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

If you have sold or transferred all your shares in Asia Standard 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).

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ASIA STANDARD HOTEL GROUP LIMITED

泛海酒店集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 292)

**GENERAL MANDATES TO
ISSUE SHARES AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A letter from the Board of Asia Standard Hotel Group Limited (the “**Company**”) is set out on pages 4 to 11 of this circular.

A notice convening the AGM of the Company to be held on Thursday, 8 September 2016 at Empire Grand Room, 1st Floor, Empire Hotel Hong Kong, 33 Hennessy Road, Wanchai, Hong Kong at 10:00 a.m. is set out on pages 29 to 34 of this circular. A form of proxy for use at the AGM is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk).

If you are not able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of such meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so desire.

* *For identification purposes only.*

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	4
1. Introduction	5
2. General Mandates	5
3. Re-election of Directors	6
4. Adoption of the New Share Option Scheme	6
5. Annual General Meeting	10
6. Voting by Poll	10
7. Additional Information	10
8. Responsibility Statement	10
9. Recommendation	11
APPENDIX I — EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE	12
APPENDIX II — BIOGRAPHICAL INFORMATION OF DIRECTORS TO BE RE-ELECTED AT THE AGM	15
APPENDIX III — PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME ...	18
NOTICE OF ANNUAL GENERAL MEETING	29

DEFINITIONS

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

“AGM”	the 2016 annual general meeting of the Company to be held on Thursday, 8 September 2016 at Empire Grand Room, 1st Floor, Empire Hotel Hong Kong, 33 Hennessy Road, Wanchai, Hong Kong at 10:00 a.m.;
“AO AGM”	the 2016 annual general meeting of Asia Orient to be held on Thursday, 8 September 2016 at Empire Grand Room, 1st Floor, Empire Hotel Hong Kong, 33 Hennessy Road, Wanchai, Hong Kong at 11:00 a.m.;
“AO Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of Asia Orient;
“AO Shareholder(s)”	the holder(s) of the AO Share(s) from time to time;
“Asia Orient”	Asia Orient Holdings Limited, an exempted company incorporated under the laws of Bermuda with limited liability whose AO Shares are listed on the Main Board of the Stock Exchange and the holding company of ASIGL;
“ASIGL”	Asia Standard International Group Limited, an exempted company incorporated under the laws of Bermuda with limited liability whose ASIGL Shares are listed on the Main Board of the Stock Exchange and the holding company of the Company;
“ASIGL AGM”	the 2016 annual general meeting of ASIGL to be held on Thursday, 8 September 2016 at Empire Grand Room, 1st Floor, Empire Hotel Hong Kong, 33 Hennessy Road, Wanchai, Hong Kong at 10:30 a.m.;
“ASIGL Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of ASIGL;
“ASIGL Shareholder(s)”	the holder(s) of the ASIGL Share(s) from time to time;
“Associate”	has the same meanings as defined in Rule 14A.06(2) of the Listing Rules;
“Board”	the board of Directors;
“Bye-Laws”	the bye-laws of the Company as amended from time to time;
“Close Associates”	has the same meanings as defined in Rule 1.01 of the Listing Rules;

DEFINITIONS

“Company”	Asia Standard Hotel Group Limited, an exempted company incorporated under the laws of Bermuda with limited liability whose Shares are listed on the Main Board of the Stock Exchange;
“Connected Person”	has the same meanings as defined in Rule 14A.06(7) of the Listing Rules;
“Core Connected Person”	has the same meanings as defined in Rule 1.01 of the Listing Rules;
“Corporate Governance Code”	the corporate governance code as set out in Appendix 14 to the Listing Rules;
“Directors”	the directors of the Company;
“Eligible Participants”	any persons who satisfy the eligibility criteria for participating in the New Share Option Scheme as set out in such scheme;
“Existing Share Option Scheme”	the existing share option scheme adopted by the Company on 28 August 2006;
“General Mandates”	the Share Issue Mandate and the Repurchase Mandate to be sought at the AGM as set out in the Notice of AGM;
“Grantees”	Eligible Participants who accept the offer of Options in accordance with the terms of the New Share Option Scheme or their personal representatives entitled to any such Options in consequence of the death of the original Grantees;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Invested Entity”	any entity in which the Company or any of its Subsidiaries holds any interest;
“Latest Practicable Date”	26 July 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

DEFINITIONS

“Memorandum of Association”	the memorandum of association of the Company;
“New Share Option Scheme”	the new share option scheme of the Company proposed to be approved and adopted by the Shareholders at the AGM, a summary of the principal terms of which is set out in Appendix III to this circular;
“Notice of AGM”	the notice convening the AGM as set out on pages 29 to 34 of this circular;
“Option(s)”	share option(s) to subscribe for new Shares granted pursuant to the New Share Option Scheme;
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the AGM to repurchase Shares not exceeding 10% of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution approving such grant, as described in the explanatory statement set out in Appendix I to this circular;
“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;
“Share Issue Mandate”	a general mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution approving such grant;
“Shareholder(s)”	the registered holder(s) of the Share(s) from time to time;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supplementary Guidance”	the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 and any guidance and interpretation issued from time to time by the Stock Exchange relating to the share option schemes;
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs; and
“%”	per cent.

LETTER FROM THE BOARD



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

29 July 2016

To the Shareholders

Dear Sirs,

**GENERAL MANDATES TO
ISSUE SHARES AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

* For identification purposes only

LETTER FROM THE BOARD

1. INTRODUCTION

The purpose of this circular is to provide information to the Shareholders as required by the Stock Exchange on the resolutions to be proposed at the AGM relating to:

- (1) the grant of the General Mandates to the Directors;
- (2) the re-election of the retiring Directors; and
- (3) the adoption of the New Share Option Scheme.

This circular will further give the Shareholders the Notice of AGM at which resolutions approving the above proposals will be considered and voted upon.

2. GENERAL MANDATES

At the annual general meeting of the Shareholders held on 2 September 2015, approval was given by the Shareholders for the granting to the Directors of, *inter alia*, general mandates to (i) repurchase Shares on the Stock Exchange up to 10% of the aggregate nominal amount of the issued share capital of the Company; and (ii) allot and issue Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution. In accordance with the terms of the approval, these general mandates will shortly expire on 8 September 2016 upon the conclusion of the forthcoming AGM. To keep in line with current corporate practice, the grant of fresh general mandates for the same purpose is being sought from the Shareholders and ordinary resolutions to grant the General Mandates to the Directors will be proposed at the forthcoming AGM. The explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the proposed ordinary resolution on the Repurchase Mandate is set out in Appendix I to this circular.

An ordinary resolution will also be proposed at the AGM to approve the addition to the Share Issue Mandate such number of Shares purchased by the Company in accordance with the Repurchase Mandate.

As at the Latest Practicable Date, the total number of Shares in issue was 1,570,386,829 Shares. Assuming that there is no issue of Shares or any repurchase of Shares from the Latest Practicable Date up to the date of the AGM, the number of Shares that can be issued pursuant to the Share Issue Mandate and that can be purchased by the Company under the Repurchase Mandate will be 314,077,365 and 157,038,682 Shares respectively, representing 20% and 10%, respectively, of the Company's issued share capital as at the date of the AGM.

The Share Issue Mandate is conditional upon (a) the passing of an ordinary resolution of the Shareholders at the AGM approving the grant of the Share Issue Mandate; (b) the passing of an ordinary resolution by the ASIGL Shareholders at the ASIGL AGM approving the grant of the Share Issue Mandate to the Directors; and (c) the passing of an ordinary resolution by the AO Shareholders at the AO AGM approving the grant of the Share Issue Mandate to the Directors.

LETTER FROM THE BOARD

The General Mandates if granted to the Directors will be valid for the period from the date of passing of the relevant resolutions up to the conclusion of the next annual general meeting in 2017, or the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws or any applicable laws to be held, or the revocation or variation of the General Mandates by an ordinary resolution of the Shareholders in a general meeting of the Company, whichever of these three events occurs first.

3. RE-ELECTION OF DIRECTORS

In accordance with Bye-Law 99, Mr. Woo Wei Chun, Joseph and Mr. Hung Yat Ming are the one-third of the Directors (other than the Chairman of the Board and the Managing Director) for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) whom shall retire from office by rotation at the AGM. In compliance with the Corporate Governance Code, Mr. Poon Jing shall also be subject to retirement. In addition, Mr. Poon Yeung, Roderick was appointed by the Board with effect from 11 December 2015. In compliance with the relevant provisions of the Bye-Laws, Mr. Poon Yeung, Roderick shall retire at the next annual general meeting of the Company after his appointment but will then be eligible for re-election. Accordingly, the Directors retiring at the AGM are Mr. Poon Jing, Mr. Poon Yeung, Roderick, Mr. Woo Wei Chun, Joseph and Mr. Hung Yat Ming, whom, being eligible, will offer themselves for re-election. As required by the Listing Rules, the biographical information of the above Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

Mr. Hung Yat Ming has served as an independent non-executive Director for more than nine years. In addition to his confirmation of independence pursuant to Rule 3.13 of the Listing Rules, Mr. Hung continues to demonstrate the attributes of an independent non-executive Director and there is no evidence that his tenure has had any impact on his independence. Mr. Hung is not involved in the daily management of the Group nor in any relationships or circumstances which would interfere with the exercise of his independent judgment. The Board is therefore of the opinion that Mr. Hung remains independent and believes that his professional knowledge and experience continue to generate significant contribution to the Company and the Shareholders as a whole. Accordingly, the Board recommends him for re-election at the AGM.

Save for the information set out in Appendix II to this circular, there is no information to be disclosed pursuant to any of the requirement of the provisions under Rule 13.51(2) of the Listing Rules nor are there any matters that need to be brought to the attention of the Shareholders in relation to the re-election of the retiring Directors.

4. ADOPTION OF THE NEW SHARE OPTION SCHEME

(1) General

At the AGM, an ordinary resolution will be proposed for the Company to approve the adoption of the New Share Option Scheme as the new share option scheme of the Company pursuant to which the Eligible Participants may be granted Options to subscribe for Shares and subject to the terms and conditions of the provisions of the New Share Option Scheme.

LETTER FROM THE BOARD

A summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular. A copy of the New Share Option Scheme is available for inspection at the Company's head office at 30th Floor, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong during normal business hours from the date of this circular up to and including 8 September 2016 and at the AGM.

The Existing Share Option Scheme was adopted by the Company on 28 August 2006. Under the terms of the Existing Share Option Scheme, the Existing Share Option Scheme would remain in force for a period of 10 years from the date of its adoption and will expire on 27 August 2016. The Company had no other subsisting share option scheme as at the Latest Practicable Date. Pursuant to the Existing Share Option Scheme, options to subscribe for an aggregate of up to 10% of the issued share capital of the Company as at the adoption date of the Existing Share Option Scheme could be granted and accordingly the Company has granted options to subscribe for a total of 103,600,000 Shares under the Existing Share Option Scheme to the eligible grantees, of which (a) options to subscribe for 1 Share (being 9 Shares prior to the consolidation of the Shares based on the ratio of 10 to 1 on 9 September 2009) was exercised; (b) options to subscribe for 15,000,000 Shares were cancelled or lapsed; and (c) options to subscribe for 88,599,999 Shares remained outstanding and the exercisable period of such options to subscribe for such 88,599,999 Shares will expire latest by 10 December 2025.

The New Share Option Scheme is conditional upon (a) the passing of an ordinary resolution by the AO Shareholders at the AO AGM approving the adoption of the New Share Option Scheme; (b) the passing of an ordinary resolution by the ASIGL Shareholders at the ASIGL AGM approving the adoption of the New Share Option Scheme; and (c) the passing of an ordinary resolution by the Shareholders at the AGM approving the adoption of the New Share Option Scheme and authorising the Board to grant Options to subscribe for Shares thereunder and to allot and issue Shares pursuant to the exercise of any Options granted under the New Share Option Scheme. No Shareholders are required to abstain from voting in favour of the resolution to approve the New Share Option Scheme. The grant of Options under the New Share Option Scheme is conditional upon the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares which may fall to be issued upon the exercise of subscription rights attaching to the Options to be granted under the New Share Option Scheme.

(2) Reasons for the adoption of the New Share Option Scheme

The Board considers that in order to attract, retain and motivate employees, including directors, to strive for the future development of the Group, it is important that the Group should continue to provide them with an additional incentive and encouragement by offering them an opportunity to obtain an ownership interest in the Company and to enjoy the results of the Company attained through their efforts and contributions.

The Board further considers that in order to enable the Group to motivate the Eligible Participants, other than employees or directors of the Company, to utilise their performance and efficiency for the benefit of the Group and to attract and retain or otherwise maintain an ongoing relationship with the Eligible Participants whose contributions are or will be beneficial to the long term growth of the Group, it is important that the Group should be permitted to provide them, where appropriate, with an additional incentive by also offering them an opportunity to obtain an ownership

LETTER FROM THE BOARD

interest in the Company and to reward them for contributing to the success of the business of the Group. By offering the Options to the Eligible Participants upon such terms as may be permitted under the New Share Option Scheme, such Eligible Participants may exercise their Options at any time within the option period, where applicable, subject to any terms of the grant of such Options, to acquire a monetary gain or ownership interest in the Company which may in turn provide a further incentive to them for advancing their performance.

In view of the above, the Board considers, and the Board agrees that the adoption of the New Share Option Scheme is in the best interests of the Company and the Shareholders as a whole. The Board therefore proposes to recommend to the Shareholders at the AGM to approve the adoption of the New Share Option Scheme.

(3) How the terms of the New Share Option Scheme will serve the purpose of the New Share Option Scheme

The New Share Option Scheme sets out the basis of eligibility of the Eligible Participants, who include directors (whether executive, non-executive or independent non-executive directors), employees (whether full time or part time employees), consultants, customers, suppliers, agents, partners or advisers of or contractors to the Group or any Invested Entity. All of these individuals are stakeholders of the Group whose quality of performance, service, product or advice (where appropriate) may directly or indirectly affect the operation and performance of the Group or any Invested Entity. Since an Invested Entity contributes to the profitability of the Group in the form of investment of minority interest, the quality of operation and performance of both the Group and any Invested Entity would play an important role in maintaining the overall profitability of the Group. The Board will assess the eligibility of the Eligible Participants based on their individual performance, time commitment, responsibilities and employment conditions according to the prevailing market practice and industry standard; or where appropriate, contribution to the profits of the Group during the financial year. The Board believes that by offering these Eligible Participants an opportunity to obtain an ownership interest in the Company, the Company can provide them with an additional incentive and encouragement which is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

In addition, the New Share Option Scheme does not specify a minimum period for which an Option must be held nor a performance target which must be achieved before an Option can be exercised. However, the Board may, at its sole discretion, determine such terms and impose such other restrictions on the grant of an Option. The New Share Option Scheme also sets out the basis of determining the exercise price of an Option. Subject to the Listing Rules, the Board has the discretion in determining the exercise price in respect of any Option.

The Directors therefore believe that the aforesaid criteria and rules will enable the Directors to properly operate and regulate the New Share Option Scheme and thus help serve the purpose of the New Share Option Scheme and to preserve the value of the Company.

LETTER FROM THE BOARD

(4) Valuation of the Options

The Directors believe that any calculation of the fair value of the Options as at the Latest Practicable Date before the Options are actually granted would not be meaningful and would be misleading to the Shareholders, because any valuation of the fair value of the Options would have to be based on the circumstances as at the Latest Practicable Date, but Options would not be granted until the New Share Option Scheme is approved, which will be after the Latest Practicable Date. Given also the fact that there are various factors relevant to each individual grant, such as the timing of grant, the subscription price, the vesting period (if any) and any other conditions that the Board may impose on the Options, such valuation figure cannot be relied upon as being an accurate measure of the fair value of all Options that may, in the future, be granted.

(5) Maximum number of Shares available for subscription

Subject to the adoption of the New Share Option Scheme by the Shareholders at the AGM, the total number of Shares which may be issued upon the exercise of all the Options to be granted under the New Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 10% of the total issued Shares as at the date of adoption of the New Share Option Scheme. Based on 1,570,386,829 Shares in issue as at the Latest Practicable Date and assuming that there is no change in the issued share capital of the Company before the AGM, the maximum number of Shares to be issued upon the exercise of Options that may be granted under the New Share Option Scheme is 157,038,682 Shares (“**Scheme Mandate Limit**”). The Company may seek approval of the Shareholders in general meetings to refresh the Scheme Mandate Limit. Notwithstanding that the Scheme Mandate Limit may be refreshed, the Board shall not grant Options which would result in the maximum aggregate number of Shares which may be issued upon exercise of all the outstanding Options granted but yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company exceeding, in aggregate, 30% of the issued share capital of the Company from time to time.

(6) Application for listing

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

As the public float of the Company remains below the minimum 25% requirement as required by Rule 8.08(1)(a) of the Listing Rules, trading in the Shares have remained suspended. The approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the Options may not be granted by the Stock Exchange prior to the restoration of the public float of the Company.

(7) Compliance with the Listing Rules

The provisions of the New Share Option Scheme will comply with the requirements of Chapter 17 of the Listing Rules. Information required under Rule 17.07 of the Listing Rules will be disclosed in the annual report and interim report of the Company. Information required under Rule 17.09 of the Listing Rules will also be disclosed in the annual report of the Company.

LETTER FROM THE BOARD

None of the Directors is a trustee of the New Share Option Scheme or has any direct or indirect interest in such trustee.

5. ANNUAL GENERAL MEETING

The Notice of AGM (as appearing on pages 29 to 34 of this circular) sets out the proposed resolutions for the approval of (a) the granting of the General Mandates to the Directors and adding the number of Shares repurchased by the Company to the Share Issue Mandate; (b) the re-election of Directors; and (c) the adoption of the New Share Option Scheme.

A form of proxy is herewith enclosed for use at the AGM. If you are not able to attend the AGM in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time fixed for holding the AGM. Completion and deposit of the form of proxy will not preclude you from attending and voting at the AGM or any adjourned meeting if you so wish.

6. VOTING BY POLL

Pursuant to Rule 13.39 of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the Chairman of the AGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted upon by a show of hands. The Chairman of the AGM will therefore demand a poll for every resolution put to the vote of the AGM in accordance with Bye-Law 70 of the Bye-Laws.

The results of the poll will be published after the conclusion of the AGM on the websites of the Stock Exchange (www.hkexnews.hk) and of the Company (www.asiastandardhotelgroup.com).

7. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Explanatory Statement on the Repurchase Mandate), Appendix II (Biographical Information of Directors to be Re-elected at the AGM) to this circular and Appendix III (Principal Terms of the New Share Option Scheme).

8. 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.

LETTER FROM THE BOARD

9. RECOMMENDATION

The Directors believe that the proposed resolutions as set out in the Notice of AGM are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of all relevant resolutions to be proposed at the AGM.

Yours faithfully,
For and on behalf of
ASIA STANDARD HOTEL GROUP LIMITED
Lim Yin Cheng
Deputy Chairman

This appendix serves as the explanatory statement required to be sent to the Shareholders by the Listing Rules in connection with the repurchase by companies with a primary listing on the Stock Exchange of their own securities. The intention of this explanatory statement is to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the proposed Repurchase Mandate to be granted to the Directors, which relates to the Shares.

1. FUNDING OF REPURCHASE

It is envisaged that repurchase will be funded entirely from the Company's available cash flow or working capital facilities which are funds otherwise available for dividend or distribution and thus legally available for such purpose in accordance with the provisions of the Memorandum of Association and the Bye-Laws and the laws of Bermuda. There might be a material adverse impact on the working capital or gearing levels of the Company (as compared with the position disclosed in the financial statement for the year ended 31 March 2016) in the event the Repurchase Mandate was exercised in full at any one time. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

2. REASONS FOR REPURCHASE

Repurchases of securities will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its earnings and/or its net assets per Share.

3. EXERCISE OF THE REPURCHASE MANDATE

As at the Latest Practicable Date, the total number of Shares in issue was 1,570,386,829 Shares. Subject to the passing of Ordinary Resolution no. 5B set out in the Notice of AGM approving the Repurchase Mandate on the basis of 1,570,386,829 Shares in issue at the date of the AGM (assuming no further Shares are issued or repurchased by the Company after the Latest Practicable Date and up to the date of passing such resolution), the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 157,038,682 Shares, being 10% of the total number Shares, during the period from the passing of the resolution granting the Repurchase Mandate up to the conclusion of the next annual general meeting or the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws or any relevant laws to be held or when revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company, whichever occurs first.

4. SHARE PRICES

In each of the previous twelve months before the Latest Practicable Date, the highest and lowest traded prices for the Shares on the Stock Exchange were as follows:

	Traded Market Price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2015		
July	1.39	0.96
August	1.11	0.95
September	1.01	0.90
October	0.98	0.91
November	0.96	0.90
December	1.37	0.89
2016		
January	suspended	suspended
February	suspended	suspended
March	suspended	suspended
April	suspended	suspended
May	suspended	suspended
June	suspended	suspended
July (up to the Latest Practicable Date)	suspended	suspended

5. UNDERTAKING

(a) Directors, their Close Associates and Core Connected Person

None of the Directors nor, to the best of the knowledge and belief of the Directors, having made all reasonable enquiries, any of their respective Close Associates, has any present intention, in the event that the proposed Repurchase Mandate is approved by the Shareholders, to sell securities to the Company.

No Core Connected Person of the Company has notified the Company that he/she has a present intention to sell securities to the Company nor has he/she undertaken not to sell any of the securities held by him/her to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

(b) Undertaking of the Directors

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make purchase pursuant to the Repurchase Mandate and in accordance with the Listing Rules and all applicable laws of Bermuda and in accordance with the Memorandum of Association and the Bye-Laws.

(c) Effect of Takeovers Code

If as a result of a repurchase of securities, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. To the best of the knowledge of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, Asia Orient and ASIGL, in which Asia Orient has a controlling interest, together held 1,346,158,049 Shares, representing approximately 85.72% of the issued capital of the Company. Mr. Poon Jing (an Executive Director and having a controlling interest in Asia Orient) is personally interested in 50,830 Shares, representing approximately 0.003% of the issued capital of the Company. Assuming the full exercise of the power under the Repurchase Mandate (and if the present shareholdings remain the same), the interest of Asia Orient, ASIGL and Mr. Poon Jing in the issued share capital of the Company will be increased to approximately 95.25%. The exercise of the Repurchase Mandate in full would not result in Asia Orient or ASIGL or Mr. Poon Jing becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

However, as at the Latest Practicable Date, there were 224,177,950 Shares of the Company, representing approximately 14.287% of the total issued share capital of the Company held by the public. The public float of the Company fell below the minimum requirement of 25% as required by the Listing Rules. As at the date of this circular, the Company has not restored the prescribed minimum public float of not less than 25% of the Company's issued shares under the Listing Rule.

As such, the Directors have no intention to exercise the repurchase mandate to such an extent that will result in a further decrease in the public float of the Company or the number of Shares in the hands of the public falling below the prescribed minimum percentage of 25% after it has been restored.

6. SHARE PURCHASE MADE BY THE COMPANY

No purchase of the Shares has been made by the Company during the six months prior to the Latest Practicable Date (whether on the Stock Exchange or otherwise).

Pursuant to the Listing Rules, the biographical and other details of the retiring Directors standing for re-election at the AGM are set out below:

POON Jing — Executive Director

Poon Jing, aged 61, is the Chairman and an Executive Director of the Company. He is also the Chief Executive, the Managing Director and an Executive Director of ASIGL and Asia Orient. He is also a Director of certain subsidiaries of the Company. He is the founder of the Group. Mr. Poon is the father of Mr. Poon Hai and Mr. Poon Yeung, Roderick, both of them are the Executive Directors of the Company. He is also the brother-in-law of Dr. Lim Yin Cheng and Mr. Fung Siu To, Clement, the Deputy Chairman and an Executive Director of the Company respectively.

As at the Latest Practicable Date, Mr. Poon had interests in 1,346,208,879 Shares (including 50,830 Shares as beneficial owner and 1,346,158,049 Shares through his interest in controlled corporations). He had interests in 417,299,421 AO Shares (including 269,194,664 AO Shares as beneficial owner, 5,233,013 AO Shares through his family interest and 142,871,744 AO Shares through his interest in controlled corporations). He also had interests in 670,723,533 ASIGL Shares (including 1,281,858 ASIGL Shares as beneficial owner and 669,441,675 ASIGL Shares through his interest in controlled corporations). Save as disclosed above, Mr. Poon did not have any interest in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date. There is no service contract between the Company and Mr. Poon. He is entitled to remuneration and other benefits from time to time to be reviewed by the Board with reference to his experience and remuneration level in the industry together with his work and contribution to the Company. During the financial year ended 31 March 2016, Mr. Poon received emolument in the total amount of HK\$8,055,240. Mr. Poon is not appointed for a specific term and is subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Bye-Laws.

Save as disclosed above, (a) Mr. Poon did not hold any directorships in other listed public companies in the past three years; (b) he does not have any relationship with any other directors, senior management or substantial shareholder of the Company; (c) there is no other information which is discloseable pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and (d) there are no other matters that need to be brought to the attention of the Shareholders.

POON Yeung, Roderick — Executive Director

Poon Yeung, Roderick, aged 27, was appointed as an Executive Director of the Company on 11 December 2015. Before that, Mr. Poon is a Director of certain subsidiaries of the Company. He is also an Executive Director, the Development Manager of ASIGL and Asia Orient. Mr. Poon holds a Bachelor of Commerce degree with a major in Real Estate from the University of British Columbia. He is responsible for the Group's project management, investment and business development. Mr. Poon is the son of Mr. Poon Jing and the brother of Mr. Poon Hai, the Chairman and an Executive Director of the Company respectively. He is also the nephew of Dr. Lim Yin Cheng and Mr. Fung Siu To, Clement, the Deputy Chairman and Chief Executive and an Executive Director of the Company respectively. He joined the Group in 2012.

As at the Latest Practicable Date, Mr. Poon held options to subscribe for 4,800,000 Shares at the subscription price of HK\$1.03 per Share, options to subscribe for 3,500,000 ASIGL Shares at the subscription price of HK\$1.38 per ASIGL Share and options to subscribe for 3,500,000 AO Shares at the subscription price of HK\$1.42 per AO Share. Save as disclosed above, Mr. Poon did not have any interest in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date. There is no service contract between the Company and Mr. Poon. No Director's fee is payable to Mr. Poon for his service as an Executive Director but he is entitled to discretionary bonus and other benefits from time to time to be reviewed by the Board with reference to his experience and remuneration level in the industry together with his work and contribution to the Company. During the financial year ended 31 March 2016, Mr. Poon received emolument in the total amount of HK\$7,512,418 from ASIGL. Mr. Poon is not appointed for a specific term and is subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Bye-Laws.

Save as disclosed above, (a) Mr. Poon did not hold any directorships in other listed public companies in the past three years; (b) he does not have any relationship with any other directors, senior management or substantial shareholder of the Company; (c) there is no other information which is discloseable pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and (d) there are no other matters that need to be brought to the attention of the Shareholders.

WOO Wei Chun, Joseph — Executive Director

Woo Wei Chun, Joseph, aged 52, is an Executive Director and the Group Financial Controller of the Company. He is also a Director of certain subsidiaries of the Company. Mr. Woo is qualified as a U.S. Certified Public Accountant (Illinois) and is an associate member of The Hong Kong Institute of Certified Public Accountants. He holds a bachelor degree in Accounting with Computing and a master degree in Business Administration. Mr. Woo has over 25 years of experience in accounting and finance. He joined the Group in 2006.

As at the Latest Practicable Date, Mr. Woo held options to subscribe for 8,000,000 Shares at the subscription price of HK\$1.30 per Share and options to subscribe for 3,469,228 AO Shares at the subscription price of HK\$1.4315 per AO Share. Save as disclosed above, Mr. Woo did not have any interest in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date. There is no service contract between the Company and Mr. Woo. He is entitled to remuneration and other benefits from time to time to be reviewed by the Board with reference to his experience and remuneration level in the industry together with his work and contribution to the Company. During the financial year ended 31 March 2016, Mr. Woo received emolument in the total amount of HK\$1,368,000. Mr. Woo is not appointed for a specific term and is subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Bye-Laws.

Save as disclosed above, (a) Mr. Woo did not hold any directorships in other listed public companies in the past three years; (b) he does not have any relationship with any other directors, senior management or substantial shareholder of the Company; (c) there is no other information which is discloseable pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and (d) there are no other matters that need to be brought to the attention of the Shareholders.

HUNG Yat Ming — Independent Non-executive Director

Hung Yat Ming, aged 64. Mr. Hung has over 30 years of experience in audit, accounting and financial management in several firms in Sydney and Hong Kong and is a financial controller of a Hong Kong listed company. Mr. Hung is a member of The Institute of Chartered Accountants of Scotland and The Hong Kong Institute of Certified Public Accountants. He graduated from The University of Hong Kong with a bachelor degree in Mathematics and obtained a post-graduate diploma in Accountancy from University of Strathclyde, Scotland. Mr. Hung is an independent non-executive Director and the Chairman of the Audit Committee and the Remuneration Committee of the Company. He is also an independent non-executive Director, the Chairman of the Audit Committee and a member of the Remuneration Committee of Asia Orient. He is also an independent non-executive Director of Hong Kong Life Sciences and Technologies Group Limited, a company listed on the Growth Enterprise Market of the Stock Exchange. He joined the Group in 2004.

He was an Independent Non-executive Director and a member of the Audit Committee and Remuneration Committee of SMI Publishing Group Limited (“SMI”) from 3 September 2008 to 5 August 2011. SMI received a winding-up petition on 23 November 2009 for an alleged sum of HK\$1,693,747.33. The petition was heard at the High Court of Hong Kong on 20 January 2010 and was dismissed on 25 January 2010. Based on the information published by SMI, SMI was incorporated in the Cayman Islands with limited liability whose shares are listed on the Growth Enterprise Market of the Stock Exchange. It is principally engaged in the publication of newspapers and books and the provision of advertising and promotion services.

As at the Latest Practicable Date, Mr. Hung did not hold any interest in the Shares within the meaning of Part XV of the SFO. There is no service contract between the Company and Mr. Hung. He is entitled to a director’s fee, the amount of which is to be determined by the Board with reference to his experience together with his work and contribution to the Company. During the financial year ended 31 March 2016, Mr. Hung received a director’s fee of HK\$150,000. Mr. Hung is not appointed for a specific term and is subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Bye-Laws.

Save as disclosed above, (a) Mr. Hung did not hold any directorships in other listed public companies in the past three years; (b) he does not have any relationship with any other directors, senior management or substantial shareholder of the Company; (c) there is no other information which is discloseable pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and (d) there are no other matters that need to be brought to the attention of the Shareholders.

NEW SHARE OPTION SCHEME

The following is a summary of the principal terms of the New Share Option Scheme proposed to be approved at the AGM.

1. (a) The New Share Option Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions which the Eligible Participants have made or will make to the Group or any Invested Entity.
- (b) The New Share Option Scheme will provide the Eligible Participants with an opportunity to have a personal stake in the Company with a view to motivating the Eligible Participants to utilise their performance and efficiency for the benefit of the Group or any Invested Entity; and attracting and retaining or otherwise maintaining an ongoing relationship with the Eligible Participants whose contributions are or will be beneficial to the long term growth of the Group or any Invested Entity.
2. The Board may at its discretion grant Options to:
 - (a) any director (whether executive, non-executive or independent non-executive director), employee (whether full time or part time employee), consultant, customer, supplier, agent, partner or advisers of or contractor to the Group or any Invested Entity;
 - (b) any discretionary trust whose discretionary objects include any director (whether executive, non-executive or independent non-executive director), employee (whether full time or part time employee), consultant, customer, supplier, agent, partner or adviser of or contractor to the Group or any Invested Entity; and
 - (c) a company beneficially owned by any director (whether executive, non-executive or independent non-executive director), employee (whether full time or part time employee), consultant, customer, supplier, agent, partner or adviser of or contractor to the Group or any Invested Entity.

The basis of eligibility of any of the above classes of Eligible Participants to the grant of any Options shall be determined by the Board from time to time on the basis of their contribution to the development and growth of the Group or any Invested Entity (which would contribute to the investment in minority interest of the Group), based on the Board's assessment of their individual performance, time commitment, responsibilities and employment conditions according to the prevailing market practice and industry standard; or where appropriate, contribution to the profits of the Group during the financial year.

3. The overall limit on the number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes for the time being of the Company shall not, in aggregate, exceed such number of Shares as equals 30% of the Shares in issue from time

to time, subject to the conditions set out below. As at the Latest Practicable Date, such 30% represented 471,116,048 Shares. No Option may be granted under the New Share Option Scheme or any other share option scheme of the Company if it will result in the above-mentioned 30% limit being exceeded.

Within the above-mentioned limit:

- (a) The total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option scheme of the Company must not, in aggregate, exceed 10% of the Shares in issue as at the date of approval of the adoption of the New Share Option Scheme by the Shareholders (the “**Scheme Mandate Limit**”), unless Shareholders’ approval has been obtained pursuant to paragraphs 3(b) or 3(c). As at the Latest Practicable Date, such 10% represented 157,038,682 Shares. Options lapsed in accordance with the terms of the New Share Option Scheme or any other share option scheme of the Company will not be counted for the purpose of calculating the Scheme Mandate Limit.
- (b) The Scheme Mandate Limit referred to under paragraph 3(a) may be renewed at any time subject to prior Shareholders’ approval but in any event, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option schemes of the Company under the limit as refreshed must not exceed 10% of the Shares in issue as at the date of approval of the renewed limit. Options previously granted under the New Share Option Scheme or any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the terms of exercised Options) will not be counted for the purpose of calculating the limit as renewed.
- (c) Notwithstanding the foregoing, the Company may grant Options beyond the Scheme Mandate Limit or the refreshed limit referred to in paragraph 3(b) to Eligible Participants if (i) separate Shareholders’ approval has been obtained for granting Options beyond the Scheme Mandate Limit or the refreshed limit referred to in paragraph 3(b) to Eligible Participants specifically identified by the Company before such Shareholders’ approval is sought; and (ii) the Company, in connection with the seeking of such separate Shareholders’ approval, has first sent a circular to Shareholders containing such information as may be required by the Listing Rules then prevailing to be included in such circular.

Pursuant to Note 1 to Rule 17.03(3) of the Listing Rules, the Company must send a circular to the Shareholders containing a generic description of the specified Eligible Participants who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose and other information required under the Listing Rules.

4. (a) No Option may be granted to any Eligible Participant which, if exercised in full, would result in the total number of Shares issued and to be issued upon exercise of

all Options already granted or to be granted to such Eligible Participant (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such new grant exceeding 1% of the Shares in issue as at the date of such new grant. Any grant of further Options above this limit shall be subject to the following requirements: (i) approval of the Shareholders at a general meeting, with such Eligible Participant and his Close Associates (or his Associates if such Eligible Participant is a Connected Person) abstaining from voting; (ii) a circular in relation to the proposal for such further grant having been sent by the Company to the Shareholders with such information from time to time required by the Listing Rules; and (iii) the number and terms of the Options (including the exercise price) to be granted to such proposed Grantee shall be fixed before the approval of the Shareholders as mentioned in (i).

- (b) Any grant of Options to a director, chief executive or substantial shareholder of the Company or any of their respective Associates under the New Share Option Scheme must be subject to the prior approval of the independent non-executive directors of the Company (excluding any independent non-executive director of the Company who is a Grantee of the relevant Options).
- (c) Where any grant of Options to a substantial shareholder or an independent non-executive director of the Company or any of their respective Associates would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
 - (i) representing in aggregate over 0.1% of the Shares in issue; and
 - (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000.

then such further grant must be subject to the approval by the Shareholders at a general meeting. The Grantee, his Associates and all Core Connected Persons of the Company must abstain from voting in favour of such resolution in such general meeting. The Company shall issue a circular to the Shareholders containing such information from time to time required by the Stock Exchange, including a recommendation from the independent non-executive directors of the Company (excluding any independent non-executive director of the Company who is a Grantee of the relevant Options) on whether or not to vote in favour of the proposed grant.

The circular mentioned above must contain:

- (i) details of the number and terms (including the exercise price) of the Options to be granted to such Eligible Participant, which must be fixed before the Shareholders' meeting, and the date of board meeting for proposing such further grant is to be taken as the date of grant for the purpose of calculating the exercise price;

- (ii) a recommendation from the independent non-executive directors of the Company (excluding independent non-executive director of the Company who is the Grantee of the Options) to the independent Shareholders as to voting; and
 - (iii) the information required under Rules 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4); and the information required under Rule 2.17.
- 5. (a) The period within which the Options must be exercised will be specified by the Company at the time of grant, but shall expire no later than 10 years from the relevant date of grant.
- (b) In the event of the Grantee (being an individual) ceasing to be an Eligible Participant by reason of his death before exercising his Option in full and none of the events for termination of employment or engagement under paragraph 12(c) then exists with respect to such Grantee, his personal representative(s) may exercise such Option (to the extent not already exercised) in whole or in part within a period of 6 months (or such other period as the Board may determine) from the date of his death and any Option not so exercised shall lapse and determine at the expiry of such period.
- (c) In the event of the employing company of a Grantee who is a director, or an employee (whether full time or part time employee) ceasing to be a member of the Group or any Invested Entity or in the event of the Grantee who is a director of the Company or any Subsidiary or Invested Entity, or an executive or an employee of the Company or any Subsidiary or Invested Entity ceasing to be such a director or employee by reason of his resignation, whether or not in accordance with the provisions of his contract of employment, then the Grantee may exercise his Option in whole or in part at any time within a period of 3 months (or such other period as the Board may determine) commencing on the date of the cessation and any Options not so exercised shall lapse and determine at the end of such period.
- (d) In the event of the Grantee who is a director or an employee (whether full time or part time employee) of the Group or an Invested Entity ceasing to be such a director or employee of the Group or any Invested Entity (and therefore ceasing to be an Eligible Participant) on one or more of the grounds specified in paragraph 12(c) before exercising his Option in full, such Option (to the extent not already exercised) shall lapse on the date of cessation and not be exercisable. The Board may within one month from the date of such cessation otherwise determine that such Option shall become exercisable within such period as the Board may determine following the date of such cessation.
- (e) In the event of the Grantee ceasing to be an Eligible Participant as and when determined by the Board by resolution for any reason other than as described in this paragraphs 5(b) to 5(d), then all his Options shall lapse and determine on the date he so ceases (to the extent not already exercised).
- (f) If, in consequence of any general offer made to all the Shareholders (or all such Shareholders other than the offeror, any person controlled by the offeror and any

person acting in concert with the offeror) (including an offer made in the first instance on a condition such that, if it is satisfied, the offeror will have control of the Company) or otherwise, and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, then the Board shall as soon as practicable thereafter notify every Grantee accordingly and each Grantee (or his personal representative) shall be entitled at any time within the period of 21 days after such offer becomes or is declared unconditional, to exercise all or any of his outstanding Option (to the extent that such Options have been vested and have not lapsed or been cancelled), and such Option shall, to the extent not having been exercised, lapse and determine without compensation upon the expiry of such period.

- (g) In the event a notice is given by the Company to the Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution for the voluntary winding up of the Company, the Company shall as soon as possible give notice thereof to every Grantee and the Grantee (or his personal representative) shall be entitled by notice in writing to the Company (such notice to be received by the Company not later than four business days prior to the proposed general meeting) to exercise all or any of his Option (to the extent that such Options have been vested and have not lapsed or been cancelled) and the Company shall as soon as possible and in any event not later than the day immediately prior to the date of the proposed general meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise and all Options shall, to the extent not having been exercised, lapse and determine without compensation on the date of commencement of the winding up of the Company.
- (h) In the event of a compromise or arrangement between the Company and the Shareholders or creditors of the Company is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to every Grantee on the same day as it despatches to each Shareholder or creditor of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each Grantee (or his personal representative) shall be entitled by notice in writing to the Company accompanied by the remittance for the subscription price in respect of his Option (such notice to be received by the Company not later than two business days prior to the proposed meeting) to exercise all or any of his Option (to the extent that such Options have been vested and have not lapsed or been cancelled). With effect from the date of such meeting, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent not having been exercised, thereupon lapse and determine without compensation. The Board shall endeavour to procure that the Shares issued as a result of the exercise of Options under this paragraph shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the relevant court having jurisdiction (the “**Court**”) (whether upon the terms presented

to the Court or upon any other terms as may be approved by such Court), the rights of the Grantees to exercise their respective Options shall with effect from the date of the making of the order by the Court be restored in full and shall thereupon become exercisable (but subject to the other terms of the New Share Option Scheme) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any Grantee as a result of the aforesaid suspension.

- (i) Upon the occurrence of any of the events referred to in paragraphs 5(f) to 5(h), the Company may at its discretion and notwithstanding the terms of the relevant Option, also give notice to the Grantee that his Option may be exercised at any time within such period as shall be notified by the Company and/or to the extent (not being less than the extent to which it could then be exercised in accordance with its terms) notified by the Company. If the Company issues such notice, the balance of the Options shall lapse.
 - (j) In any case where Options lapse pursuant to paragraphs 5(b) to 5(e), the Board may in its absolute discretion determine that all or any of such Options shall not so lapse (or shall lapse on a later date) subject to such conditions or limitations as the Board may decide.
6. At the time of grant of the Options, the Board may specify any minimum period(s) for which an Option must be held before it can be exercised. The New Share Option Scheme does not contain any such minimum period.
7. At the time of the grant of the Options, the Board may specify any performance target(s) which must be reached before the Options can be exercised in whole or in part. The New Share Option Scheme does not contain any performance targets.
8. An offer of Options (“**Offer**”) shall be deemed to have been accepted by an Eligible Participant in respect of all Shares which are offered to such Eligible Participant (save when acceptance of a lesser number of Shares is clearly stated in the duplicate letter comprising acceptance of the Offer) when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the secretary of the Company at the principal place of business of the Company in Hong Kong within 21 days from the date of the Offer (or such longer or shorter period as the Board may specify in the letter of Offer). Such remittance shall in no circumstances be refundable.
9. Subject to adjustments made in a situation contemplated under paragraph 13 below, the subscription price in respect of any Option shall be at the discretion of the Board, provided that it shall not be less than the highest of:
 - (a) the closing price of a Share as shown in the daily quotations sheet of the Stock Exchange on the date of grant (which must be a business day) in respect of such Option;

- (b) the average of the closing prices of the Shares as shown in the daily quotations sheet of the Stock Exchange for the five business days immediately preceding the relevant date of grant in respect of such Option; and
 - (c) the nominal value of a Share.
10. The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Bye-Laws for the time being in force and will rank *pari passu* in all respects with the existing fully paid Shares in issue on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (the “**Exercise Date**”) and accordingly will entitle the holders thereof to participate in all dividends or other distributions (including distributions made upon the liquidation of the Company) paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A Share allotted and issued upon the exercise of an Option shall not carry voting rights until the name of the Grantee has been duly entered onto the register of members of the Company as the holder thereof.
11. The New Share Option Scheme shall be valid and effective for a period of ten (10) years commencing on the adoption of the New Share Option Scheme. No further Options shall be offered or granted under the New Share Option Scheme on or after the date of the tenth anniversary of the adoption of the New Share Option Scheme.
12. The Option period referred in paragraph 5(a) in respect of any Option shall automatically terminate and that Option (to the extent not already exercised) shall lapse on the earliest of:
- (a) the expiry of the Option period (subject to the provisions of the New Share Option Scheme);
 - (b) any expiry date or the expiry of any period (as the case may be) referred to in paragraphs 5(b) to 5(j);
 - (c) the date on which the Grantee ceases to be an Eligible Participant by reason of a termination of his employment or engagement or service agreement with the Group or any Invested Entity on the grounds that:
 - (i) in the case of the Grantee being a director or employee, a termination of his employment on the grounds that:
 - (1) he has been guilty of persistent or serious misconduct, or
 - (2) he appears either to be unable to pay or to have no reasonable prospect of being able to pay debts, or

- (3) he has committed any act of bankruptcy or has become bankrupt or insolvent or has made any arrangement or composition with his creditors generally, or
 - (4) he has been convicted of any criminal offence (other than an offence which in the opinion of the Board does not bring the Grantee or the Group into disrepute); or
- (ii) in the case of the Grantee being a consultant, the expiration or termination of his contract of engagement as consultant, whether in accordance with its terms, by agreement between the parties thereto, due to the default of any party thereto or otherwise;
- (d) the date of commencement of the winding up of the Company;
 - (e) the date on which the Grantee commits a breach of paragraph 16;
 - (f) the date on which any of the following events, unless otherwise waived by the Board, happens:
 - (i) any liquidator, provisional liquidator, receiver or any person carrying out any similar function has been appointed anywhere in the world in respect of the whole or any part of the assets or undertaking of the Grantee (being a corporation);
 - (ii) the Grantee (being a corporation) has ceased or suspended payment of its debts, become unable to pay its debts (within the meaning of section 178 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or any similar laws or regulations) or otherwise become insolvent;
 - (iii) there is unsatisfied judgement, order or award outstanding against the Grantee (being a corporation);
 - (iv) there are circumstances which entitle any person to take any action, appoint any person, commence proceedings or obtain any order of the type mentioned in sub-paragraphs (i), (ii) and (iii) above;
 - (v) a bankruptcy order has been made against any director of the Grantee (being a corporation) in any jurisdiction; or
 - (vi) a petition for bankruptcy has been presented against any director of the Grantee (being a corporation) in any jurisdiction;
 - (g) the date on which the Grantee commits a breach of any terms and conditions of the New Share Option Scheme or the grant of his Option, if the Board shall exercise the Company's right to cancel the Option without compensation;

- (h) the date on which the Board considers that the Grantee fails to meet the continuing eligibility criteria as provided in the New Share Option Scheme, if the Board shall exercise the Company's right to cancel the Option without compensation; or the date on which the Board resolves to cancel any Option pursuant to paragraph 14.

If any of the events set out in paragraph 12(f) happen or the Grantee commits a breach of any terms and conditions of the New Share Option Scheme or the grant of his Option, the Board shall have the right to cancel his Option without compensation. If an Option lapses under paragraph 12, the Grantee shall not be entitled to any compensation from the Company.

- 13. (a) In the event of any alteration in the capital structure of the Company (other than an issue of the Shares as consideration in respect of a transaction to which the Company is a party) whilst any Option remains exercisable or the New Share Option Scheme remains in effect as a result of any capitalisation of issue, rights issue, consolidation or sub-division of the Shares or reduction of share capital of the Company in accordance with legal requirements and requirements of the Stock Exchange, then, in any such case the number or nominal amount of Shares to which the New Share Option Scheme or any Option(s) relates (insofar as it is/they are unexercised) and/or the subscription price thereunder and/or the relevant maximum limits determined under paragraph 3 may be adjusted in such manner as the Board may deem appropriate provided always that:
 - (i) any such adjustment shall be made to give a Grantee the same proportion of the equity capital of the Company as that to which that Grantee was previously entitled (as interpreted in accordance with the Supplementary Guidance);
 - (ii) any such adjustment shall be made on the basis that the aggregate subscription price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event;
 - (iii) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value; and
 - (iv) any adjustments as a result of a rights issue, open offer or capitalisation issue, shall be made in accordance with the acceptable adjustments set forth in the Supplementary Guidance and such other guidelines or supplementary guidance as may be issued by the Stock Exchange from time to time.
- (b) If any adjustments occur pursuant to paragraph 13(a) above (save where an adjustment arises by way of a capitalisation issue) the Board shall instruct the auditors or an independent financial adviser to certify in writing that in their fair and reasonable opinion the adjustments proposed comply with Rule 17.03(13) of the Listing Rules (as amended from time to time) and the note thereto and the Supplementary Guidance.

- (c) If there has been any alteration in the capital structure of the Company as referred to in paragraph 13(a), the Company shall, upon receipt of a notice from a Grantee, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made in accordance with the certificate of the auditors or the independent financial adviser obtained by the Company for such purpose or, if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the auditors or the independent financial adviser as soon as practicable thereafter to issue a certificate in that regard in accordance with paragraph 13(b).
 - (d) In giving any certificate under this paragraph 13, the auditors or the independent financial adviser shall be deemed to be acting as experts and not as arbitrators and their certificate shall, in the absence of manifest error, be final, conclusive and binding on the Company and all persons who may be affected thereby.
14. (a) Any Options granted but not exercised may not be cancelled except with the prior sanction of the Board or by an ordinary resolution of the Shareholders. Any Options granted but subsequently renounced by the Grantee may be cancelled by the Board.
- (b) Cancelled Options may be re-issued after such cancellation has been approved, provided that re-issued Options shall only be granted in compliance with the terms of the New Share Option Scheme.
- (c) If an Option is cancelled under paragraph 14(a), the Grantee shall not be entitled to any compensation from the Company.
- (d) Where the Company cancels Options and issue new Options to the same Grantee, the issue of such new Options may only be made with available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit and/or the refreshed limit(s) as referred to in paragraph 3(b) (as the case may be).
- 15 The Company by an ordinary resolution by the Shareholders in a general meeting or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered but in all other respects the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme and any Options granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.
16. An Option shall be personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement so to do. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any Option or part thereof granted to such Grantee without compensation to the extent not already exercised without incurring any liability on the part of the Company in accordance with paragraph 12(e).

17. (a) The New Share Option Scheme may be altered in any respect by a resolution of the Board except that the provisions of the New Share Option Scheme relating to matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of any Grantees or prospective Grantees except with the prior sanction of a resolution of the Company in a general meeting with the Eligible Participants and their Associates abstaining from voting. Any alteration to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of the Options granted prior to such alteration shall be approved by the Shareholders in a general meeting, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme.
- (b) The Board shall be entitled to amend the terms of the New Share Option Scheme so as to comply with the Listing Rules and any Supplementary Guidance or any future guidance or interpretation of the Listing Rules from time to time applicable to the New Share Option Scheme, provided that such amendments are allowed by the Listing Rules and any Supplementary Guidance. Any change to the authority of the Board in relation to any alteration to the terms of the New Share Option Scheme must be approved by the Shareholders in a general meeting.

NOTICE OF ANNUAL GENERAL MEETING



ASIA STANDARD HOTEL GROUP LIMITED

泛海酒店集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 292)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of the shareholders (the “**Shareholders**”) of Asia Standard Hotel Group Limited (the “**Company**”) will be held at Empire Grand Room, 1st Floor, Empire Hotel Hong Kong, 33 Hennessy Road, Wanchai, Hong Kong on Thursday, 8 September 2016 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions (the “**Resolutions**”):

1. To receive and consider the audited financial statements and the reports of the directors of the Company (the “**Directors**”) and auditors for the year ended 31 March 2016;
2. To approve the payment of a final dividend for the year ended 31 March 2016 of HK1.25 cents per share of HK\$0.02 each (the “**Shares**”) in the capital of the Company;
3.
 - (a) To re-elect Mr. Poon Jing as an Executive Director;
 - (b) To re-elect Mr. Poon Yeung, Roderick as an Executive Director;
 - (c) To re-elect Mr. Woo Wei Chun, Joseph as an Executive Director;
 - (d) To re-elect Mr. Hung Yat Ming as an Independent Non-executive Director; and
 - (e) To authorize the board of Directors (the “**Board**”) to fix the remuneration of the Directors;
4. To re-appoint PricewaterhouseCoopers as auditors of the Company for the ensuing year and authorize the Board to fix their remuneration;
5. As special business to consider and, if thought fit, pass with or without amendments, the following Resolutions as Ordinary Resolutions:

A. “**THAT**

- (a) subject to (i) paragraph 5A(c) of this Resolution; (ii) the passing of resolution 6A as set out in the notice dated 29 July 2016 convening the annual general meeting of Asia

* *For identification purposes only*

NOTICE OF ANNUAL GENERAL MEETING

Standard International Group Limited to be held on 8 September 2016 (the “**ASI AGM Notice**”); and (iii) the passing of resolution 7A as set out in the notice dated 29 July 2016 convening the annual general meeting of Asia Orient Holdings Limited to be held on 8 September 2016 (the “**AO AGM Notice**”) and without prejudice to Resolution 5C set out in the notice of this meeting (the “**Notice**”), the Board be and is generally and unconditionally authorised to exercise during the Relevant Period (as defined in paragraph 5A(d) of this Resolution) all the powers of the Company to issue, allot or otherwise deal with the Shares and to issue, allot or grant securities convertible into Shares or options, warrants or similar rights to subscribe for any Shares or such convertible securities and to make or grant offers, agreements and options which might require the exercise of such powers, subject to and in accordance with all applicable laws;

- (b) the approval in paragraph 5A(a) of this Resolution shall authorise the Board during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally, or unconditionally, to be allotted (whether pursuant to an option or otherwise) by the Board pursuant to the approval in paragraph 5A(a) and 5A(b) of this Resolution, otherwise than pursuant to:
 - (i) a Rights Issue (as defined in paragraph 5A(d) of this Resolution);
 - (ii) the exercise of rights of subscription or conversion under the terms of any securities or notes for the time being in force which are convertible into Shares;
 - (iii) the exercise of subscription or conversion right under the terms of any warrants of the Company or any option granted under any share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of options to subscribe for or rights to acquire Shares; and
 - (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws (the “**Bye-Laws**”) of the Company;

shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution and the said approval shall be limited accordingly;

NOTICE OF ANNUAL GENERAL MEETING

(d) for the purpose of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws or any applicable laws of Bermuda to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the Shareholders in a general meeting.

“**Rights Issue**” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Board made to holders of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, or in any territory outside, Hong Kong).”

B. “THAT

- (a) subject to paragraph 5B(b) of this Resolution, the Board be and is generally and unconditionally authorised to exercise during the Relevant Period (as defined in paragraph 5B(c) of this Resolution) all powers of the Company to repurchase Shares listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which the securities of the Company may be listed and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Codes on Takeovers and Mergers and Share Buy-backs, for this purpose subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or that of any other stock exchange as amended from time to time;
- (b) the aggregate nominal amount of the Shares to be repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph 5B(a) of this Resolution during the Relevant Period shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution and the said approvals granted under paragraph 5B(a) of this Resolution shall be limited accordingly;

NOTICE OF ANNUAL GENERAL MEETING

(c) for the purpose of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws or any applicable laws of Bermuda to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the Shareholders in a general meeting.”

C. “**THAT** conditional upon (i) the passing of Resolutions 5A and 5B in the Notice of which this Resolution forms part; (ii) the passing of resolution 6B as set out in the ASI AGM Notice; and (iii) the passing of resolution 7B as set out in the AO AGM Notice, the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Board pursuant to and in accordance with the approval given in Resolution 5A set out in the Notice be and is hereby increased and extended by the addition of the aggregate nominal amount of the Shares which may be repurchased by the Company pursuant to and in accordance with the approval given in Resolution 5B set out in the Notice provided that such amount shall not exceed the aggregate nominal amount of the Shares repurchased pursuant to the said Resolution 5B and the said approval shall be limited accordingly.”

6. As special business to consider and, if thought fit, pass with or without amendments, the following Resolution as an ordinary resolution:

“**THAT** conditional upon the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares (up to 10% of the total number of Shares in issue as at the date hereof) falling to be issued pursuant to the exercise of any options granted under the share option scheme referred to in the circular of the Company dated 29 July 2016, the terms of which are set out in the document marked “A” and produced to this meeting and for the purpose of identification initialed by the Chairman hereof (the “**New Share Option Scheme**”), the New Share Option Scheme be and is hereby approved and adopted to be the share option scheme of the Company **AND THAT** the Board be and is hereby authorised to grant options thereunder and to allot and

NOTICE OF ANNUAL GENERAL MEETING

issue Shares falling to be issued upon the exercise of the option granted under the New Share Option Scheme and take all such steps as may be necessary, expedient or desirable in order to implement the New Share Option Scheme.”

By Order of the Board of
Asia Standard Hotel Group Limited
Lee Tai Hay, Dominic
Secretary

Hong Kong, 29 July 2016

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

Notes:

1. Every Shareholder entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a Shareholder.
2. A form of proxy for use at the above meeting is enclosed herewith.
3. Where there are joint registered holders of any Shares, any one of such persons may vote at the meeting, either personally or by proxy or by a duly authorized corporate representative (as defined in the Bye-Laws), in respect of such Shares as if he was solely entitled thereto, provided that if more than one of such joint holders is present at the meeting personally or by proxy by a duly authorised corporate representative, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.
4. To be valid, a form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting (or any adjournment thereof).
5. Shareholders are recommended to read the circular of the Company dated 29 July 2016 containing information concerning the Resolutions proposed in this Notice.
6. The register of members of the Company will be closed from Tuesday, 6 September 2016 to Thursday, 8 September 2016 (both days inclusive) for the purpose of identifying the Shareholders who are entitled to attend and vote at the annual general meeting and no transfer of Shares will be registered during such period. In order to qualify for the right to attend

NOTICE OF ANNUAL GENERAL MEETING

the annual general meeting, completed transfer forms with the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 5 September 2016.

In addition, the register of members of the Company will be closed from Thursday, 15 September 2016 to Monday, 19 September 2016 (both days inclusive) for ascertaining the Shareholders' entitlements to the proposed final dividend and no transfer of Shares will be registered during such period. In order to qualify for the proposed final dividend recommended for approval at the annual general meeting, completed transfer forms with the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 14 September 2016.

As at the date hereof, the Board comprises Mr. Poon Jing, Dr. Lim Yin Cheng, Mr. Poon Hai, Mr. Poon Yeung, Roderick, Mr. Fung Siu To, Clement and Mr. Woo Wei Chun, Joseph as Executive Directors; Mr. Ip Chi Wai, Mr. Leung Wai Keung and Mr. Hung Yat Ming as Independent Non-executive Directors.