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

ASIA STANDARD HOTEL GROUP LIMITED

泛 海 酒 店 集 團 有 限 公 司*

(incorporated in Bermuda with limited liability)

(Stock Code: 292)

MAJOR TRANSACTION IN RELATION TO FORMATION OF A JOINT VENTURE AND ACQUISITION OF LAND

A letter from the Board of the Company is set out on pages 5 to 13 of this circular.

* *For identification purpose only*

15 April 2016

CONTENTS

In this circular (including in the Appendices), the following expressions have the following meanings unless the context requires otherwise:

"Amending Agreement"	the amending agreement with an effective date of 22 February 2016 entered into between the Vendor and the Limited Partnerships, pursuant to which certain terms of the Purchase and Sale Agreement have been amended, including but not limited to (i) the extension of the Closing Date and (ii) amendment to the payment terms of the Consideration. Please refer to the announcement of the Company dated 25 February 2016 for details
"Announcement"	the announcement dated 16 December 2015 made by the Company
"AO"	Asia Orient Holdings Limited (Stock Code: 214), an exempted company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange
"ASIGL"	Asia Standard International Group Limited (Stock Code: 129), an exempted company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange
"ASDHL"	Asia Standard Development (Holdings) Limited, a wholly-owned subsidiary of ASIGL
"ASIL"	Asia Standard International Limited, a wholly-owned subsidiary of ASIGL
"Assets Builder"	Assets Builder Investments Limited, a company incorporated in the British Virgin Islands
"Assets Century"	Assets Century Global Limited, a wholly-owned subsidiary of the Company
"ATL"	Active Trade Investments Limited, a company incorporated in the British Virgin Islands
"Board"	the board of Directors
"Buildings"	the buildings erected on the Lands with a combined site area of approximately 43,230 square feet and are currently occupied by mixed commercial and residential tenancies
"Business Day"	means any day that is not a Saturday, Sunday or statutory holiday in British Columbia, Canada

"CAD$"	Canadian dollar, the lawful currency of Canada
"Closing Date"	1 April 2016
"Closely Allied Group"	a closely allied group of Shareholders comprising ASIL, ASDHL and The Sai Group who together were interested in 1,102,916,383 Shares (representing approximately 70.23% of the issued share capital of the Company as at the date of the Announcement)
"Company"	Asia Standard Hotel Group Limited (Stock Code: 292), an exempted company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange
"Consideration"	CAD$170,100,000 (equivalent to approximately HK$956,183,130), being the consideration for the Purchased Assets under the Purchase and Sale Agreement
"Directors"	the directors of the Company
"Group"	the Company and its subsidiaries
"General Partner"	1488 Alberni Holdings Limited, a company incorporated in Canada and a wholly-owned subsidiary of Assets Builder
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"ITCP"	ITC Properties Group Limited (Stock Code: 199), an exempted company incorporated in Bermuda with limited liability and listed on the Main Board of the Stock Exchange
"JV Partners"	collectively, the Company, ITCP, XPEC and ATL or their respective subsidiaries or nominees
"Lands"	the lands and premises in Vancouver, British Columbia, legally described as Lot I (Explanatory Plan 10081) Block 43 District Lot 185 Plan 92; and Lot 16 Block 43 District Lot 185 Plan 92
"Leases"	those certain residential and commercial leases of the Property, the particulars of which shall be provided to the purchaser, and shall include all amendments, renewals, assignments and notices in connection therewith, and "Lease" means any one of the Leases

"Latest Practicable Date"	12 April 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
"Limited Partnerships"	means (i) the limited partnership subsisting pursuant to the laws of the Province of British Columbia under the name and style of "1488 Alberni Development Holdings Limited Partnership" and (ii) the limited partnership subsisting pursuant to the laws of the Province of British Columbia under the name and style of "1488 Alberni Investment Limited Partnership"
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Memorandum of Agreement"	a legally-binding memorandum of agreement dated 16 December 2015 entered into between the Company, ITCP, XPEC and ATL in relation to the formation of a joint venture between the JV Partners
"percentage ratio"	have the meaning ascribed to it in Rule 14.07 of the Listing Rules
"PRC"	the People's Republic of China, excluding for the purpose of this circular Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Property"	the Lands and the Buildings
"Purchase and Sale Agreement"	a purchase and sale agreement executed on 12 December 2015 (Hong Kong time) entered into between Assets Century and the Vendor in respect of the purchase of the Purchased Assets (as amended and supplemented from time to time)
"Purchased Assets"	the Lands, the Buildings, Leases and the Service Contracts
"Service Contracts"	all currently existing service contracts made by or on behalf of the Vendor relating to the Property
"SFO"	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
"Share(s)"	the ordinary share(s) of HK$0.02 each in the share capital of the Company
"Shareholder(s)"	the holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"The Sai Group"	The Sai Group Limited, a wholly-owned subsidiary of ASIGL
"Transaction"	the formation of a joint venture as contemplated under the Memorandum of Agreement and the acquisition of the Purchased Assets under the Purchase and Sale Agreement
"Transaction Documents"	the documents entered into between the JV Partners in relation to the establishment of the Limited Partnerships, including but not limited to, the limited partnership agreements both dated 29 January 2016 (as amended, supplemented and restated from time to time) in relation to the Limited Partnerships and the shareholders' agreement dated 13 April 2016 in relation to Assets Builder between its shareholders
"Vendor"	Alberni Street Condominium Developments Limited Partnership, a British Columbia limited partnership
"XPEC"	XPEC Investments Ltd., a company incorporated in British Columbia, Canada
"%"	per cent

In this circular, amounts in CAD$ are converted into HK$ on the basis of CAD$1 = HK$5.6213. The conversion rate is for illustrative purpose only and should not be taken as a representation that CAD$ could actually be converted into HK$ at such rate or at all.

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. Poon Hai
Mr. Poon Yeung, Roderick
Mr. Fung Siu To, Clement
Mr. Woo Wei Chun, Joseph

Independent Non-executive Directors:
Mr. Ip Chi Wai
Mr. Leung Wai Keung
Mr. Hung Yat Ming

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

15 April 2016

To the Shareholders

Dear Sirs,

MAJOR TRANSACTION IN RELATION TO FORMATION OF A JOINT VENTURE AND ACQUISITION OF LAND

INTRODUCTION

Reference is made to the Announcement dated 16 December 2015. The Company has entered into the Memorandum of Agreement with ITCP, XPEC and ATL on 16 December 2015 for the formation of a joint venture. The joint venture is effectively owned as to 40%, 28%, 20% and 12% by the Company, ITCP, XPEC and ATL or their respective nominated subsidiaries or nominees.

* *For identification purpose only*

The Company has procured its wholly-owned subsidiary, Assets Century, to participate in a bidding process, and entered into the Purchase and Sale Agreement with the Vendor on 12 December 2015 under which Assets Century has agreed to purchase the Purchased Assets for the total consideration of CAD$170,100,000 (equivalent to approximately HK$956,183,130) as agent of the joint venture, subject to the terms and conditions of the Purchase and Sale Agreement. The right, title and interest of Assets Century in and to the Purchase and Sale Agreement have now been assigned to the Limited Partnerships.

FORMATION OF JOINT VENTURE

The Company has entered into a legally-binding Memorandum of Agreement with ITCP, XPEC and ATL on 16 December 2015 for the formation of a joint venture as to 40%, 28%, 20% and 12% respectively owned by the Company, ITCP, XPEC and ATL or their respective subsidiaries or nominees. Pursuant to the Memorandum of Agreement, the subsidiaries or nominees of the Company, ITCP, XPEC and ATL have entered into the Transaction Documents to set out, among others, the legal structure of the joint venture, which was formed by way of the Limited Partnerships.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of the JV Partners (other than the Group) and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

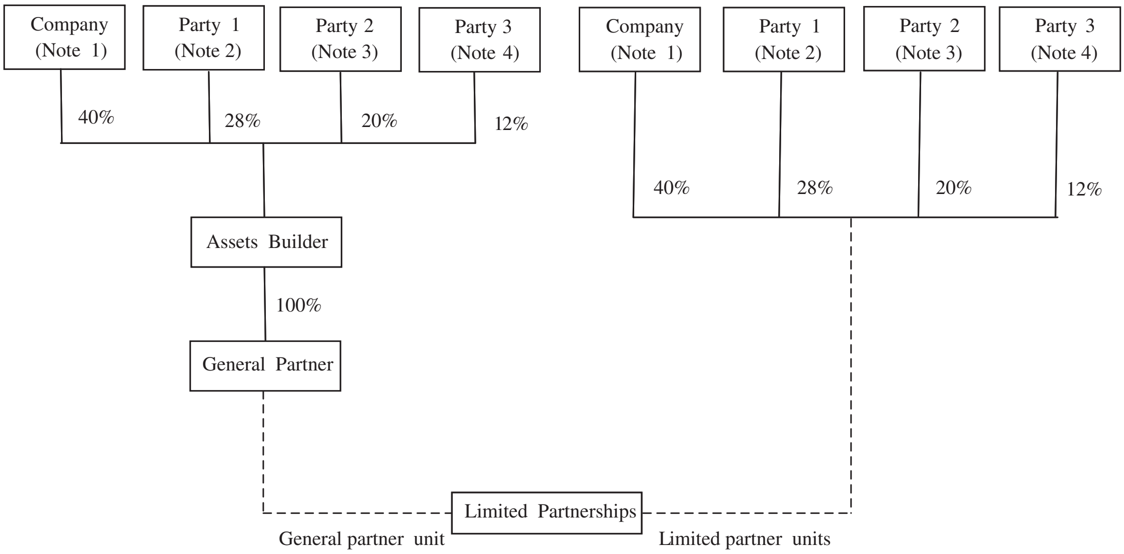
Legal structure of the joint venture

Pursuant to the Transaction Documents, a joint venture is formed by way of the Limited Partnerships. A limited partnership is structure which is commonly used in Canada in joint venture arrangements which offer certain tax benefits. The General Partner is a wholly-owned subsidiary of Assets Builder, which in turn is owned as to 40%, 28% and 12% by the respective subsidiaries of the Company, ITCP and ATL and 20% owned by an entity nominated by XPEC.

Pursuant to the limited partnership agreements in relation to the Limited Partnerships, 0.01% of the Partnerships' losses and income will be allocated to the General Partner while 99.99% of the Limited Partnerships' losses and income will be allocated among the Limited Partners pro rata to the number of limited partner units held by them.

The General Partner currently holds the general partner unit in issue. The number of limited partner units are currently held by the subsidiaries or nominees of the Company, ITCP, XPEC and ATL as to 40%, 28%, 20% and 12% respectively.

A chart showing the structure of the Limited Partnerships is set out below:



Notes:

1. The Company is holding its interest in Assets Builder and the Limited Partnerships through its wholly-owned subsidiaries. Assets Builder is an investment holding company incorporated to hold the shares in the General Partner, the incorporation of Assets Builder by the Company and other parties is part and parcel of the formation of the joint venture and thus does not constitute a notifiable transaction of the Company under the Listing Rules on its own.

2. Party 1 is a subsidiary of ITCP.

3. Party 2 is XPEC or an entity nominated by XPEC. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, such entities and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

4. Party 3 is a subsidiary of ATL.

The key features of the Limited Partnerships include the following:

Principal Activity

The sole purpose of the Limited Partnerships is to acquire, own and redevelop the Lands and such other activities incidental thereto (including but not limited to the selling and/or leasing of the buildings located on or to be constructed on the Lands).

Capital Commitment

The aggregate maximum capital commitment of the JV Partners in respect of the Limited Partnerships is CAD$190,000,000 (equivalent to approximately HK$1,068,047,000). The maximum capital commitment was determined after arm's length negotiations between the JV Partners, with reference to the costs in the amount of CAD$170,100,000 (equivalent to approximately HK$956,183,130) for the acquisition of the Purchased Assets (part of which will be funded by bank financing of CAD$85,000,000 (equivalent to approximately HK$477,810,500) secured in the Limited Partnerships on 1 April 2016), along with the costs, expense and other applicable fees and taxes in respect of the acquisition. Each JV Partner shall contribute to the Limited Partnerships in proportion to the number of limited partner units held by them respectively in the Limited Partnerships and such contribution shall consist of a combination of capital contribution and loans from the affiliates or nominees of the JV Partners.

As the Limited Partnerships are effectively owned as to 40% by the Company, the maximum funding commitment of the Company in respect of the Limited Partnerships is CAD$76,000,000 (equivalent to approximately HK$427,218,800). To the extent that the funding required by the Limited Partnerships is not covered by bank loans, it is the current intention of the Company that it will fund the remaining amount pro rata to its interest in the Limited Partnerships with the existing banking facilities of the Group.

Management of the Limited Partnerships

The Limited Partnerships, will be managed by the General Partner, which is a wholly-owned subsidiary of Assets Builder. Asset Builder is a company owned as to 40%, 28% and 12% by the respective subsidiaries of the Company, ITCP and ATL and 20% owned by an entity nominated by XPEC. The General Partner have 5 directors, where the Group is entitled to nominate two directors and each of the affiliates or nominees of ITCP, XPEC and ATL is entitled to nominate one director.

ACQUISITION OF THE PURCHASED ASSETS

The Company has procured its wholly-owned subsidiary, Assets Century, to participate in a bidding process, and entered into the Purchase and Sale Agreement with the Vendor on 12 December 2015 (Hong Kong time) under which Assets Century has agreed to purchase the Purchased Assets as agent of the joint venture, subject to the terms and conditions of the Purchase and Sale Agreement. The right, title and interest of Assets Century in and to the Purchase and Sale Agreement and all the development and other rights in respect of the Purchased Assets have now been assigned to the Limited Partnerships.

The key terms of the Purchase and Sale Agreement (as amended and supplemented) are set out below:

Date

12 December 2015 (Hong Kong time)

Parties

(1) The Limited Partnerships as the purchaser; and

(2) Alberni Street Condominium Developments Limited Partnership as the Vendor.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are a third party independent of the Company and their respective connected persons.

Consideration

CAD$170,100,000 (equivalent to approximately HK$956,183,130)

The consideration for the Purchased Assets was the price accepted by the Vendor. In determining the offer price made to the Vendor in respect of the Purchased Assets, the Company had conducted an internal assessment taking into consideration of, among others, the value of the lands in the vicinity of the Property, the potential value of the completed properties, the development cost, projected profitability of the redevelopment project and cash flow of the Company.

The Consideration shall be settled in the following manner:

(1) a deposit of CAD$2,000,000 (equivalent to approximately HK$11,242,600) has been paid to the Vendor's legal counsel on 16 December 2015;

(2) a further deposit of CAD$15,000,000 (equivalent to approximately HK$84,319,500) has been paid to the Vendor's legal counsel on 24 December 2015;

(3) an amount of CAD$68,000,000 (equivalent to approximately HK$382,248,400) was paid and released to the Vendor on 1 March 2016; and

(4) the balance of the Consideration has been paid to the Vendor on the Closing Date.

The Consideration will be funded partly by bank loans and, to the extent that it is not covered by bank loans, by the JV Partners through their contribution to the Limited Partnerships. The Company intends to fund its portion of the contribution to the Limited Partnerships with the existing banking facilities of the Group.

Closing

In order to allow more time for the Limited Partnership to finalize the bank financing, the Closing Date has been extended from 1 March 2016 to 1 April 2016 (which may be further extended to no later than 15 April 2016 by the Limited Partnerships) pursuant to the Amending Agreement. The closing of the Purchase and Sale Agreement took place on 1 April 2016.

INFORMATION RELATING TO THE PURCHASED ASSETS

The Purchased Assets consist of the Lands, the Buildings, Leases and the Service Contracts.

The Lands are legally described as Lot I (Explanatory Plan 10081) Block 43 District Lot 185 Plan 92; and Lot 16 Block 43 District Lot 185 Plan 92 located in Vancouver, British Columbia.

The Buildings have combined site area of approximately 43,230 square feet and are currently occupied by mixed commercial and residential tenancies.

The Leases are those certain commercial and residential leases of the Lands and the Buildings, and include all amendments, renewals, assignments and notices in connection therewith.

The Service Contracts are all currently existing service contracts made by or on behalf of the Vendor relating to the Lands and the Buildings.

The Lands and the Buildings are situated in the West End area of Vancouver, along Alberni Street between Nicola and Broughton Streets, a popular and desirable area that attracts a strong demand for rental and strata units. The location offers a peripheral Downtown location that is within walking distance to the Central Business District and main retail arterials in Downtown Vancouver (to the northeast and southeast), as well as the main retail arterials of the West End (to the southwest). Property uses in the surrounding area include but not limited to high-rise and low-rise multi-family, office, restaurant and retail. The occupancy rates of residential and office premises are high in the locality, being 99% and 95% respectively. The sales prices of similar class new residential premises in the vicinity are approximately CAD$1,000 to CAD$1,600 per square feet on saleable area basis as at the time of the valuation of the Purchased Assets.

The Lands comprise of a high-rise mixed-use building, which comprised of a rental apartment component and multi-tenant office component located at Alberni and Broughton Streets and a multi-tenant low-rise class C office building located at Alberni and Nicola Streets. The total gross floor area of the Buildings is approximately 43,230 square feet. The Lands can only be used for hotel, light industrial, office commercial, other commercial including body-rub parlour, parking area and parking garage, parks and open space, public and institutional, residential, retail commercial, social, and recreational and cultural including casino (Class 1) and bingo hall. The Lands are freehold and the Buildings are leased out via various tenancy agreements with no vacancy as per the summary of subsisting leases prepared by the Company.

To the best knowledge, information and belief of the Directors, (a) the use of the Lands and the Buildings do not constitute any breach of environmental regulations; and (b) the Property is not subject to any investigation, notices, pending litigation, breaches of law or title defects.

Redevelopment plan of the Property

The Company intends to redevelop the Lands into a mixed residential and commercial development for sale and intends to terminate the subsisting leases of the Purchased Assets after completion of the Transaction. The redevelopment of the Lands will adhere to the West End Community Plan as adopted by the City Council of Vancouver.

In 2014, the City Council of Vancouver had approved the West End Community Plan, which provides the foundation and guidelines towards the future development of the West End Downtown of Vancouver.

The Plan stipulated that the lands fall within "Area B" of the "Georgia Corridor", which allow and grant potential development to have a building height of 152.4 meters (500 feet) and floor plate size of 603.9 square meters (6,500 square feet).

The redevelopment potential based on the above parameters could attain a floor square ratio (FSR) of 14-16, which translates to a gross floor area (GFA) of approximately 648,000 square feet.

Based on the massing study conducted by the local architect of the Company, the redevelopment will include two towers and provides approximately 600 homes.

The Group estimates that the development construction costs to be approximately CAD$200 million. The Group expects to presale in the fourth quarter of 2017 to the first quarter of 2018 and the construction will take approximately 30 months.

REASONS AND BENEFITS OF THE TRANSACTION

One of the principal businesses of the Group is hotel operations and development. The Lands are located in the vicinity of the hotel owned by the Group in Vancouver, British Columbia, where the Group is familiar with the environment and has developed connections in the region. The Directors consider that the Transaction represents an attractive investment opportunity of the Group which may yield a satisfactory return. As certain Directors possess extensive experience in the property development business, the Directors will be able to contribute to and proactively supervise the redevelopment projects. By participating in the proposed redevelopment of the Lands, it is expected that the Company can diversify its investment and strengthen its overseas portfolio.

The Directors (including the independent non-executive Directors) believe that the terms of the Memorandum of Agreement and the Purchase and Sale Agreement are on normal commercial terms and are fair and reasonable, and that entering into the Memorandum of Agreement and the Purchase and Sale Agreement and the transaction contemplated therein is in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE COMPANY, THE JV PARTNERS AND THE VENDOR

The Company is a limited liability company incorporated in Bermuda whose shares are listed on the Main Board of the Stock Exchange. The principal activity of the Company is investment holding. The Group is principally engaged in hotel operations and development, travel operation and securities investment.

ITCP is a company incorporated in Bermuda with limited liability and listed on the Main Board of the Stock Exchange (Stock Code: 199). ITCP is an investment holding company and its subsidiaries are principally engaged in property development and investment in Macau, the PRC and Hong Kong. ITCP and its subsidiaries are also engaged in the development of, investments in and operation of hotels and resorts in the PRC and Hong Kong, securities investments and provision of loan financing services.

XPEC is a company incorporated in British Columbia, Canada. The principal activity of XPEC is investment holding.

ATL is a company incorporated in the British Virgin Islands. The principal activity of ATL is investment holding.

The Vendor is a British Columbia limited partnership. The principal activity of the Vendor is investment holding.

LISTING RULES IMPLICATIONS

As one applicable percentage ratio in respect of the Transaction exceeds 25% but less than 100%, the Transaction constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the requirements of announcement, reporting and Shareholders' approval under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders has any material interest in the Transaction and none of them would be required to abstain from voting if a general meeting of the Company were to be convened to approve the Transaction. Pursuant to Rule 14.44 of the Listing Rules, on the date of the Announcement, the Company has obtained a written approval from the Closely Allied Group, which includes ASIL, ASDHL and The Sai Group, who together hold approximately 70.23% of the issued share capital of the Company carrying rights to vote at a general meeting. Therefore, no general meeting of the Company will be convened to approve the Transaction. The Closely Allied Group comprises the following Shareholders:

Name of the Shareholders	Number of Shares held	Percentage shareholding in the Company
ASIL	728,180,083	46.37%
ASDHL	373,712,100	23.80%
The Sai Group	1,024,200	0.06%
Total:	1,102,916,383	70.23%

Note: ASIL, ASDHL and The Sai Group are all wholly-owned subsidiaries of ASIGL.

FINANCIAL EFFECTS OF THE ACQUISITION

The Limited Partnerships are managed by the General Partner. The General Partner is wholly-owned by Assets Builder, which in turn is owned as to 40%, 28% and 12% by the respective subsidiaries of the Company, ITCP and ATL and 20% owned by an entity nominated by XPEC. Each of Assets Builder and the General Partner have five directors, where the Group is entitled to nominate two directors. The Group has joint control on the Limited Partnerships and Assets Builder and therefore they will be accounted for using the equity method of accounting. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses and movements in other comprehensive income.

Based on the unaudited pro forma financial information of the Group as set out in Appendix III to this circular, the unaudited pro forma adjusted consolidated total assets of the Group will be approximately HK$5,691,256,000, as compared to approximately HK$5,485,292,000, which represents the unaudited consolidated total assets of the Group as at 30 September 2015.

Based on the unaudited pro forma financial information of the Group as set out in Appendix III to this circular, the unaudited pro forma adjusted consolidated total liabilities of the Group will be approximately HK$2,322,098,000, as compared to approximately HK$2,116,134,000, which represents the unaudited consolidated total liabilities of the Group as at 30 September 2015.

The Group's earnings are expected to increase in 2021 as a result of the Transaction taking into account the profits to be derived from property development.

For details of the unaudited pro forma financial information of the Group and its basis of preparation, please refer to Appendix III of this circular.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of
Asia Standard Hotel Group Limited
Lim Yin Cheng
Deputy Chairman and Chief Executive

AUDITED CONSOLIDATED FINANCIAL INFORMATION

The audited consolidated financial information of the Group (i) for the year ended 31 March 2015 is disclosed in the annual report of the Company for the year ended 31 March 2015 published on 24 July 2015, from pages 37 to 100; (ii) for the year ended 31 March 2014 is disclosed in the annual report of the Company for the year ended 31 March 2014 published on 24 July 2014, from pages 40 to 104; and (iii) for the year ended 31 March 2013 is disclosed in the annual report of the Company for the year ended 31 March 2013 published on 26 July 2013, from pages 36 to 96. All of which have been published on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.asiastandardhotelgroup.com).

INDEBTEDNESS STATEMENT

As at the close of business on 29 February 2016, being the latest practicable date for purpose of this indebtedness statement prior to the printing of this circular, the Group had approximately HK$2,028,995,000 outstanding indebtedness comprising the following bank borrowings:

(a) HK$1,934,307,000 were guaranteed, out of which HK$1,924,307,000 were secured by the Group's property, plant and equipment, while HK$10,000,000 were unsecured; and

(b) HK$94,688,000 were unguaranteed, which were secured by the Group's financial securities investments.

The carrying values of the Group's assets pledged to secure its borrowings amounted to HK$3,079,983,000 as at 29 February 2016, floating charges over all the assets of certain subsidiaries and corporate guarantee of the Company.

Save as aforesaid and apart from intra-group liabilities and normal trade payables, at the close of business on 29 February 2016, the Group did not have any debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchase or finance lease commitments, guarantees or contingent liabilities.

MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial position or trading position of the Group since 31 March 2015, being the date to which the latest published audited financial statements of the Group was made up.

WORKING CAPITAL

The Directors are of the opinion that, after taking into account the effects of the Transaction, in the absence of any unforeseen circumstances and after taking into account (i) the internal resources of the Group; and (ii) the Group's presently available banking facilities, the Group will have sufficient working capital for its present requirements and for at least the next twelve months from the date of this circular.

FINANCIAL AND TRADING PROSPECTS OF THE GROUP

RESULTS

The Group's revenue for the six months ended 30 September 2015 amounted to HK$354 million, decreased by 6% when compared with the same period of preceding year. Profit attributable to shareholders decreased by 11% to HK$153 million, due mainly to a reduction in operating profit of our hotel operation in Hong Kong where average room rates during the period under review had recorded a drop of 22% as compared to the same period of preceding year.

Hotel operation

Between April 2015 and September 2015, the cumulative arrivals to Hong Kong for all visitors and those who stayed overnight reached 29 million and 13 million, respectively, the former had a 3% decrease and the latter a 6% decrease. Although Mainland China dominated the overnight visitor arrivals with a 68% of the total share, this market registered a 7% drop from the same period of the preceding year. Some of the reasons for this decline include the continued strengthening of the Hong Kong dollar as well as depreciation of currencies and relaxation of visa policies of other popular tourist destinations (e.g. Europe, Japan, South Korea, etc.). Furthermore, the anti-parallel trading protests have also damaged Hong Kong's hospitable image and affected the desire of Mainland visitors to travel to Hong Kong.

On the hotel supply front, there were a total supply of about 74,000 hotel rooms as of September 2015, an increase of about 2% over the preceding year.

All our hotels in Hong Kong have been operating at approximately 96% occupancy, although average room rate dropped by 22% from that of the preceding year because of the aforesaid negative factors affecting Hong Kong tourism.

Our hotel in Canada operated at 83% occupancy and achieved an increase of 8% in room rate from the preceding year.

Hotel development projects

The development progress of our two sites located adjacent to the Group's two existing hotels in Hong Kong is on schedule. For the site in Causeway Bay, the occupation permit has been granted in November 2015. This new 94 rooms' hotel is scheduled for opening in first quarter of 2016. For the site in Tsim Sha Tsui, the superstructure work has commenced in May 2015. The anticipated opening time for this new 90 rooms' hotel is in first quarter of 2017.

With a total gross floor area of approximate 65,000 sq.ft. or 184 hotel guest rooms upon completion of these two sites in 2016/2017, they will provide greater operational synergies to the Group.

Travel operation

Revenue for the travel operations during the six months ended 30 September 2015 amounted to HK$58 million (2014: HK$55 million).

Financial investments

During the six month period ended 30 September 2015, a total of HK$92 million (2014: HK$77 million) in interest and dividend income were generated from the investment portfolio. The investment portfolio also generated a net investment gain of HK$58 million (2014: HK$53 million).

FUTURE PROSPECTS

The strong dollar and the weak travel sentiment for Mainland tourists visiting Hong Kong continue to give pressure to visitors' arrivals in the short to near term. The long-term prospects of the Hong Kong hospitality industry should remain positive when more tourism and infrastructure projects are completed, which will continue to support Hong Kong as a major MICE (Meetings, Incentives, Conferences, and Events) and leisure destination in the world. We continue to hold a very cautious stand in the coming times for our hotel performance.

PROFIT AND LOSS STATEMENT OF THE PURCHASED ASSETS

Pursuant to Rule 14.67(6)(b)(i) of the Listing Rules, on an acquisition of revenue generating assets (other than a business or company) with identifiable income stream or assets valuation, the Company is required to include in this circular a profit and loss statement and valuation (where available) for the 3 preceding financial years (the "**Relevant Period**") on the identifiable net income stream and valuation in relation to such assets which must be reviewed by the auditor or reporting accountants to ensure that such information has been properly compiled and derived from the underlying books and records.

For the preparation of the profit and loss statement on the identifiable income stream in relation to the Purchased Assets in strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules, full access to the underlying books and records of the Vendor covering the Relevant Period is required. However, despite requests made by the Company with the Vendor, the Vendor has not agreed to grant permission for the Group and/or the Company's auditor to gain full access to the abovementioned underlying books and records of the Vendor nor have they agreed to provide to the Group the above information in relation to the Purchased Assets, except for (i) limited information provided by the Vendor during the bidding process on the net profits generated by the Leases from March 2014 to September 2014 and January 2015 to September 2015 respectively (the "**Limited Information on Net Profits**"), (ii) copies of the subsisting lease agreements of the Purchased Assets as of November 2015 (the "**Subsisting Leases**") and (iii) a management agreement (the "**Management Agreement**") made between the Vendor and the manager of the Buildings provided by the Vendor. The Limited Information on Net Profits were provided by the Vendor and the Company is unable to verify and confirm such information. Further, the Company did not take into account the Limited Information on Net Profits when determining the offer price made to the Vendor in respect of the Purchased Assets. As such, the Company considers that disclosing such incomplete and inconsistent information in the circular could mislead and confuse the shareholders or potential investors (the "**Information Recipients**") and will not provide any meaningful information to the Information Recipients. Without the aforesaid full access to the underlying books and records of the Vendor granted by the Vendor, it would not be possible for the Company to include the net profits (both before and after taxation and extraordinary items) attributable to the Purchased Assets for the 2 preceding financial years and to properly compile a profit and loss statement on the identifiable income stream in relation to the Purchased Assets for inclusion in the circular as required under Rule 14.67(6)(b)(i) of the Listing Rules.

The Company has therefore applied to the Stock Exchange for a waiver, which had been granted by the Stock Exchange on 29 February 2016, from strict compliance with Rules 14.58(7) and 14.67(6)(b)(i) of the Listing Rules, such that (i) a summary of the terms of the Subsisting Leases (the "**Summary of Subsisting Leases**"), which sets out certain details of the Subsisting Leases as in November 2015, (ii) the gross rental income generated by the Purchased Assets from 1 January 2015 to 31 December 2015 (the "**Year**"), (iii) an estimation of the annual outgoings relating to the leased properties of the Purchased Assets based on the estimated annual management fee payable by the Vendor pursuant to the Management Agreement, and (iv) a valuation report of the Purchased Assets under Rule 14.67(6)(b)(i) of the Listing Rules, to be disclosed instead.

(i) **Summary of Subsisting Leases**

Based on the Subsisting Leases, there are two main categories of leases, namely the commercial leases and the residential leases.

(a) For the Subsisting Leases in respect of the 12 office units, they are all under fixed term with the soonest and latest expiration falling in March 2016 and August 2018, respectively. The total rental income from these 12 office units for November 2015 was CAD$73,585 (equivalent to approximately HK$413,643).

(b) For the Subsisting Leases in respect of the 129 residential units:

(i) 38 of which are under fixed term which have been expired and continue on a monthly basis;

(ii) 91 of which are under fixed term with expiration falling in January 2016 and October 2016, respectively.

The total rental income from these 129 residential units for November 2015 was CAD$148,117 (equivalent to approximately HK$832,610).

The Company takes the view that the Summary of Subsisting Leases may not give a true and complete picture of the performance of the Purchased Assets during the Relevant Period because the Summary of Subsisting Leases does not set out those lease agreements which were then subsisting during the Relevant Period but have been expired or terminated as at the date to which the Summary of Subsisting Leases was made up.

(ii) **Gross rental income of the Purchased Assets**

Based solely on the Subsisting Leases, the gross rental income of the Purchased Assets for the Year is as follows:

	From 1 January 2015 to 31 December 2015 *(unaudited)*
Gross rental income (CAD$'000)	2,330
Equivalent to HK$'000	13,096

Notes:

1. The financial information in relation to the Purchased Assets set out above is prepared using accounting policies which are materially consistent with those of the Group as set out in the published annual report of the Company for the year ended 31 March 2015 and the published interim report of the Company for the six months ended 30 September 2015.

2. The gross rental income for the Year was derived from the summary of Subsisting Leases as in November 2015, on the assumption that there is no change in the monthly rental income and other terms under the Subsisting Leases between the date to which the summary of Subsisting Leases was made up and 31 December 2015.

3. The gross rental income for the Year is compiled from the summary of Subsisting Leases provided by the Vendor. It may not give a true picture of the gross rental income attributable to the Purchased Assets for the Year since (a) no books of accounts are available for inspection to ensure that the rental income has been received; and (b) it is not a complete record of the rental income because the Subsisting Leases only cover lease agreements as in November 2015 and does not include any other rental income which the Vendor may have received from the Purchased Assets for the Year where the Leases to such rental income related have already expired or terminated as in November 2015.

4. The gross rental income cannot be compiled for the years ended 31 December 2013 and 2014 as the Company does not have enough information for such compilation. For the Subsisting Leases in respect of the 129 residential units, most of them are under fixed terms that have expired and continue on a monthly basis at market rent. As such, the Company is unable to access the market rent per month in 2013 and 2014 for compiling the gross rental income for the years ended 31 December 2013 and 2014. Most of the leases for the remaining 91 residential units were entered into in 2015, and no preceding leases in 2013 and 2014 were provided by Vendor. Given the limited information, the Company is unable to estimate the gross rental income of the residential units for the years ended 31 December 2013 and 2014. As such, by compiling the gross rental income based solely on the 12 office units from the Subsisting Leases will be incomplete and inconsistent that could mislead and confuse the Information Recipients and will not provide any meaningful information to the Information Recipients.

5. The Directors engaged PricewaterhouseCoopers, the auditor of the Company, to conduct certain agreed upon procedures on the gross rental income of the Purchased Assets for the Year in accordance with Hong Kong Standard on Related Services 4400 "Engagements to Perform Agreed Upon Procedures Regarding Financial Information" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). The procedures have been determined by and are the responsibility of the Directors. The auditor of the Company performed the procedures as summarised below:

   (i) The auditor obtained a summary of the Subsisting Leases from the Directors setting out the floor, unit, rental period, rent-free period and monthly rental income of each Subsisting Lease provided by the Vendor ("**summary of Subsisting Leases**").

   (ii) The auditor obtained a schedule setting out monthly rental income and gross rental income of each Subsisting Lease for the Year (the "**Statement of Gross Rental Income**") from the Directors.

   (iii) The auditor compared the monthly rental income and gross rental income of each Subsisting Lease as shown in the summary of Subsisting Leases and the Statement of Gross Rental Income.

   (iv) The auditor recalculated the amounts of monthly rental income and gross rental income for the Year presented on the Statement of Gross Rental Income based on the information set out in the summary of Subsisting Leases and the formula stated in the Statement of Gross Rental Income.

(v) The auditor checked the arithmetic accuracy of the gross rental income shown in the statement of Gross Rental Income.

(vi) The auditor compared the gross rental income for the Year shown in the Statement of Gross Rental Income to the corresponding amount shown in the unaudited Profit and Loss Statement of the Purchased Assets.

The auditor has performed the above agreed-upon procedures set out in the relevant engagement letter between the Company and reported its factual findings based on the agreed-upon procedures to the Directors. Pursuant to the terms of the relevant engagement letter between the Company and the auditor, the reported factual findings should not be used or relied upon by any other parties for any purpose. In the opinion of the Directors, the Statement of Gross Rental Income has been properly compiled based on the summary of the Subsisting Leases.

The above procedures do not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA. Consequently, no assurance is provided by the auditor of the Company on the unaudited financial information of the Purchased Assets disclosed in this circular and the gross rental income for the Year.

(iii) **Estimation of the annual outgoings of the Purchased Assets**

According to the terms of some of the residential leases, heat, water and management fee are included in the amount of the rent. For the terms of some other residential leases, heat, water and management fee are not included in the rent. However, the Company has not been provided with any receipts for payments made by the Vendor in respect of the heat, water and management fee of the leased residential properties of the Purchased Assets. The amounts of electricity and tax in respect of the leased residential properties were not shown from the residential leases and the Company has not received any receipts for payments made by the Vendor in respect of such expenses.

According to the terms of some of the commercial leases, the operating expenses such as labour costs, maintenance fees and management fees in respect of the leased commercial properties will be first paid by the Vendor and then charged to the tenants based on the areas of the leased commercial properties. However, the Company has not been provided with any receipts for payments made by the Vendor in respect of such operating expenses of the leased commercial properties of the Purchased Assets.

According to the Management Agreement, the management fee payable by the Vendor to the manager of the Buildings:

a) in respect of the residential units of the Buildings, shall be an amount equal to 2.75% of the gross revenue (being the rents and any other income) from the Buildings which shall consist of the apartment units, as well as, the laundry, parking, locker and other common facilities of the Buildings accruing to the Vendor and actually received in respect of each month; and

b) in respect of the commercial units of the Buildings, shall be an amount equal to 4% of the total revenue received from all tenants of the commercial premises, including basic rent, any free rents, percentage rent, and cost recoveries for taxes, insurance, operating expenses and parking revenue.

As the Company has not been provided with the underlying books and records of the Vendor, the Company can only calculate the gross revenue based upon the basic rent shown on the Subsisting Leases to generate an estimate of the management fees in respect of the residential units and commercial units of the Buildings.

The estimated management fee per year in respect of the residential units of the Buildings is CAD$40,230 (equivalent to approximately HK$226,145), based on the calculation of 2.75% of CAD$1,462,925 (equivalent to approximately HK$8,223,540), being the basic rent of the residential units of the Buildings.

The estimated management fee per year in respect of the commercial units of the Buildings is CAD$34,670 (equivalent to approximately HK$194,890), based on the calculation of 4% of CAD$866,742 (equivalent to approximately HK$4,872,217), being the basic rent of the commercial units of the Buildings.

As the Company has not been provided with the underlying books and records, and profits and loss statement of the Purchased Assets by the Vendor despite the Company's request, and due to the inconsistent terms and conditions and variations found in the Subsisting Leases and that the Company has not been provided with any receipts for payments made by the Vendor in respect of the outgoing expenses, the Company is only able to provide an estimate of the annual outgoings relating to the leased properties of the Purchased Assets based on the above estimated management fee per year in respect of the residential units and commercial units of the Buildings. As mentioned, such estimations are only calculated based on the basic rent of the residential units and commercial units.

(iv) **Valuation of the Purchased Assets**

No valuation of the Purchased Assets for each of the financial year end within the Relevant Period has been disclosed herein as the Company has not been able to obtain the book value and valuation in respect of the Purchased Assets by the Vendor. However, a valuation report in respect of the Purchased Assets prepared by Burgess Cawley Sullivan & Associates Ltd. as at 20 January 2016 is available and is included in Appendix IV.

Having taken into account the above disclosures of financial information of the Purchased Assets in section (i) to (iv) above, and given that the Company has an intention to terminate the Subsisting Leases of the Purchased Assets after completion of the Transaction, the Directors consider the omission of a profit and loss statement for the Purchased Assets' net income stream for the Relevant Period would not render this circular materially incomplete, misleading or deceptive.

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The unaudited pro forma statement of assets and liabilities of the Group has been prepared based on the unaudited consolidated balance sheet of the Group as at 30 September 2015 and adjusted for the effects of the Transaction to illustrate how the Transaction might have affected the financial position of the Group as if the Transaction took place on 30 September 2015. The Unaudited Pro Forma Financial Information has been prepared by the Directors for illustrative purpose only and, because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Transaction been completed as at 30 September 2015 or at any future date. The Unaudited Pro Forma Financial Information should be read in conjunction with other financial information included elsewhere in this circular.

	Unaudited statement of assets and liabilities of the Group as at 30 September 2015	**Pro forma adjustments**	*Note*	**Unaudited pro forma statement of assets and liabilities of the Group after the Transaction**
	HK$'000	*HK$'000*		*HK$'000*
	(note 1)			
Non-current assets				
Property, plant and equipment	3,102,528			3,102,528
Interest in joint venture	—	205,964	(2,3)	205,964
Available-for-sale investments	168,875			168,875
Deferred income tax assets	4,638			4,638
	3,276,041			3,482,005
Current assets				
Inventories	15,294			15,294
Trade and other receivables	128,840			128,840
Financial assets at fair value through profit or loss	1,898,159			1,898,159
Bank balances and cash	166,958			166,958
	2,209,251			2,209,251

	Unaudited statement of assets and liabilities of the Group as at 30 September 2015	Pro forma adjustments	*Note*	Unaudited pro forma statement of assets and liabilities of the Group after the Transaction
	HK$'000	*HK$'000*		*HK$'000*
	(note 1)			
Current liabilities				
Trade and other payables	86,097			86,097
Dividend payable	15,704			15,704
Bank borrowings	580,076	205,964	(2,3)	786,040
Current income tax payable	12,970			12,970
	694,847			900,811
Net current assets	1,514,404			1,308,440
Total assets less current liabilities	4,790,445			4,790,445
Non-current liabilities				
Long term borrowings	1,373,986			1,373,986
Deferred income tax liabilities	47,301			47,301
	1,421,287			1,421,287
Net assets	3,369,158			3,369,158

Notes:

1. The unaudited statement of assets and liabilities of the Group is extracted from the unaudited consolidated balance sheet of the Group as at 30 September 2015 as set out in the published interim report of the Company for the six months ended 30 September 2015.

2. Pursuant to the Purchase and Sale Agreement, Assets Century agreed to acquire the Lands and Buildings in Vancouver, British Columbia as agent of the joint venture. The right, title and interest of Assets Century in and to the Purchase and Sale Agreement and all the development and other rights in respect of the Purchased Assets have now been assigned to the Limited Partnerships. The Limited Partnerships are effectively owned as to 40%, 28%, 20% and 12% by the Company, ITCP, XPEC and ATL or their respective nominated subsidiaries or nominees. The purchase consideration of the Lands and Buildings is CAD$170,100,000 (equivalent to approximately HK$956,183,130) and the aggregate maximum capital commitment of the JV Partners in respect of the Limited Partnerships is CAD$190,000,000 (equivalent to approximately HK$1,068,047,000). The maximum capital commitment of the Company is CAD$76,000,000 (equivalent to approximately HK$427,218,800) as the Limited Partnerships are effectively owned as to 40% by the Company.

3. Interest in joint venture

		CAD$'000
Purchase consideration		170,100
Transaction costs	(a)	1,500
Pledged deposits as collateral for bank borrowings through the Limited Partnerships		5,000
Financed by the aforementioned bank borrowings	(b)	(85,000)
		91,600
Equivalent to HK$'000		514,911
Group's interest (HK$'000)	40%	205,964

The Group's interest will be financed by the existing banking facilities of the Group. The interest in joint venture consists of equity investment in and advances to the joint venture. The proportion of equity investment and advances contributed by each JV Partner is mutually agreed by all JV Partners.

Notes:

(a) The transaction costs of approximately CAD$1,500,000 (equivalent to approximately HK$8,431,950) represent the estimated amounts of legal and professional fees and other expenses payable by the JV Partners in relation to the Transaction.

(b) The bank borrowings through the Limited Partnerships are guaranteed by the JV Partners as to their respective equity interest in the Limited Partnerships. The Group's portion of the guarantee is approximately CAD$34,000,000 (equivalent to approximately HK$191,124,200).

4. No adjustment has been made to reflect any operating results or other transactions of the Group entered into subsequent to 30 September 2015.

B. REPORT FROM THE REPORTING ACCOUNTANT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

pwc 羅兵咸永道

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

TO THE DIRECTORS OF ASIA STANDARD HOTEL GROUP LIMITED

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Asia Standard Hotel Group Limited (the "Company") and its subsidiaries (collectively the "Group"), taking into account of the formation of a joint venture and the acquisition of land (the "Transaction") by the directors for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of assets and liabilities as at 30 September 2015, and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages 22 to 24 of the Company's circular dated 15 April 2016, in connection with the Transaction. The applicable criteria on the basis of which the directors have compiled the Unaudited Pro Forma Financial Information are described on pages 22 to 24.

The Unaudited Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the Transaction on the Group's financial position as at 30 September 2015 as if the Transaction had taken place at 30 September 2015. As part of this process, information about the Group's financial position has been extracted by the directors from the Group's financial statements for the period ended 30 September 2015, on which no audit or review report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

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T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus", issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Transaction at 30 September 2015 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and

- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 15 April 2016

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from Burgess Cawley Sullivan & Associates Ltd., an independent professional valuer, in connection with the valuation as at 20 January 2016 of the Purchased Assets that has been held by the Company upon Closing Date.

BURGESS CAWLEY SULLIVAN & ASSOCIATES LTD.

ACCREDITED REAL ESTATE APPRAISERS, MARKET ANALYSTS, INVESTMENT AND PROPERTY TAX CONSULTANTS

April 7, 2016 Our Ref: A1512-730LA

Asia Standard Hotel Group Limited
30/F, Asia Orient Tower
No. 22 Lockhard Road
Wanchai
Hong Kong

Dear Sir:

Re: **EXECUTIVE SUMMARY: CURRENT MARKET VALUE OF HIGH DENSITY DEVELOPMENT SITE 1444 ALBERNI STREET AND 740 NICOLA STREET, VANCOUVER, B.C.**

Dear Sir:

We have completed our investigations and analyses of the above captioned property (the **Subject**) in order to estimate the current market value of the high density development site at 1444 Alberni Street and 740 Nicola Street, as of January 20, 2016. This letter is intended to provide an executive summary of the full narrative appraisal report contained within our files. This letter is intended to be used for reporting purposes; it may not be used for any other purpose. This report follows the International Valuation Standards published from time to time by the International Valuation Standards Council. The purpose of the report is to determine the current market value of the fee simple interest in the subject property as of the valuation date.

DEFINITION OF MARKET VALUE

"Market Value" is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

SCOPE OF INVESTIGATION

See Addendum A.

ASSUMPTIONS & LIMITING CONDITIONS

See Addendum B.

Extraordinary Limiting Conditions and Assumptions:

— We have relied upon the information provided by the commissioner of this report. Individual leases have not been reviewed. The subject property is envisioned for redevelopment to a higher overall density. All of the commercial leases currently in place at the subject property provide demolition clauses. The commissioner of this report expects one to two years for rezoning, followed by three to four years for development. Presales are expected to commence by the end of 2017, or early 2018.

— We did not obtain an opinion on the state of title or any of the encumbrances, are not qualified in these legal matters, and have not read any documents registered against title. A Summary of the title documents are included in Addendum C.

— This report, and the estimate of value contained herein, are contingent on there being no hazardous materials or waste on or in the site, and on the property's compliance with all requirements of authorities having jurisdiction over environmental matters.

PROPERTY STATISTICS

Civic Address: 1444 Alberni Street, 711 Broughton Street, & 740 Nicola Street, Vancouver, B.C.

Location: The property is comprised of two separate legal lots that form the entire south side of the 1400 block of Alberni Street, between Broughton and Nicola Streets.

Legal Identification:

1444 Alberni Street
Lot I (Explanatory Plan 10081), Block 43, District Lot 185, Plan 92.
PID #: 007-561-938.

740 Nicola Street
Lot 16, Block 43, District Lot 185, Plan 92.
PID #: 009-175-105.

Site:	Dimensions:	North Boundary:	330.4 ft.
		East Boundary:	131.0 ft.
		South Boundary:	330.4 ft.
		West Boundary:	131.0 ft.
	Total Area:	740 Nicola Street:	8,646 sq.ft.
		1444 Alberni:	34,584 sq.ft.
		Total:	43,230 sq.ft.
	Configuration:	Rectangular.	
	Topography:	Sloping downwards from southeast to northwest.	

Improvements: The subject represents two separate legal parcels that are improved with two separate developments. A high-rise mixed-use building comprised of a rental apartment component and multi-tenant office component located at Alberni and Broughton Streets and a multi-tenant low-rise class C office building located at Alberni and Nicola Streets. The years of construction for 740 Nicola and 1444 Alberni Streets are 1967 and 1970, respectively. All of the commercial leases currently in place at the subject property provide demolition clauses which would permit redevelopment to high density residential within the short term. The existing improvements generate a net operating income $2,040,276 per year; however, these improvements would be demolished prior to redevelopment.

ZONING AND LAND USE CONSIDERATIONS

Introduction: The subject is zoned Downtown District (Area B). The intention of this zoning is to develop the Downtown area as a whole and as an attractive and functional area for the benefit of the general public. Further details of this zoning are available in the City of Vancouver Official Bylaws.

Zoning Classification: Downtown District (DD) - Area B.

Maximum Density: 6.00 F.S.R.

Actual Built Density: 740 Nicola Street has been built to an 1.98 F.S.R. (estimated) and 1444 Alberni and 711 Broughton Streets have been built to a 3.72 F.S.R.

Maximum Height: The maximum height allowed for the subject area is 21.4m (300 ft.), however, the maximum height may be increased to a maximum of 152.4m (500 ft.) by the Development Permit Board noting the subject's location within the Central Business District Shoulder as per guidelines within the City Vancouver's General Policy for Higher Buildings.

Permitted Uses: Hotel, Light Industrial, Office Commercial, Other Commercial including Body-Rub Parlour, Parking Area and Parking Garage, Parks and Open Space, Public and Institutional, Residential, Retail Commercial, Social, and Recreational and Cultural including Casino — Class 1 and Bingo Hall.

Parking Requirements: For non-residential use, a minimum of one parking stall is required for every 145 sq.m. (1560.8 sq.ft.) of gross floor area and for residential use, a minimum of one parking stall is required for every 140 sq.m. of gross floor area or one parking stall per dwelling unit, whichever is the lesser of the two.

O.C.P. or Future Rezoning: The subject falls within an area defined as the Georgia Corridor which is located between West Georgia and Alberni Streets, from Denman to Burrard Streets. Considered the transition areas between key neighbourhoods and the Downtown, these are the areas of the West End where the majority of new housing and job space have been built over the past 40 years. They have a character similar to the Downtown, with mostly high-rise office, hotel, institutional, residential buildings, and are well served by transit service and amenities.

CAC Discussion: Public benefits would be required given that the City's Community Amenity Contributions (CAC) through Rezoning policy applies. As per the West End Community Plan, the proposal would undergo a negotiated approach in determining a CAC which would help support the public benefits strategy in the Plan. At the current stage, the estimated costs on the CAC, which has been reflected in the valuation, is considered to be supported.

Please refer to the full narrative report dated April 7, 2016, for the subject's full Community Amenity Contribution (CAC) analysis.

Summary: The subject is located within the Georgia Corridor, an area identified in the West End Community Plan that is in favour of development and higher density developments. Currently, the subject reflects outright permitted uses and are built to densities less than the maximum permitted FSR under the current subject zoning.

HIGHEST & BEST USE

Real Estate is valued in terms of its optimum or "highest and best use". Highest and best use is defined as:

"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value to the property".

As Improved:

Given the subject's location and surrounding developments, we are of the opinion that redevelopment to a residential project, and maximizing to the highest allowable density will deliver the greatest net return to the property.

As Vacant:

If the subject property was vacant and unimproved, and was able to be developed in today's market, it is our opinion that its highest and best use would be a mixed use development site, with primarily residential use with commercial at grade.

Sales History

Contained within our files.

APPROACHES TO VALUE

The Direct Comparison Approach is the generally preferred method of valuation. In instances where clear architectural plans are available for a proposed project, along with a detailed proforma, the Residual Method can be applied. The Residual Method has not been prepared as the subject presents a redevelopment opportunity in the early stages of planning, as a formal rezoning application has not yet been filed at the City. When valuing development land, the unit of comparison used is usually the **price per buildable square foot** which is based on a gross site buildable basis (FSR).

SUMMARY OF FINAL VALUE CONCLUSION

The full comparable sales and valuation analyses is contained within our files.

Final Value:	$170,000,000.
Exposure Time:	One to three months prior to the effective date of valuation.
Date of Value:	January 20, 2016.
Date of Inspection:	January 7, 2016.

CERTIFICATION

I certify, to the best of my knowledge and belief, that:

- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved;
- compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result or the occurrence of a subsequent event;
- the reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions;
- the statements of fact contained in this report are true and correct;
- my analyses, opinions and conclusions were developed, and this report has been prepared to the best of my knowledge and belief, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice of the Appraisal Institute of Canada;
- I have the knowledge and experience to complete the assignment competently;
- I made a personal inspection of the subject property at **1444 ALBERNI STREET AND 740 NICOLA STREET, VANCOUVER, B.C.** on January 7, 2016 and estimate a value, subject to the assumptions contained in the attached report, as at January 20, 2016, of $170,000,000;
- a detailed inspection to report building condition has not been carried out;
- I have fulfilled the requirements of the Appraisal Institute of Canada Mandatory Recertification Programme.

Stefan Lozinsky
CFA, AACI, P.App.

Ryan H. Wong
B.Comm, AACI, P.App

Ryan Wong is an accredited member of the Appraisal Institute of Canada (AIC) and has obtained the A.A.C.I. designation. Ryan has appraised a variety of properties including new mixed use strata projects, office buildings, industrial facilities, shopping centres and rental apartment buildings and he possesses over 15 years of experience in property valuation in Canada.

Stefan Lozinsky is an accredited member of the AIC and has appraised a wide array of residential and commercial real estate with a primary focus on retail, office, multi-family developments, and development land throughout British Columbia. Stefan possesses over 8 years of experience in property valuation in Canada.

ADDENDUM A - SCOPE OF INVESTIGATION

The scope of the appraisal encompasses the necessary research and analysis to prepare an appraisal report in accordance with the intended use, and the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) of the Appraisal Institute of Canada (AIC). CUSPAP was adopted on January 1, 2001 (Amended effective January 1, 2014) by the AIC, and is required to be followed by all members of the AIC for all appraisals.

In regard to the subject property, this involved the following steps:

1. Inspection of the subject property was undertaken on January 7, 2016. All photographs of the subject property were taken on that date.

2. Acquisition of Regional, City, District and Neighbourhood data from the City of Vancouver, Statistics Canada and other market sources.

3. Zoning and site information obtained from the City of Vancouver, the site plan and from a physical inspection of the property.

4. Review of information obtained from the City of Vancouver which includes such details on: taxes, building and development, regional and neighbourhood trends and land use policies.

5. Review of statistical data from the Land Registry, Canada Mortgage and Housing, the Multiple Listing Service (MLXchange) and information available from the British Columbia Assessment Authority.

6. Estimation of the highest and best use of the subject property.

7. The Direct Comparison Approach was used to estimate the value of the subject property. The Income and Cost Approaches were not used.

8. In developing the Direct Comparison Approach, market data was obtained from discussions with owners, managers and agents, municipal officials and others knowledgeable with properties similar to the subject or this sector of the market. This information is contained within our files.

9. Obtained income and expense information from the property owner or their representatives. This information is assumed to be accurate. No accounting audit has been done to this information. Individual leases of all tenants have not been reviewed.

10. Final Estimate of Market Value was prepared, subject to the Assumptions and Limiting Conditions of the Appraisal.

11. Completion of any technical surveys or investigations were not undertaken, such as:

    - detailed inspection of the structure, roof or mechanical systems;

- inspection of fire safety equipment;
- a survey of the site;
- investigations into the load bearing qualities of the soils;
- an environmental review of the property;
- environmental assessment of the land.

12. Final Value excludes all sub-surface (mineral, oil, etc.) rights, as well as timber rights, if any exist.

ADDENDUM B - ASSUMPTIONS & LIMITING CONDITIONS

- This letter is not valid unless original signatures are evident.
- The full appraisal report assumes that there is no change in the physical or leasable status of the subject property between the valuation date, inspection date and date of this report.
- A full narrative appraisal was prepared, dated April 7, 2016.
- It is assumed that there are no existing leases or financial encumbrances affecting the subject property as of the effective date of appraisal, unless expressly noted within this report.
- This summary letter has been prepared for the exclusive use of Asia Standard Hotel Group Ltd. Possession of this summary letter, or a copy thereof, does not carry with it the right to reproduction or publication, in whole or in part, nor may it be used for any purpose by any other than the recipient, without the written consent and approval of Burgess Cawley Sullivan and Associates Ltd.
- Neither all nor any part of the contents of this summary letter shall be disseminated or otherwise conveyed to the public through advertising media, public relations media, news media, sales media or any other media for public communication documentation without the prior written consent and approval of the firm, Burgess Cawley Sullivan and Associates Ltd.
- The title search is attached as an addendum to the full report. The individual documents outlined in the title search have neither been provided nor reviewed and it is assumed that, unless specifically indicated within this report, they would not have an impact upon value. If there are any concerns regarding these documents, we would advise the reader to obtain appropriate legal advice.
- Nothing in this summary letter is intended as a legal opinion as to the state of the title. The full narrative report is prepared on the premise that the property is free and clear of all liens or encumbrances, except as shown on the title search and interpreted herein, and on the assumption that the improvements do not encroach onto adjacent lands.

- We are not environmental consultants or geotechnical engineers and have not been provided with any soils surveys or other environmental studies on the subject property. As such, we do not know if the subject site and improvements are free of soil contamination or environmental problems. For the purpose of this report, it is assumed that the subject does not suffer from any environmental or geotechnical problems. The reader is cautioned that if such a problem were to exist, it could have an impact on value.

- The author is not a qualified land surveyor and no legal survey concerning the subject property has been provided. Site dimensions, areas, diagrams and photographs, etc., are presented in this report for the limited purpose of illustration and are not to be relied upon in themselves.

- No investigation has been undertaken with the local zoning office, the fire department, the building inspector, the health department or any other government regulatory agency unless such investigations are expressly represented to have been made in this report. The subject property must comply with such government regulations and, if it does not comply, its non-compliance may affect market value. To be certain of compliance, further investigation may be necessary.

- The analysis set out in this report relied upon written and verbal information of market transactions, data and statistics obtained from a variety of sources we considered reliable. A concerted effort was made to verify the accuracy of the information herein contained. Since this appraisal is not intended to be used for court purposes or arbitration, some of the information set out in this report may not have been fully documented or confirmed by reference to primary sources.

ADDENDUM C - CONDENSED TITLE SUMMARY

The following is a summary of all legal notations and charges, liens and interests registered against title to the Property as at February 11, 2016:

PID: 007-561-938
Lot I (Explanatory Plan 10081) Block 43 District Lot 185 Plan 92
("Lot I")

PID: 009-175-105
Lot 16 Block 43 District Lot 185 Plan 92
("Lot 16")

(Lot I and Lot 16 are collectively the legal descriptions of the "Property").

The title search dated February 11, 2016 shows that the registered owner of the Property is Alberni Street Nominee Ltd., Inc. No. BC0993876 (the "Registered Owner").

1. **Lot I is subject to the following encumbrances:**

   a. Notice of Interest CA3634428 filed 2014-03-17 (Remarks: Notice that Lot I is not bound by a lien unless requested by Registered Owner.)

b. Easement and Indemnity Agreement 469603M registered 1968-05-29 (Remarks: In favor City of Vancouver to encroach upon Lot 18 and Lot 19. Lot 17, 18, 19 and 20 were subsequently consolidated to create Lot I.)

c. Easement and Indemnity Agreement 486343M registered 1969-04-03 (Remarks: Lot 17 grants an easement over a portion of Lot 17 encroached upon by a 3 storey concrete building on Lot 16. Lot 17 is now a part of Lot I.)

d. Easement and Indemnity Agreement E36923 registered 1977-05-31 (Remarks: In favor of City of Vancouver to enter Lot I to remove utilities in the vicinity of a three commercial crossings.)

e. Mortgage CA3634457 registered on 2014-03-17 in favour of HSBC Bank Canada (Remarks: By HSBC Bank Canada for granting a mortgage secured against Lot I.)

f. Assignment of Rents CA3634458 registered on 2014-03-17 in favour of HSBC Bank Canada (Remarks: By HSBC Bank Canada for granting a mortgage secured against Lot I.)

2. **Lot 16 is subject to the following encumbrances:**

a. Notice of Interest CA3634430 filed 2014-03-17 (Remarks: Notice that Lot 16 is not bound by a lien unless requested by Registered Owner.)

b. Hereto is annexed Easement 486343M over part of the West ½ of Lot 17 in Explanatory Plan 10027 (Remarks: Easement permitting encroachment on adjoining land, Lot 17)

c. Easement and Indemnity Agreement 440228M registered 1967-01-13 (Remarks: In favor of City of Vancouver to enter Lot 16 to remove utilities in the vicinity of a commercial crossing.)

d. Mortgage CA3634457 registered on 2014-03-17 in favour of HSBC Bank Canada (Remarks: By HSBC Bank Canada for granting a mortgage secured against Lot 16.)

e. Assignment of Rents CA3634458 registered on 2014-03-17 in favour of HSBC Bank Canada (Remarks: By HSBC Bank Canada for granting a mortgage secured against Lot 16.)

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Directors' and chief executive's interests and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) 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 were taken or deemed to have under such provisions of the SFO); or (ii) were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or (iii) 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 Listing Rules were as follows:

(I) LONG POSITIONS IN SHARES

(a) The Company

Director	Number of Shares held Personal interest	Corporate interest	Total	Percentage of Shares in issue *(%)*
Poon Jing	50,830	1,150,365,205	1,150,416,035	73.25

Note: By virtue of Mr. Poon Jing's interest in the Company through AO and its subsidiaries as disclosed under the heading "Substantial shareholders and other persons' interests and short positions" below, Mr. Poon is deemed to be interested in the shares of all of the Company's subsidiaries.

(b) Associated corporations

Director	Associated corporation	Number of Shares held: Personal interest	Family interest	Corporate interest	Total	Percentage of Shares in issue *(%)*
Poon Jing	AO *(Note 1)*	269,194,664	5,233,013	142,871,744	417,299,421	50.34
	ASIGL *(Note 2)*	1,281,858	—	669,441,675	670,723,533	51.62
Poon Hai	AO	10,275,862	—	—	10,275,862	1.23
Fung Siu To, Clement	AO	15,191,190	—	—	15,191,190	1.83
	Mark Honour Limited	9	—	—	9	0.01

Notes:

1. By virtue of Mr. Poon Jing's controlling interest (50.34%) in AO, he is deemed to be interested in the Shares held by AO.

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

(II) LONG POSITIONS IN UNDERLYING SHARES

Interests in share options

(a) The Company

Details of the share options granted to the Directors under the share option scheme of the Company adopted on 28 August 2006 ("**Share Option Scheme**") are as follows:

Director	Date of grant	Exercise price *(HK$)*	Exercise period	Outstanding as at the Latest Practicable Date
Fung Siu To, Clement	29 March 2007	1.296	29 March 2007 to 28 March 2017	8,000,000
Lim Yin Cheng	2 April 2007	1.300	2 April 2007 to 1 April 2017	8,000,000
Woo Wei Chun, Joseph	2 April 2007	1.300	2 April 2007 to 1 April 2017	8,000,000

Director	Date of grant	Exercise price *(HK$)*	Exercise period	Outstanding as at the Latest Practicable Date
Poon Hai	11 December 2015	1.03	11 December 2015 to 10 December 2025	4,800,000
Poon Yeung, Roderick	11 December 2015	1.03	11 December 2015 to 10 December 2025	4,800,000

Note: 4,800,000 options have been granted on 11 December 2015 to each of Mr. Poon Hai and Mr. Poon Yeung, Roderick.

(b) Associated corporation — AO

Director	Outstanding as at the Latest Practicable Date
Lim Yin Cheng *(Note 1)*	2,126,301
Fung Siu To, Clement *(Note 1)*	2,126,301
Woo Wei Chun, Joseph *(Note 1)*	3,469,228
Poon Hai *(Note 2)*	3,500,000
Poon Yeung Roderick *(Note 2)*	3,500,000

Notes:

1. Options were granted on 29 March 2007 and exercisable during the period from 29 March 2007 to 28 March 2017 at an exercise price of HK$1.4315 (as adjusted) per share.

2. Options were granted on 11 December 2015 and exercisable during the period from 11 December 2015 to 10 December 2025 at an exercise price of HK$1.42 per share.

(c) Associated corporation — ASIGL

Director	Outstanding as at the Latest Practicable Date
Poon Hai	3,500,000
Poon Yeung, Roderick	3,500,000

Note: Options were granted on 11 December 2015 and exercisable during the period from 11 December 2015 to 10 December 2025 at an exercise price of HK$1.38 per share.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company and their respective associates was interested or was deemed to be interested in the long and short positions in the Shares, underlying shares and/or debentures of the Company or any of its associated corporations, which were required to be notified to the Company and the Stock Exchange under the SFO, recorded in the register required to be kept under Section 352 of the SFO or notified under the Model Code or otherwise known by the Directors.

Substantial Shareholders' and other persons' interests and short positions

As at the Latest Practicable Date, so far as was known by or otherwise notified to the Directors and chief executive of the Company, the particulars of the corporations or individuals (one being a Director) who had 5% or more interests in the following long and short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under Section 336 of the SFO ("**Register of Shareholders**") or were entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the Company ("**Voting Entitlement**") (i.e. within the meaning of Substantial Shareholders under the Listing Rules) were as follows:

LONG POSITIONS IN SHARES OF THE COMPANY

Shareholder	Number of Shares held	Percentage
		(%)
ASDHL	373,712,100	23.79
ASIL	728,180,083	46.36
ASIGL *(Note 1)*	1,102,916,383	70.23
Asia Orient Holdings (BVI) Limited *(Note 2)*	1,150,365,205	73.25
AO *(Note 3)*	1,150,365,205	73.25
Lo Yuk Sui ("Mr. Lo") *(Note 4)*	188,902,844	12.03
YSL International Holdings Limited ("YSL") *(Note 4)*	188,902,844	12.03
Century City International Holdings Limited ("CCIHL") *(Note 4)*	188,902,844	12.03
Paliburg Holdings Limited ("PHL") *(Note 4)*	188,902,844	12.03
Regal Hotels International Holdings Limited ("RHIHL") *(Note 4)*	188,902,844	12.03
Tenshine Limited ("Tenshine") *(Note 4)*	152,460,937	9.71

Notes:

1. ASDHL and ASIL are the wholly owned subsidiaries of ASIGL. ASIGL 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-half of the issued shares of ASIGL and are deemed to be interested in and duplicate the interest held by ASIGL.

3. Asia Orient Holdings (BVI) Limited is a wholly owned subsidiary of AO. AO is deemed to be interested in and duplicate the interest held by Asia Orient Holdings (BVI) Limited and its subsidiaries.

4. Based on the Disclosure of Interests Forms filed with the Company, Tenshine holds the 152,460,937 Shares as beneficial owner. RHIHL is deemed to be interested in an aggregate of 188,902,844 Shares, which comprise 152,460,937 Shares held by Tenshine and 36,441,907 Shares held by its indirect wholly-owned subsidiary and its immediate holding company. PHL is deemed to be interested in the 188,902,844 Shares held by RHIHL as PHL indirectly controls 66.76% of the voting power at the general meetings of RHIHL. CCIHL is deemed to be interested in the 188,902,844 Shares held by PHL as CCIHL indirectly controls 62.23% of the voting power at the general meeting of PHL. YSL is also deemed to be interested in the same 188,902,844 Shares held by CCIHL as YSL indirectly controls 50.89% of the voting power at the general meetings of CCIHL. Mr. Lo is also deemed to be interested in the same 188,902,844 Shares held by YSL as YSL is 100% controlled by Mr. Lo.

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any other corporation or individual (other than a Director or the chief executive of the Company) who had the Voting Entitlements or 5% or more interests or short positions in the Shares or underlying Shares as recorded in the Register of Shareholders.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which will not expire or be determinable by the relevant member of the Group within one year without payment of compensation (other than statutory compensation).

4. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against the members of the Group.

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective associates had any interest in a business which competes or may compete with the businesses of the Group (which would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them was a controlling shareholder of the Company).

6. INTEREST IN ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors or PricewaterhouseCoopers or Burgess Cawley Sullivan & Associates Ltd. had any interest, direct or indirect, in any assets which have been, since 31 March 2015 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, there is no contract or arrangement subsisting in which any of the Directors are materially interested and which is significant to the business of the Group.

7. MATERIAL CONTRACTS

The following contracts (being contracts entered into outside the ordinary course of business carried on by the Group) have been entered into by members of the Group within the two years immediately preceding the date of this circular:

(a) the Memorandum of Agreement;

(b) the Purchase and Sale Agreement; and

(c) the Transaction Documents.

8. QUALIFICATION AND CONSENT OF EXPERT

The following are the qualification of the experts who have been named in this circular or have given opinions or advice which are contained in this circular:

Name	Qualification
PricewaterhouseCoopers	Certified Public Accountants
Burgess Cawley Sullivan & Associates Ltd.	Professional Surveyors and Valuers

Each of PricewaterhouseCoopers and Burgess Cawley Sullivan & Associates Ltd. has given and has not withdrawn its written consent to the issue of the circular with the inclusion herein of its reports or letter or references to its name in the form and context in which they respectively appear.

None of PricewaterhouseCoopers and Burgess Cawley Sullivan & Associates Ltd. has any shareholding in any number of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

None of PricewaterhouseCoopers and Burgess Cawley Sullivan & Associates Ltd. had any direct or indirect interests in any assets which have since 31 March 2015 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to any members of the Group, or are proposed to be acquired or disposed of by or leased to any members of the Group.

9. GENERAL

(a) The address of the registered office of the Company is Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.

(b) Mr. Lee Tai Hay, Dominic is the company secretary of the Company. He is a fellow member of the Hong Kong Institute of Chartered Secretaries.

(c) The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(d) In case of inconsistency, the English text of this circular shall prevail over the Chinese text.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the principal office of the Company in Hong Kong at 30th Floor, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong for 14 days from the date of this circular:

(a) the Memorandum of Association and Bye-Laws of the Company;

(b) the material contracts referred to under the paragraph headed "Material Contracts" in this Appendix;

(c) the report on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix III;

(d) the property valuation report of Burgess Cawley Sullivan & Associates Ltd. as set out in Appendix IV to this circular;

(e) the letters of consent referred to under the section headed "Qualification and Consent of Expert" in this Appendix;

(f) the annual reports of the Company for the three years ended 31 March 2013, 2014 and 2015; and

(g) this circular.