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

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

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ASIA STANDARD INTERNATIONAL GROUP LIMITED
(泛海國際集團有限公司) *

(Incorporated in Bermuda with limited liability)

(Stock Code: 129)

SCRIP DIVIDEND SCHEME
IN RELATION TO
THE INTERIM DIVIDEND
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2006

19 January 2007

* For identification purposes only

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DEFINITIONS

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

“2006 Interim Dividend”	the interim dividend for the six months ended 30 September 2006 of HK0.35 cent per Share to be paid to the Shareholders whose names appear in the register of Shareholders as at the Record Date
“Board”	the board of Directors
“Company”	Asia Standard International Group Limited
“Directors”	the directors of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Interim Scrip Dividend Shares”	new Shares to be allotted, issued and credited as fully paid Shares under the Scrip Dividend Scheme
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“Overseas Shareholders”	Shareholders whose registered addresses appearing on the register of Shareholders at the Record Date are outside Hong Kong
“Record Date”	16 January 2007
“Scrip Dividend Scheme”	the scheme proposed by the Directors on 15 December 2006 in relation to the 2006 Interim Dividend to offer the Shareholders a scrip alternative to elect to receive such dividend wholly or partly by allotment of new Shares credited as fully paid Shares in lieu of cash
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company

DEFINITIONS

“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



ASIA STANDARD INTERNATIONAL GROUP LIMITED (泛海國際集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 129)

Executive Directors:–

Mr. Fung Siu To, Clement (*Chairman*)
Dr. Lim Yin Cheng (*Deputy Chairman*)
Mr. Poon Jing (*Managing Director and Chief Executive*)
Mr. Lun Pui Kan
Mr. Kwan Po Lam, Phileas
Mr. Nicholas James Loup

Non-executive Directors:–

Mr. Au Yat Chuen, Raymond
Mr. Liang Shangli

Independent Non-executive Directors:–

Mr. Koon Bok Ming, Alan
Mr. Leung Wai Keung, Richard
Mr. Wong Chi Keung

Registered Office:–

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

**Principal place of business
in Hong Kong:–**

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

19 January 2007

*To the Shareholders and,
for information only, the bondholders*

Dear Sirs,

SCRIP DIVIDEND SCHEME IN RELATION TO THE INTERIM DIVIDEND FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2006

1. INTRODUCTION

On 15 December 2006, the Board announced the interim results of the Company and its subsidiaries for the six months ended 30 September 2006 and recommended the 2006 Interim Dividend. It was also announced that Shareholders may elect to receive the 2006 Interim Dividend wholly or partly in Interim Scrip Dividend Shares. Accordingly, the Shareholders may exercise their option to receive an allotment of Interim Scrip Dividend Shares by way of capitalization of profits in lieu of cash dividend.

* For identification purposes only

LETTER FROM THE BOARD

The purpose of this circular is to set out information of the Scrip Dividend Scheme, the procedures which apply in relation to the election of Interim Scrip Dividend Shares and the actions which Shareholders should take in relation thereto.

2. PARTICULARS OF THE SCRIP DIVIDEND SCHEME

Under the Scrip Dividend Scheme, each Shareholder whose name appears on the register of Shareholders as at the Record Date has the following choices in respect of the 2006 Interim Dividend:–

- (1) to receive a cash dividend of HK0.35 cent per Share; or
- (2) to be allotted Interim Scrip Dividend Shares having an aggregate market value (as described below), save for adjustment for fractions, equal to the total amount of 2006 Interim Dividend which such Shareholder would otherwise receive in cash; or
- (3) to receive the 2006 Interim Dividend partly in cash and partly in Interim Scrip Dividend Shares.

The Interim Scrip Dividend Shares to be issued pursuant to the Scrip Dividend Scheme will rank *pari passu* in all respects with the existing Shares except that they will not be entitled to the 2006 Interim Dividend. All cash dividends payable in respect of the 2006 Interim Dividend will be paid out in Hong Kong dollars regardless of the place of residence of the Shareholders as at the Record Date.

3. BASIS OF ALLOTMENT OF THE INTERIM SCRIP DIVIDEND SHARES

For the purposes of calculating the number of Interim Scrip Dividend Shares to be allotted, the market value of the Interim Scrip Dividend Shares has been fixed at HK\$0.1918, being the average of the closing prices of one Share traded on the Stock Exchange for the five consecutive trading days up to and including the Record Date. Accordingly, the number of Interim Scrip Dividend Shares which the Shareholders will receive in respect of the existing Shares registered in their names as at the Record Date and for which elections to receive the Interim Scrip Dividend

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Shares are lodged with the Hong Kong Branch Registrar and Transfer Office of the Company, Computershare Hong Kong Investor Services Limited, at the address and before the time set out in paragraph 5 will be calculated as follows:–

$$\begin{array}{rcl} \text{Number of} & & \text{Number of existing} \\ \text{Interim Scrip} & & \text{Shares held on the} \\ \text{Dividend Shares} & = & \text{Record Date for} \\ \text{to be received} & & \text{which election is} \\ & & \text{made under the Scrip} \\ & & \text{Dividend Scheme} \end{array} \times \frac{\begin{array}{l} \text{HK0.35 cent} \\ \text{(2006 Interim} \\ \text{Dividend per Share)} \\ \text{HK\$0.1918} \end{array}}{\begin{array}{l} \text{(the average closing price} \\ \text{per Share for the five} \\ \text{consecutive trading days} \\ \text{up to and including} \\ \text{the Record Date)} \end{array}}$$

If all Shareholders elect to receive their 2006 Interim Dividend in Interim Scrip Dividend Shares, based on 6,842,072,178 Shares in issue as at the Record Date, not more than 124,855,331 Interim Scrip Dividend Shares will be issued under the Scrip Dividend Scheme. The number of Interim Scrip Dividend Shares to be issued to each Shareholder will be rounded down to the nearest whole number. Fractional entitlements to Interim Scrip Dividend Shares will not be allotted but will be aggregated and sold for the benefit of the Company.

4. ADVANTAGES OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme will give the Shareholders the opportunity to increase their investment in the Company at market value without incurring brokerage fees, stamp duty and related dealing costs. The Scrip Dividend Scheme will also be to the advantage of the Company because, to the extent that the Shareholders do not elect to receive cash, in whole or in part, such cash as would otherwise have been paid to such Shareholders will be retained for use as working capital by the Company.

5. FORM OF ELECTION

If you do not elect to receive any of your 2006 Interim Dividend in Interim Scrip Dividend Shares, you do not need to take any action.

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If you elect to receive Interim Scrip Dividend Shares, or partly in cash and partly in Interim Scrip Dividend Shares, you should use the enclosed form of election. If you complete the form of election but do not specify the number of Shares in respect of which you wish to receive Interim Scrip Dividend Shares, or if you elect to receive Interim Scrip Dividend Shares in respect of a greater number of Shares than your registered holding as at the Record Date, you will be deemed to have exercised your election to receive Interim Scrip Dividend Shares in respect of all the Shares of which you were then registered as the holder.

The enclosed form of election should be completed in accordance with the instructions printed thereon, returned to and received by the Hong Kong Branch Registrar and Transfer Office of the Company, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:00 p.m. on 6 February 2007. No acknowledgment of receipt of the form of election will be issued.

No elections in respect of the 2006 Interim Dividend may, after the relevant election forms are signed and returned to the Hong Kong Branch Registrar and Transfer Office of the Company, be in any way withdrawn, revoked, superseded or altered.

6. OVERSEAS SHAREHOLDERS

None of this circular, the form of election and the Interim Scrip Dividend Shares will be registered or filed under the securities laws or equivalent legislation of any jurisdiction other than, if applicable, Hong Kong and Bermuda.

If you are resident outside Hong Kong, this circular and/or the form of election only constitute(s) an invitation to subscribe for Interim Scrip Dividend Shares if such an invitation can be legally made to you without the Company having to meet any legal or registration requirements outside Hong Kong. Shareholders residing in a jurisdiction where it would be illegal for the Company to make such an invitation will be deemed to have received this circular and/or the form of election for information only.

As at the Record Date, there were 13 Overseas Shareholders residing in four jurisdictions, namely Canada, Macau, Malaysia and Singapore, who together held an aggregate of 2,788,569 Shares, representing approximately 0.041% of the entire issue share capital of the Company. The aggregate amount of the 2006 Interim Dividend to which these Overseas Shareholders are entitled is approximately HK\$9,760.

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The Company has been advised by its legal advisers on the laws of Canada, Macau and Singapore that there is no legal restriction under the applicable legislation of Canada, Macau and Singapore or requirement of any relevant regulatory body or stock exchange in these three jurisdictions with respect to the offer of the Interim Scrip Dividend Shares to the Overseas Shareholders with registered addresses in these three jurisdictions as at the Record Date.

The Directors have also been advised by legal counsel in Malaysia that, without complying with local approval and/or registration requirements and/or other formalities under the laws of Malaysia, subject to the exception set out in the following paragraph, the Scrip Dividend Scheme may not be offered to Overseas Shareholders with registered addresses in Malaysia as at the Record Date (“**Excluded Shareholders**”). As it would not be cost-effective or expedient for the Company to comply with the approval and/or registration requirements and/or other formalities under the laws of Malaysia, the Directors have decided that, subject to the exception set out in the following paragraph, it would be expedient to exclude the Excluded Shareholders from the Scrip Dividend Scheme.

Therefore, the forms of election will not be sent to the Excluded Shareholders generally. However, the forms of election will be sent to those Excluded Shareholders who can prove to the satisfaction of the Company that such action would not result in a contravention of any applicable legal or regulatory requirements. Excluded Shareholders who wish to participate in the Scrip Dividend Scheme should notify the Company forthwith. In any event, the completed forms of election should be returned to and received by the Hong Kong Branch Registrar and Transfer Office of the Company, Computershare Hong Kong Investor Services Limited, at the address and before the time set out in paragraph 5. Excluded Shareholders, other than those participating in the Scrip Dividend Scheme in accordance with this paragraph, will receive their 2006 Interim Dividend in cash in the usual way.

In addition, the Directors have been advised by legal counsel in Canada that while Overseas Shareholders with registered addresses in the provinces of Ontario and British Columbia, Canada may be lawfully offered the option to participate in the Scrip Dividend Scheme without registration and/or other formalities, under Multilateral Instrument 45-102 – Resale of Securities, unless certain conditions are satisfied, securities obtained by way of scrip dividend can only be traded under a prospectus or in accordance with exemptions from prospectus and registration requirements contained in the Securities Act (Ontario) R.S.O. 1990 and the Securities Act (British Columbia) R.S.B.C. 1996. While Overseas Shareholders with registered addresses in the provinces of Ontario and British Columbia, Canada will not be excluded from the Scrip Dividend Scheme, such Overseas Shareholders are advised to consult their own professional advisers whether it would be beneficial or expedient for them to participate in the Scrip Dividend Scheme. The Company is not aware that it has any Overseas Shareholders in Canada with registered addresses outside the provinces of British Columbia or Ontario.

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For the avoidance of doubt, the Interim Scrip Dividend Shares are not offered to the public (other than the Shareholders) and the forms of election are non-transferable.

Notwithstanding the legal advice taken by the Company, it is the responsibility of anyone wishing to participate in the Scrip Dividend Scheme to satisfy themselves as to full observance of the laws of any relevant territory, including obtaining any governmental or other consents which may be required. Overseas Shareholders who are in doubt as to their position should consult their own professional advisers.

7. STOCK EXCHANGE LISTING AND DEALINGS AND DESPATCH OF DIVIDEND WARRANTS AND/OR SHARE CERTIFICATES FOR INTERIM SCRIP DIVIDEND SHARES

The Scrip Dividend Scheme is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Interim Scrip Dividend Shares, and if required, the Bermuda Monetary Authority granting its permission to the issue and subsequent free transferability of the Interim Scrip Dividend Shares.

Application will be made to the Stock Exchange for the granting of listing of, and permission to deal in, the Interim Scrip Dividend Shares. The dividend warrants in relation to the 2006 Interim Dividend and/or share certificates with respect to the Interim Scrip Dividend Shares are expected to be despatched at the risk of those entitled thereto on or about 14 February 2007. On this basis, dealings in the Interim Scrip Dividend Shares are expected to commence after the due despatch of the share certificates with respect to the Interim Scrip Dividend Shares to the relevant Shareholders.

The Shares are only listed on the Stock Exchange. No part of the share capital of the Company is listed or dealt in on any other stock exchange and the Company is not currently seeking to list its Shares on any other stock exchange.

Dealings in Shares may be settled through the Central Clearing and Settlement System and you should seek the advice of your stockbroker or other professional adviser for details of these settlement arrangements and how such arrangements will affect your rights and interests.

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8. RECOMMENDATION AND ADVICE

Whether or not it is to your advantage to receive cash or the Interim Scrip Dividend Shares, in whole or in part, depends upon your own individual circumstances, and the decision in this regard and all effects resulting therefrom are the responsibility of each Shareholder. If you are in any doubt as to what to do, you should consult your professional advisers as to whether or not you are permitted to receive the 2006 Interim Dividend in scrip form or if any governmental or other consent is required. Shareholders who are trustees are recommended to take professional advice as to whether the choice of the Interim Scrip Dividend Shares is within their powers and as to its effects having regard to the terms of the relevant trust instrument.

9. DISCLOSURE OF INTEREST

Shareholders should note that an acquisition of Interim Scrip Dividend Shares may give rise to notification requirements under the Securities and Futures Ordinance (Cap. 571). Shareholders who are in any doubt as to how these provisions may affect them are recommended to seek their own professional advice.

10. GENERAL INFORMATION

As at the date of this circular, the executive Directors are Mr. Fung Siu To, Clement, Dr. Lim Yin Cheng, Mr. Poon Jing, Mr. Lun Pui Kan, Mr. Kwan Po Lam, Phileas and Mr. Nicholas James Loup, the non-executive Directors are Mr. Liang Shangli and Mr. Au Yat Chuen, Raymond and the independent non-executive Directors are Mr. Koon Bok Ming, Alan, Mr. Leung Wai Keung, Richard and Mr. Wong Chi Keung.

Yours faithfully,

For and on behalf of

ASIA STANDARD INTERNATIONAL GROUP LIMITED

Fung Siu To, Clement

Chairman