai,
Hong Kong

Financial Highlights

	Six months ended		Change
	2009	2008	
30th September			
(In HK\$ million, except otherwise indicated)			
Consolidated profit and loss account			
Revenue	260	337	-23%
Contribution from hotel operations	51	94	-46%
Net investment gain/(loss)	325	(86)	N/A
Depreciation and amortisation	(43)	(33)	+30%
Finance costs	(22)	(13)	+69%
Profit for the period attributable to shareholders	313	1.5	+204 times
Earnings per share (HK cent)			
Basic	23.96	0.12	+199 times
Diluted	22.58	0.12	+187 times
	30th	31st	
	September	March	
	2009	2009	Change

Consolidated balance sheet

Total assets	3,973	3,290	+21%
Net assets	2,266	1,774	+28%
Net debt	1,495	1,332	+12%

Supplementary information with hotel properties at valuations (note):

Revalued total assets	5,698	4,998	+14%
Revalued net asset value	3,713	3,211	+16%
Revalued net asset value per share (HK\$)	2.84	2.50	+14%
Gearing – Net debt to revalued net asset value (%)	40%	42%	-2%

Note: Hong Kong Financial Reporting Standards ("HKFRS") currently adopted by the Group do not permit leasehold land other than investment properties to be carried at valuation. The Group considers that such treatment does not reflect the economic substance of its hotel property investments. Therefore the Group has presented supplementary unaudited financial information taking into account the fair market value of hotel properties and corresponding deferred tax in addition to those in accordance with HKFRS.

The hotel properties in Hong Kong and Canada were revalued by Knight Frank and Grant Thornton Management Consultants respectively, independent professional valuers, on an open market value basis as at 30th September 2009.

Management Discussion and Analysis



Empire Hotel Hong Kong - Executive Club Lounge



- Empire Grand Room

Interim Results

The Group's revenue for the six months ended 30th September 2009 amounted to HK\$260 million, decreased by HK\$77 million or 23% compared with the same period of last year. Despite the difficult business environment of the global tourism industry during the period, including that of Hong Kong and Vancouver where the Group's hotels operate in, the Group's profit attributable to shareholders, however, 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 from financial assets held for trading at the

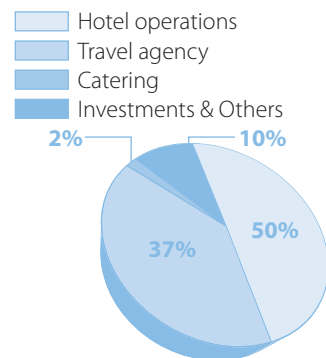
balance sheet date in contrast to a fair value loss being recorded in the same period of 2008. Basic earnings per share during the period was HK23.96 cents when compared with the basic earnings per share of HK0.12 cent in 2008.

Business Review

On the demand side, visitor arrivals to Hong Kong between April and September dropped 5% from the same period of last year. All market regions show negative growth during the period with a single-digit decline in arrivals for the long-haul market regions, and a decline of 12% for the short-haul regions (excluding mainland China).

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.

2009 Revenue by business segments



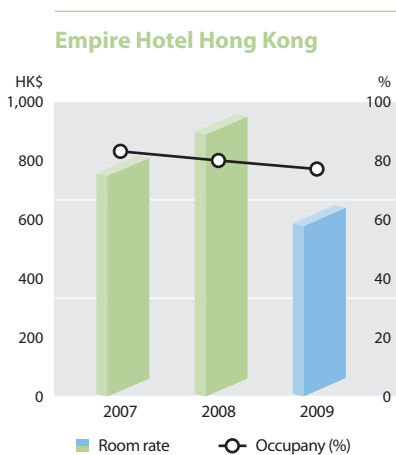
Management Discussion and Analysis



Empire Hotel Hong Kong

Empire Hotel Hong Kong

Empire Hong Kong's average room rate decreased by 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 the provision of corporate meeting spaces and facilities, the hotel would be in a position to complement further in the higher yield business segment.



Empire Hotel Kowloon

Empire Hotel Kowloon

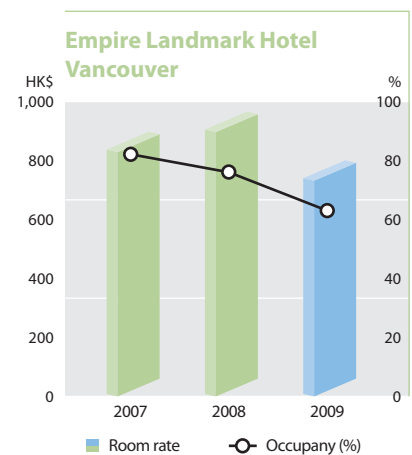
Empire Kowloon's average rate decreased by 33% at an average occupancy rate of 79%. Total revenue amounted to HK\$34 million and its gross operating profit amounted to HK\$15 million. The addition of 28 new spa life style rooms in operation since February 2009 were well received by higher yield guests.



Empire Landmark Hotel Vancouver

Empire Landmark Hotel Vancouver

Empire Landmark's average rate decreased by 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, including the elevators, the property management computer



Management Discussion and Analysis

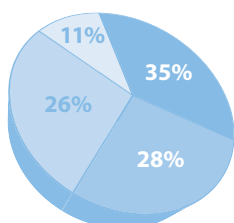


Empire Hotel Causeway Bay

and telephone systems, the guest room key system and the main fire panel. The replacement works on various in-room furnishings such as TV are now in progress. This extensive asset enhancement program shall continue progressively in the next 2 years to improve the guest experience and to position itself as one of the best in its class.

2009 Revenue by hotels

- Empire Hotel Causeway Bay
- Empire Hotel Kowloon
- Empire Hotel Hong Kong
- Empire Landmark Hotel Vancouver



The New 280 rooms hotel in Causeway Bay

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 hosted in Hong Kong in December 2009, a major event in the Asian international sports arena held once every four years.

This hotel has started its contribution to the Group's operating profit in this reporting period. Its stylish design and convenient location are well received by corporate clients and leisure visitors. We are confident it will bring in substantial contributions in the future.

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

Travel and Catering

Revenues for the travel and catering amounted to HK\$97 million and HK\$6 million, respectively.

Financial Review

As at 30th September 2009, total assets amounted to HK\$3,973 million, increased 21% when compared with HK\$3,290 million as at 31st March 2009. Appraised by independent professional valuers on an open market value basis, the total revalued amount of the four hotel properties as at 30th September 2009 was HK\$4,377 million, increased by 1% when compared with that prepared on the same basis as at 31st March 2009.

The shareholders' funds amounted to HK\$2,266 million, increased by HK\$492 million when compared with HK\$1,774 million as at 31st March 2009. The increase was mainly due to the fair value gain on financial assets. Taking into account the market value of the hotel properties, the revalued net asset value of the Group would become HK\$3,713 million.

The Group maintains a diversified investment portfolio which comprises mainly listed equity and debt securities. As at 30th September 2009, the Group had long term investments of HK\$334 million and other financial assets of HK\$827 million. This segment of business generated total dividend and interest income of HK\$26 million (2008: HK\$8 million), and a realised gain of HK\$8 million (2008: Nil) from the disposal of some of the investments during the period. At the balance sheet date, the Group recorded significant unrealised fair value gains of HK\$328 million and HK\$143

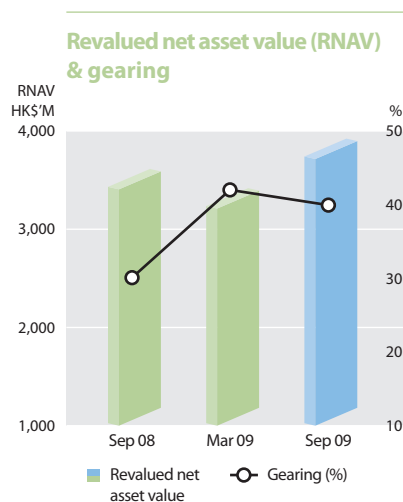
Management Discussion and Analysis

million on the financial assets at fair value through profit or loss and available-for-sale investments, respectively. The former was recognised through the profit and loss account, and the latter through the equity reserve account. These fair value gains have no effect on the cash flow of the Group in the reporting period.

The consolidated net bank borrowings was HK\$1,495 million, increased by HK\$163 million when compared with that at 31st March 2009. Gross bank borrowings denominated in HK dollars amounted to HK\$1,412 million, representing 90% of the total gross bank borrowings. 10% of the total gross bank borrowings or to the equivalent of HK\$156 million were in foreign currencies, out of which 6% was the Vancouver property mortgage loan of HK\$97 million (31st March 2009: HK\$87 million) that was borrowed in Canadian dollar. The Canadian dollar appreciated 18% at the balance sheet date when compared with that at 31st March 2009, and the corresponding net exchange gain of HK\$27 million was credited to the equity reserve account. A total of HK\$150 million interest rate swap contracts were held for hedging purposes against our borrowings, which were all at floating interest rate.

Of the total gross bank borrowings, 40% was repayable within one year, and 40% was repayable after five years. As at 30th September 2009, the Group had net current assets of HK\$210 million (31st March 2009: net current liabilities of HK\$60 million).

The Group's gearing ratio, expressed as a percentage of net debt over the net asset value, decreased to 66% (31st March 2009: 75%), and after taking into account the fair value of hotel properties at the balance sheet date, the gearing was at a level of 40% (31st March 2009: 42%).



The aggregate net book value of hotel properties pledged as securities for loans of the Group as at 30th September 2009 amounted to HK\$2,652 million (31st March 2009: HK\$2,615 million).

During the period under review, the ordinary shares of the Company have been consolidated based on the ratio of 10 to 1. This capital consolidation will increase the trading price per board lot and hence reduce the overall transaction and handling costs for dealing in the consolidated shares, and will also reduce the operating costs of the Group in handling a smaller number of shares as a result.

Human Resources

As at 30th September 2009, the total number of employees of the Company and its subsidiaries were 420. In addition to salary payment, other additional benefits include insurance, medical scheme and retirement plans and others.

Future Prospects

Looking ahead, the operating environment will remain challenging as the economic adjustments affecting the tourism industry in Hong Kong in the short-run due to volatility in the global economic environment continued.

The severe decline in arrivals to Hong Kong from both long- and short-haul regions between May and July following the outbreak of human swine flu was reversed 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.

Our Empire Landmark Hotel in Vancouver has made provision of its rooms and its 13,000 sq ft meeting facilities for accommodating delegates, athletes and participants of the media industry from around the world for the Winter Olympic Games to be hosted by Canada in February 2010.

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.

Report on Review of Interim Financial Information

**To the Board of Directors of
Asia Standard Hotel Group Limited**

(incorporated in Bermuda with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 7 to 25 which comprises the condensed consolidated balance sheet of Asia Standard Hotel Group Limited (the "Company") and its subsidiaries (together, the "Group") as at 30th September 2009 and the related condensed consolidated profit and loss account, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 8th December 2009

Condensed Consolidated Profit and Loss Account – Unaudited

	<i>Note</i>	Six months ended 30th September	
		2009 HK\$'000	2008 HK\$'000
Revenue	4	259,625	337,083
Cost of sales		(142,262)	(196,091)
Gross profit		117,363	140,992
Net investment gain/(loss)	5	325,327	(85,516)
Selling and administrative expenses		(50,100)	(41,747)
Depreciation and amortisation		(43,239)	(33,461)
Other (charge)/income	6	(10,780)	34,850
Operating profit	7	338,571	15,118
Finance costs	8	(21,666)	(12,640)
Profit before income tax		316,905	2,478
Income tax expense	9	(3,619)	(952)
Profit for the period attributable to shareholders		313,286	1,526
Earnings per share (HK cent)			
Basic	11	23.96	0.12
Diluted	11	22.58	0.12

Condensed Consolidated Statement of Comprehensive Income – Unaudited

	Six months ended	
	30th September	
	2009	2008
	HK\$'000	HK\$'000
Profit for the period	313,286	1,526
Other comprehensive income:		
Currency translation differences	27,023	(5,909)
Release of reserve upon disposal of available-for-sale investments	7,457	–
Net fair value gain/(loss) on available-for-sale investments	142,775	(59,658)
Impairment loss of available-for-sale investments charged to profit and loss account	1,531	32,756
Other comprehensive income/(charge) for the period	178,786	(32,811)
Total comprehensive income/(charge) for the period attributable to shareholders	492,072	(31,285)

Condensed Consolidated Balance Sheet – Unaudited

	<i>Note</i>	30th September 2009 HK\$'000	31st March 2009 HK\$'000
Non-current assets			
Property, plant and equipment	12	1,007,997	958,262
Leasehold land	12	1,645,263	1,658,726
Deferred income tax assets		5,221	7,771
Available-for-sale investments		333,828	182,428
		2,992,309	2,807,187
Current assets			
Inventories		2,115	2,160
Derivative financial instruments		79	12,806
Financial assets at fair value through profit or loss		826,736	308,132
Trade and other receivables	13	79,490	83,867
Bank balances and cash		72,116	75,884
		980,536	482,849
Current liabilities			
Derivative financial instruments		18,054	15,773
Trade and other payables	14	70,645	53,931
Current income tax payable		15,414	14,512
Short term borrowings	15	563,204	415,011
Current portion of long term borrowings	15	68,241	43,432
Warrant liabilities	16	34,617	–
		770,175	542,659
Net current assets/(liabilities)		210,361	(59,810)
Total assets less current liabilities		3,202,670	2,747,377
Non-current liabilities			
Warrant liabilities	16	–	23,935
Long term borrowings	15	935,520	948,964
Deferred income tax liabilities		853	602
		936,373	973,501
Net assets		2,266,297	1,773,876
Equity			
Share capital	17	26,158	261,409
Reserves	18	2,240,139	1,512,467
		2,266,297	1,773,876

Condensed Consolidated Statement of Cash Flow – Unaudited

	Six months ended 30th September	
	2009 HK\$'000	2008 HK\$'000
Net cash generated before working capital changes	39,321	87,918
Changes in working capital	(167,685)	(126,506)
Interest paid	(13,140)	(19,464)
Interest received	5,621	2,127
Dividend received	21,755	5,136
Net cash used in operating activities	(114,128)	(50,789)
Net cash used in investing activities	(15,332)	(51,514)
Net cash generated from financing activities	135,608	76,408
Net increase/(decrease) in cash and cash equivalents	6,148	(25,895)
Cash and cash equivalents at the beginning of the period	63,884	65,300
Changes in exchange rates	2,084	715
Cash and cash equivalents at the end of the period	72,116	40,120
Analysis of balances of cash and cash equivalents		
Bank balances and cash	72,116	40,120

Condensed Consolidated Statement of Changes in Equity – Unaudited

	Share capital HK\$'000	Other reserves HK\$'000	Revenue reserve HK\$'000	Total HK\$'000
At 31st March 2008	258,164	1,918,754	(108,631)	2,068,287
Profit for the period	–	–	1,526	1,526
Other comprehensive income:				
Fair value loss on available-for-sale investments	–	(59,658)	–	(59,658)
Impairment loss of available-for-sale investments charged to profit and loss account	–	32,756	–	32,756
Currency translation differences	–	(5,909)	–	(5,909)
Total comprehensive income for the period	–	(32,811)	1,526	(31,285)
Dividend paid	–	–	(9,036)	(9,036)
At 30th September 2008	258,164	1,885,943	(116,141)	2,027,966
At 31st March 2009	261,409	1,858,189	(345,722)	1,773,876
Profit for the period	–	–	313,286	313,286
Other comprehensive income:				
Release of reserve upon disposal of available-for-sale investments	–	7,457	–	7,457
Fair value gain on available-for-sale investments	–	142,775	–	142,775
Impairment loss of available-for-sale investments charged to profit and loss account	–	1,531	–	1,531
Currency translation differences	–	27,023	–	27,023
Total comprehensive income for the period	–	178,786	313,286	492,072
Issue of shares upon conversion of warrants	168	488	(307)	349
Capital reorganisation	(235,419)	235,419	–	–
	(235,251)	235,907	(307)	349
At 30th September 2009	26,158	2,272,882	(32,743)	2,266,297

Notes to the Interim Financial Information

1 Basis of preparation

The unaudited condensed consolidated interim financial information has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), and should be read in conjunction with the annual financial statements for the year ended 31st March 2009.

The accounting policies and methods of computation used in the preparation of this condensed consolidated interim financial information are consistent with those used in the annual financial statements for the year ended 31st March 2009.

The following new and revised standards and amendments to existing standards (“new HKFRS”) are relevant to the Group’s operations and are mandatory for accounting periods beginning on or after 1st January 2009:

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments

Except for certain changes in presentation and disclosures as described below, the adoption of the above new HKFRS in the current period did not have any significant effect on the interim financial information or result in any substantial changes in the Group’s significant accounting policies.

- HKAS 1 (Revised), “Presentation of Financial Statements”. The Group has elected to present two statements: a profit and loss account and a statement of comprehensive income. The interim financial information has been prepared under the revised disclosure requirements.
- HKFRS 8, “Operating Segments”. HKFRS 8 replaces HKAS 14, “Segment reporting”. It requires a “management approach” under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in certain changes in the presentation and disclosure information of the reportable segments.

The HKICPA has issued certain new and revised standards, interpretations and amendments to existing standards that are not yet effective for the year ending 31st March 2010. The Group has not early adopted these standards, interpretations and amendments. The Group has already commenced an assessment of the related impact to the Group. The Group is not yet in a position to state whether they will have substantial change to the Group’s accounting policies and presentation of the financial statements.

Notes to the Interim Financial Information

2 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and price risk), credit risk, liquidity risk and interest rate risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include those related to impairment of available-for-sale investments and trade and other receivables, income taxes and fair value of warrant liabilities and derivative financial instruments.

4 Revenue and segment information

The Company is a limited liability company incorporated in Bermuda and listed on The Stock Exchange of Hong Kong Limited. The address of its registered office is 30th Floor, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong.

The Group is principally engaged in hotel, catering services, travel agency operations and securities investments.

Turnover comprises revenue from hotel, catering services, travel agency operations, dividend and interest income, together with gross proceeds from disposal of financial assets at fair value through profit or loss and derivative financial instruments.

Revenue comprises revenue from hotel, catering services, travel agency operations and dividend and interest income.

Business segments

The Group is organised into the following main business segments:

Hotel operation	–	hotel operation in Hong Kong and Canada
Catering services	–	restaurant operation in Hong Kong and Mainland China
Travel agency	–	sale of air tickets and hotel reservation service in Hong Kong
Investment	–	investment in financial instruments

Notes to the Interim Financial Information

4 Revenue and segment information (continued)

Business segments (continued)

	Hotel operation HK\$'000	Catering services HK\$'000	Travel agency HK\$'000	Investments HK\$'000	Others HK\$'000	Total HK\$'000
Six months ended 30th September 2009						
Room rentals	97,301					
Food and beverages	22,846					
Ancillary services	3,104					
Rental income	6,587					
Turnover	129,838	5,573	96,756	143,279	877	376,323
Segment revenue	129,838	5,573	96,756	26,581	877	259,625
Contribution to segment results	50,834	(1,532)	(385)	27,210	877	77,004
Net investment gain	-	-	-	325,327	-	325,327
Depreciation and amortisation	(43,087)	(87)	(20)	-	(45)	(43,239)
Other charge	-	-	-	-	(10,780)	(10,780)
Segment results	7,747	(1,619)	(405)	352,537	(9,948)	348,312
Unallocated corporate expenses						(9,741)
Operating profit						338,571
Finance costs						(21,666)
Profit before income tax						316,905
Income tax expense						(3,619)
Profit for the period attributable to shareholders						313,286
Six months ended 30th September 2008						
Room rentals	133,863					
Food and beverages	23,659					
Ancillary services	3,436					
Rental income	6,478					
Turnover	167,436	9,397	149,364	14,105	1,892	342,194
Segment revenue	167,436	9,397	149,364	8,994	1,892	337,083
Contribution to segment results	93,746	1,014	740	8,514	1,892	105,906
Net investment loss	-	-	-	(85,516)	-	(85,516)
Depreciation and amortisation	(33,371)	(22)	(24)	-	(44)	(33,461)
Other income	-	-	-	-	34,850	34,850
Segment results	60,375	992	716	(77,002)	36,698	21,779
Unallocated corporate expenses						(6,661)
Operating profit						15,118
Finance costs						(12,640)
Profit before income tax						2,478
Income tax expense						(952)
Profit for the period attributable to shareholders						1,526

Notes to the Interim Financial Information

4 Revenue and segment information (continued)

Business segments (continued)

	Hotel operation HK\$'000	Catering services HK\$'000	Travel agency HK\$'000	Investments HK\$'000	Others HK\$'000	Total HK\$'000
At 30th September 2009						
Segment assets	2,687,012	3,589	10,678	1,168,321	25,908	3,895,508
Other unallocated assets						77,337
						3,972,845
Segment liabilities						
Borrowings	1,003,761	–	–	19,554	543,650	1,566,965
Other unallocated liabilities						139,583
						1,706,548
Additions to non-current assets	39,179	5	9	–	–	39,193
At 31st March 2009						
Segment assets	2,649,595	4,010	13,035	513,103	26,638	3,206,381
Other unallocated assets						83,655
						3,290,036
Segment liabilities						
Borrowings	992,396	–	–	–	415,011	1,407,407
Other unallocated liabilities						108,753
						1,516,160
Additions to non-current assets for the six months ended						
30th September 2008	75,283	14	80	–	–	75,377

Notes to the Interim Financial Information

4 Revenue and segment information (continued)

Geographical segments

The Group's business activities in various geographical areas are as follows:

Hong Kong	–	all the Group's business segments
China (excluding Hong Kong)	–	catering
North America	–	hotel, catering and investment
Europe	–	investment

A summary of geographical segments is set out as follows:

	For the six months ended 30th September 2009		At 30th September 2009	
	Turnover HK\$'000	Segment revenue HK\$'000	Operating profit/(loss) HK\$'000	Total assets HK\$'000
Hong Kong	285,280	193,890	(4,741)	2,825,853
China (excluding Hong Kong)	962	962	(848)	12,371
North America	62,720	45,428	20,697	414,336
Europe	27,361	19,345	323,463	720,285
	376,323	259,625	338,571	3,972,845

	For the six months ended 30th September 2008		At 31st March 2009	
	Turnover HK\$'000	Segment revenue HK\$'000	Operating profit/(loss) HK\$'000	Total assets HK\$'000
Hong Kong	273,516	268,405	10,403	2,766,214
China (excluding Hong Kong)	4,428	4,428	1,581	13,482
North America	64,250	64,250	3,777	266,464
Europe	–	–	(643)	243,876
	342,194	337,083	15,118	3,290,036

Notes to the Interim Financial Information

5 Net investment gain/(loss)

	Six months ended 30th September	
	2009 HK\$'000	2008 HK\$'000
Unrealised gain/(loss) on:		
– Financial assets at fair value through profit or loss	323,769	(36,607)
– Derivative financial instruments	4,701	(16,353)
Impairment loss of available-for-sale investments	(1,531)	(32,756)
Net realised gain/(loss) on disposal of:		
– Financial assets at fair value through profit or loss	10,329	200
– Available-for-sale investments	1,114	–
– Derivative financial instruments	(3,565)	–
Provision for impairment on interest receivable from investments	(9,490)	–
	325,327	(85,516)

6 Other (charge)/income

	Six months ended 30th September	
	2009 HK\$'000	2008 HK\$'000
Fair value (loss)/gain on warrant liabilities	(10,780)	34,850

Notes to the Interim Financial Information

7 Income and expenses by nature

	Six months ended 30th September	
	2009	2008
	HK\$'000	HK\$'000
Income		
Operating lease rental income for hotel buildings	6,587	6,478
Dividend income on:		
– Listed investments	23,222	7,512
– Unlisted investments	89	72
Interest income on:		
– Listed investments	2,545	–
– Unlisted investments	144	32
– Other receivables	877	1,892
– Bank deposits	109	1,165
Expenses		
Cost of goods sold	83,275	130,805
Depreciation	29,776	23,143
Amortisation of leasehold land	13,463	10,318
Employee benefit expense, including Directors' emoluments (note)	48,956	46,587
Operating lease rental expense for land and buildings	3,099	3,167
Note:		
Employee benefit expense		
Wages and salaries	47,828	44,824
Retirement benefits costs	1,128	1,763
	48,956	46,587

8 Finance costs

	Six months ended 30th September	
	2009	2008
	HK\$'000	HK\$'000
Interest expenses		
– Bank loans and overdrafts	13,470	18,051
– Finance lease obligations wholly payable within five years	–	10
Other incidental borrowing costs	1,037	799
Net foreign exchange loss/(gain) on bank borrowings	8,828	(469)
Fair value gain on interest rate swaps	(1,669)	(3,849)
	21,666	14,542
Interest capitalised under property, plant and equipment	–	(1,902)
	21,666	12,640

Notes to the Interim Financial Information

9 Income tax expense

	Six months ended 30th September	
	2009 HK\$'000	2008 HK\$'000
Current income tax		
Hong Kong profits tax	32	–
Overseas profits tax	785	–
	817	–
Deferred income tax	2,802	952
Income tax expense	3,619	952

Hong Kong profits tax is provided at the rate of 16.5% on the estimated assessable profit for the period. In 2008, no Hong Kong profits tax was provided for as the Group had sufficient tax loss brought forward to set off against the estimated assessable profit for the period. Income tax on overseas profits has been calculated on the estimated assessable profit for the period at the rates of tax prevailing in the countries in which the Group operates.

10 Dividend

The Board of Directors did not recommend the payment of an interim dividend for the six months ended 30th September 2009 (2008: nil).

11 Earnings per share

The calculation of basic earnings per share is based on the profit for the period attributable to shareholders of HK\$313,286,000 (2008: HK\$1,526,000) and divided by weighted average number of 1,307,557,161 (2008 restated: 1,290,820,664, adjusted for the effect of the consolidation of ordinary shares based on the ratio of 10 to 1) shares in issue during the period.

The calculation of diluted earnings per share for the six months ended 30th September 2009 was based on the profit for the period attributable to shareholders of HK\$313,286,000 and 1,387,270,256 shares equalling to the weighted average number of 1,307,557,161 shares in issue during the period plus 79,713,095 potential shares deemed to be in issue assuming the outstanding warrants had been exercised.

The outstanding share options did not have any dilutive effect on the earnings per share for the six months ended 30th September 2009.

The basic and diluted earnings per share were the same for the six months ended 30th September 2008 as the outstanding share options and warrants did not have a dilutive effect on the earnings per share.

Notes to the Interim Financial Information

12 Property, plant and equipment and leasehold land

	Freehold land and hotel buildings HK\$'000	Plant and equipment HK\$'000	Sub-total HK\$'000	Leasehold land HK\$'000	Total HK\$'000
Cost					
At 31st March 2009	1,099,863	373,257	1,473,120	1,936,356	3,409,476
Currency translation differences	63,554	11,899	75,453	–	75,453
Additions	5,669	33,524	39,193	–	39,193
Disposals	–	(25)	(25)	–	(25)
At 30th September 2009	1,169,086	418,655	1,587,741	1,936,356	3,524,097
Accumulated depreciation and amortisation					
At 31st March 2009	266,987	247,871	514,858	277,630	792,488
Currency translation differences	25,493	9,642	35,135	–	35,135
Charge for the period	14,843	14,933	29,776	13,463	43,239
Disposals	–	(25)	(25)	–	(25)
At 30th September 2009	307,323	272,421	579,744	291,093	870,837
Net book value					
At 30th September 2009	861,763	146,234	1,007,997	1,645,263	2,653,260
At 31st March 2009	832,876	125,386	958,262	1,658,726	2,616,988

30th	31st
September	March
2009	2009
HK\$'000	HK\$'000

Net book value of hotel properties comprise the following:

(i) Freehold land and hotel buildings	861,763	832,876
(ii) Plant and equipment	144,592	123,608
Property, plant and equipment	1,006,355	956,484
(iii) Leasehold land	1,645,263	1,658,726
	2,651,618	2,615,210

Notes to the Interim Financial Information

12 Property, plant and equipment and leasehold land (continued)

Supplementary information with hotel properties at valuation:

The aggregate valuation of hotel properties in Hong Kong and Canada based on the valuation reports of Knight Frank and Grant Thornton Management Consultants respectively, independent professional valuers, amounted to HK\$4,376,847,000 (31st March 2009: HK\$4,322,981,000).

The supplementary information with hotel properties at valuation is for readers' information only. It does not constitute a disclosure requirement under HKASs 16 and 17.

13 Trade and other receivables

Trade and other receivables of the Group include trade receivables, deposits and prepayments, dividend, interest and other receivables.

Trade receivables of the Group amounted to HK\$33,504,000 (31st March 2009: HK\$23,455,000). The credit terms given to the customers vary and are generally based on the financial strengths of individual customers. In order to effectively manage the credit risks associated with trade receivables, credit evaluations of customers are performed periodically.

Aging analysis of trade receivables net of provision for impairment is as follows:

	30th September 2009 HK\$'000	31st March 2009 HK\$'000
0 - 60 days	32,196	23,054
61 - 120 days	1,251	160
Over 120 days	57	241
	33,504	23,455

Notes to the Interim Financial Information

14 Trade and other payables

Trade and other payables of the Group include trade payables, rental and management fee deposits, retentions payable of construction costs and various accruals.

Trade payables of the Group amounted to HK\$16,587,000 (31st March 2009: HK\$13,888,000).

Aging analysis of trade payables is as follows:

	30th September 2009 HK\$'000	31st March 2009 HK\$'000
0 - 60 days	14,928	13,734
61 - 120 days	1,245	41
Over 120 days	414	113
	16,587	13,888

15 Borrowings

	30th September 2009 HK\$'000	31st March 2009 HK\$'000
Short term bank borrowings, unsecured	29,000	30,000
Short term bank and other borrowings, secured (notes a and b)	534,204	385,011
	563,204	415,011
Long term bank borrowings, secured (notes a and c)	1,003,761	992,396
	1,566,965	1,407,407

Notes to the Interim Financial Information

15 Borrowings (continued)

Notes:

- (a) The short term bank borrowings of HK\$514,650,000 (31st March 2009: HK\$385,011,000) and the long term bank borrowings of HK\$1,003,761,000 (31st March 2009: HK\$992,396,000) are secured by mortgages of the Group's hotel properties and leasehold land, floating charges over all the assets of certain subsidiaries and corporate guarantees given by the Company.
- (b) The short term bank and other borrowings of HK\$19,554,000 (31st March 2009: nil) are secured by certain financial assets at fair value through profit or loss.
- (c) The maturity of long term bank borrowings is as follows:

	30th September 2009 HK\$'000	31st March 2009 HK\$'000
Bank borrowings not wholly repayable within five years		
Repayable within one year	68,241	43,432
Repayable within one to two years	64,839	57,770
Repayable within two to five years	231,017	217,811
Repayable after five years	639,664	673,383
	1,003,761	992,396
Current portion included in current liabilities	(68,241)	(43,432)
	935,520	948,964

16 Warrant liabilities

On 7th September 2007, the Company issued warrants to shareholders on the basis of one warrant for every five shares of the Company. The initial subscription price was at HK\$0.146 per share and the warrants are exercisable at any time within three years from the date of issue. Apart from the adjustments upon occurrence of the usual adjustment events, the subscription price is subject to the reset adjustment at the end of each six months period from the date of issue of the warrants and a final reset adjustment on the tenth business day before the date of expiration of the warrants. Following the 4th reset arrangement on 6th September 2009, the subscription price of the warrants remained at HK\$0.029 per share. As a result of the Capital Reorganisation (note 17), the existing subscription price and the initial subscription price were adjusted to HK\$0.29 per share and HK\$1.46 per share respectively.

Notes to the Interim Financial Information

16 Warrant liabilities (continued)

Movement of the warrant liabilities during the period is as follows:

	30th September 2009 HK\$'000
At 31st March 2009	23,935
Set off against reserve upon conversion of warrants	(98)
Fair value loss charged to profit and loss account (note 6)	10,780
At 30th September 2009	34,617

17 Share capital

	Number of shares of HK\$0.02 per share	Amount HK\$'000
Authorised:		
At 31st March 2009 and 30th September 2009	35,000,000,000	700,000
Issued and fully paid:		
At 31st March 2009	13,070,428,268	261,409
Conversion of warrants	8,436,366	168
Conversion of share options	9	–
Capital Reorganisation (note)	(11,770,954,668)	(235,419)
At 30th September 2009	1,307,909,975	26,158

Note:

On 10th July 2009, the Company proposed reorganisation of the share capital ("Capital Reorganisation"). The Capital Reorganisation became effective on 9th September 2009 after approval by the shareholders. The Capital Reorganisation involved the following:

- (a) Every ten issued shares of HK\$0.02 each were consolidated into one share of HK\$0.20 each.
- (b) The paid-up capital of each consolidated share was reduced from HK\$0.20 to HK\$0.02 by cancelling the paid-up capital to the extent of HK\$0.18 so as to form a registered share of HK\$0.02 each.

Notes to the Interim Financial Information

18 Reserves

	Share premium HK\$'000	Warrants reserve HK\$'000	Contributed surplus HK\$'000	Available- for-sale investment reserve HK\$'000	Exchange reserve HK\$'000	Share option reserve HK\$'000	Revenue reserve HK\$'000	Total HK\$'000
At 31st March 2009	1,036,647	(116,827)	899,333	(15,915)	29,671	25,280	(345,722)	1,512,467
Currency translation differences	-	-	-	-	27,023	-	-	27,023
Release of reserve upon disposal of available-for-sale investments	-	-	-	7,457	-	-	-	7,457
Net fair value gain on available-for-sale investments	-	-	-	142,775	-	-	-	142,775
Impairment loss of available-for-sale investments charged to profit and loss account	-	-	-	1,531	-	-	-	1,531
Issue of shares upon conversion of warrants	83	405	-	-	-	-	(307)	181
Profit for the period	-	-	-	-	-	-	313,286	313,286
Capital Reorganisation (note 17)	-	-	235,419	-	-	-	-	235,419
At 30th September 2009	1,036,730	(116,422)	1,134,752	135,848	56,694	25,280	(32,743)	2,240,139

19 Capital commitments

Capital commitments at the balance sheet date are as follows:

	30th September 2009 HK\$'000	31st March 2009 HK\$'000
Property, plant and equipment		
Contracted but not provided for	11,800	34,086
Authorised but not contracted for	33,794	33,162
	45,594	67,248

20 Financial guarantee

As at 30th September 2009 and 31st March 2009, the Group had no financial guarantee and significant contingent liabilities.

21 Comparative figures

Certain comparative figures have been restated to conform with current period's presentation.

Other Information

Directors' and chief executives' interests and short positions in shares, underlying shares and debentures

As at 30th September 2009, the interests and short position of the Directors and Chief Executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of the Hong Kong Securities and Futures Ordinance (the "SFO") which (a) are required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which are taken or deemed to have under such provisions of the SFO); or (b) were recorded in the register required to be kept under section 352 of the SFO; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

(I) Long positions in shares

(a) The Company

Director	Number of shares held			Percentage of shares in issue (%)
	Personal interest	Corporate interest	Total	
Poon Jing	40,844	923,591,414	923,632,258	70.62

Note:

By virtue of his interest in the Company through Asia Orient Holdings Limited ("Asia Orient") and its subsidiaries as disclosed under the heading "Substantial shareholders and other persons' interests and short positions in shares and underlying shares" below, Mr. Poon Jing is deemed to be interested in the shares of all of the Company's subsidiaries.

(b) Associated corporations

Associated corporation	Director	Number of shares held			Percentage of shares in issue (%)
		Personal interest	Corporate interest	Total	
Asia Standard International Group Ltd ("ASI") (note)	Poon Jing	1,160,813	613,365,030	614,525,843	49.14
Mark Honour Limited	Fung Siu To, Clement	9	–	9	0.01

Note:

By virtue of Mr. Poon Jing's controlling interest in Asia Orient, he is deemed to be interested in the shares of ASI held by subsidiaries of Asia Orient.

Other Information

Directors' and chief executives' interests and short positions in shares, underlying shares and debentures

(continued)

(II) Long positions in underlying shares

Interests in share options(a) *The Company*

As at 30th September 2009, details of the share options granted to Directors under the share option scheme of the Company adopted on 28th August 2006 ("Share Option Scheme") are as follows:

Director	Date of grant	Exercise price (HK\$) (note 1)	Exercise period	Number of share options		
				outstanding as at 1st April 2009	adjustment (note 1)	outstanding as at 30th September 2009
Fung Siu To, Clement	29th March 2007	1.296	29th March 2007 to 28th March 2017	80,000,000	(72,000,000)	8,000,000
Poon Tin Sau, Robert	29th March 2007	1.296	29th March 2007 to 28th March 2017	80,000,000	(72,000,000)	8,000,000
Lim Yin Cheng	2nd April 2007	1.300	2nd April 2007 to 1st April 2017	80,000,000	(72,000,000)	8,000,000
Woo Wei Chun, Joseph	2nd April 2007	1.300	2nd April 2007 to 1st April 2017	80,000,000	(72,000,000)	8,000,000

Notes:

- (1) Subsequent to the consolidation of every ten shares of HK\$0.02 each into one consolidated share of HK\$0.20 each on 9th September 2009 (the "ASH Share Consolidation"), the exercise price of the share options granted to Messrs. Fung Siu To, Clement and Poon Tin Sau, Robert was adjusted from HK\$0.1296 per share to HK\$1.296 per share whereas to each of Messrs. Lim Yin Cheng, and Woo Wei Chun, Joseph was adjusted from HK\$0.13 per share to HK\$1.30 per share .
- (2) During the period, no option was granted to the Directors and the options granted to the Directors have not been exercised, cancelled or lapsed.

Other Information

Directors' and chief executives' interests and short positions in shares, underlying shares and debentures

(continued)

(II) Long positions in underlying shares (continued)

Interests in share options (continued)

(b) *Associated corporation – ASI*

Director	Number of share options		
	outstanding as at	adjustment (note 1)	outstanding as at
	1st April 2009		30th September 2009
Poon Jing	5,155,440	(4,639,896)	515,544
Lim Yin Cheng	20,621,761	(18,559,585)	2,062,176
Fung Siu To, Clement	20,621,761	(18,559,585)	2,062,176

Notes:

(1) Options were granted on 30th March 2005 and exercisable during the period from 30th March 2005 to 29th March 2015 at an exercise price of HK\$0.315 (as adjusted) per share. Subsequent to the consolidation of every ten shares of HK\$0.01 each into one consolidated share of HK\$0.10 each on 9th September 2009 (the "ASI Share Consolidation"), the exercise price of the share option was adjusted from HK\$0.315 per share to HK\$3.15 per share.

(2) During the period, no option was granted to the Directors and options granted to the Directors have not been exercised, lapsed or cancelled.

Interests in warrants

Details of interests in warrants of the Company and its associated corporations are as follows:

The Company

Director	Number of underlying shares subject to the warrants		
	Personal interest	Corporate interest	Total
Poon Jing	7,668	174,221,187	174,228,855

Other Information

Directors' and chief executives' interests and short positions in shares, underlying shares and debentures

(continued)

(II) Long positions in underlying shares (continued)

Interests in warrants (continued)

The warrants are exercisable during the period from 7th September 2007 to 6th September 2010 at an initial subscription price of HK\$0.146 per share. Following the fourth reset adjustment on 7th September 2009 and the ASH Share Consolidation, the subscription price of the warrants was adjusted from HK\$0.029 per share to HK\$0.29 per share.

Save as disclosed above, as at 30th September 2009, none of the Directors or Chief Executive (including their spouse and children under 18 years of age) of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of the SFO) which (a) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which are taken or deemed to have under such provisions of the SFO); or (b) were recorded in the register required to be kept under section 352 of the SFO; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial shareholders and other persons' interests and short positions in shares and underlying shares

The register of substantial shareholders maintained under section 336 of the SFO shows that as at 30th September 2009, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and Chief Executive.

Long position in shares of the Company

Name of substantial shareholders	Number of shares held	Percentage (%)
Asia Standard Development (Holdings) Limited ("ASDHL")	299,506,105	22.90
Asia Standard International Limited ("ASIL")	584,532,250	44.69
ASI (note 1)	884,860,058	67.66
Asia Orient Holdings (BVI) Limited (note 2)	923,591,414	70.62
Asia Orient (note 3)	923,591,414	70.62

Other Information

Substantial shareholders and other persons' interests and short positions in shares and underlying shares

(continued)

Long position in the underlying shares of the Company

Interest in warrants

Name of substantial shareholders	Number of underlying shares subject to the warrants
ASDHL	57,142,857
ASIL	110,385,765
ASI	167,684,338
Asia Orient Holdings (BVI) Limited (note 2)	174,221,187
Asia Orient (note 3)	174,221,187

The warrants of the Company are exercisable during the period from 7th September 2007 to 6th September 2010 at an initial subscription price of HK\$0.146 per share. Following the fourth reset adjustment on 7th September 2009 and the ASH Share Consolidation, the subscription price of the warrants was adjusted from HK\$0.029 per share to HK\$0.29 per share.

Notes:

1. ASDHL and ASIL are the wholly-owned subsidiaries of ASI. ASI is deemed to be interested in and duplicate the interest held by ASDHL and ASIL.
2. Asia Orient Holdings (BVI) Limited and its subsidiaries together hold more than one-third of the issued shares of ASI and is deemed to be interested in and duplicate the interest held by ASI.
3. Asia Orient Holdings (BVI) Limited is a wholly-owned subsidiary of Asia Orient. Asia Orient is deemed to be interested in and duplicate the interest held by Asia Orient Holdings (BVI) Limited and its subsidiaries.

Save as disclosed above, as at 30th September 2009, the Directors are not aware of any other persons who had interests or short positions in the shares or underlying shares of the Company which are required to be recorded in the register required to be kept under section 336 of the SFO.

Other Information

Share option scheme

The Company

The share option scheme of the Company was adopted by the Company on 28th August 2006 ("Share Option Scheme"). As at 30th September 2009, there were 78,999,999 share options outstanding. Movements of the share options of the Company during the period are as follows:

Grantee	Date of grant	Exercise price (HK\$) (note 1)	Exercise period	Number of share options			
				outstanding as at 1st April 2009	exercised during the period	adjustments (note 1)	outstanding as at 30th September 2009
Directors	29th March 2007	1.296	29th March 2007 to 28th March 2017	160,000,000	–	(144,000,000)	16,000,000
	2nd April 2007	1.300	2nd April 2007 to 1st April 2017	160,000,000	–	(144,000,000)	16,000,000
Directors of an associated corporation	2nd April 2007	1.300	2nd April 2007 to 1st April 2017	160,000,000	–	(144,000,000)	16,000,000
Employees of an associated corporation	2nd April 2007	1.300	2nd April 2007 to 1st April 2017	310,000,000	(9)	(278,999,992)	30,999,999
				790,000,000	(9)	(710,999,992)	78,999,999

Notes:

- Subsequent to the ASH Share Consolidation, the exercise price of the share options was adjusted from HK\$0.1296 and HK\$0.1300 per share to HK\$1.296 and HK\$1.300 per share respectively, and the number of share options granted was adjusted accordingly.
- During the period, no option was granted, lapsed or cancelled.

Other Information

Purchase, sale or redemption of listed securities

During the period, the Company had not redeemed any of its shares. Neither the Company nor any of its subsidiaries purchased or sold any of the Company's listed securities during the period.

Code of conduct regarding securities transactions by directors

The Company has adopted the Model Code and has made specific enquiry of all Directors regarding any non-compliance with the Model Code during the period, and they all confirmed that they have fully complied with the required standard set out in the Model Code throughout the period ended 30th September 2009.

Code on corporate governance practices

During the period, the Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules, except for the deviation from code provision A.4.1 which stated that Non-executive Directors should be appointed for a specific term, subject to re-election. All Independent Non-executive Directors of the Company were not appointed for specific terms, but subject to retirement by rotations and re-elections at the annual general meeting of the Company in accordance with the Bye-Laws of the Company.

Audit committee

The Audit Committee members are Mr. Hung Yat Ming, Mr. Leung Wai Keung and Mr. Ip Chi Wai. The principal activities of the Audit Committee include the review and supervision of the Group's financial reporting process and internal controls.

The unaudited interim report of the Group for the six months ended 30th September 2009 has been reviewed by the Audit Committee.

On behalf of the Board

Poon Jing

Chairman

Hong Kong, 8th December 2009



ASIA STANDARD HOTEL GROUP LIMITED

Stock Code: 292