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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)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF LAND LOCATED IN VANCOUVER, CANADA**

#### **ACQUISITION OF THE PURCHASED ASSETS**

The Company is pleased to announce that on 1 November 2016 (PST), AS Robson, an indirect wholly-owned subsidiary of the Company, entered into the Purchase and Sale Agreement with the Vendor in relation to the Acquisition, pursuant to which the Vendor agreed to sell and AS Robson agreed to purchase the Purchased Assets at a consideration of Canadian Dollars 25,000,000 (equivalent to approximately HK\$144,730,000), subject to adjustments.

#### **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios in respect of the Acquisition exceeds 5% but all are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the requirements of announcement and reporting under Chapter 14 of the Listing Rules.

#### **ACQUISITION OF THE PURCHASED ASSETS BY AS ROBSON**

The Company is pleased to announce that on 1 November 2016 (PST), AS Robson, an indirect wholly-owned subsidiary of the Company, entered into the Purchase and Sale Agreement with the Vendor in relation to the Acquisition, pursuant to which Vendor agreed to sell and AS Robson agreed to purchase the Purchased Assets at a consideration of Canadian Dollars 25,000,000 (equivalent to approximately HK\$144,730,000), subject to adjustment.

**Date**

1 November 2016 (PST)

**Parties**

- (1) AS Robson as the Purchaser; and
- (2) Robsonstrasse City Motor Inn Ltd. as the Vendor.

AS Robson is an indirect wholly-owned subsidiary of the Company.

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

**Consideration**

Canadian Dollars 25,000,000 (equivalent to approximately HK\$144,730,000), subject to adjustment in respect of the expenses and revenues accruing with respect to the Purchased Assets on completion of the Purchase and Sale Agreement by the Vendor delivering to the Purchaser a statement of adjustments together with detailed calculations on the Completion Date.

The Consideration shall be settled in the following manner:

- (1) a deposit of Canadian Dollars 2,500,000 (equivalent to approximately HK\$14,473,000) has been paid to Cushman & Wakefield Ltd. in trust on 1 November 2016;
- (2) the balance of the Consideration (as adjusted by the statement of adjustments delivered by the Vendor to the Purchaser on the Completion Date) to be paid to the Vendor's solicitors on the Completion Date.

The consideration for the Acquisition was determined after arm's length negotiations between the Purchaser and the Vendor on normal commercial terms with reference to the prevailing market conditions in the area in Vancouver to which the Land is located, the location of the Land and the development potential of the Land.

The Consideration will be funded partly by bank loans and, to the extent that it is not covered by bank loans, by the Group's internal resources.

## **Closing**

Closing of the purchase and sale of the Purchased Assets shall commence on the Completion Date and the parties shall co-operate to arrange submission of registrable closing documents to the Land Title Office. On completion, the Purchaser will have vacant possession of the Land and buildings in respect of the Purchased Assets.

## **Information relating to the Purchased Assets**

The Purchased Assets consist of the Land including all of the Vendor's right, title and interest in all buildings thereon, in all service contracts and other agreement related thereto, in all equipment owned by the Vendor on the Land, in all permits relating to the business operation of the hotel and the corresponding plans and records.

The Land is legally described as Lot 13 Block 32 District Lot 185 Plan 92 (Parcel Identifier: 002-547-619) located at 1394 Robson Street, Vancouver, British Columbia, V6E 1C5, with a site area of approximately 8,600 sq. ft.

According to the available unaudited financial information of the Purchased Assets supplied by the Vendor, the net rental profit (before taxation) in respect of the Purchased Assets is approximately Canadian Dollars 42,000 (equivalent to approximately HK\$243,000) and Canadian Dollars 62,000 (equivalent to approximately HK\$359,000) for the year ended 31 March 2014 and 31 March 2015 respectively. The net asset value of the Land has not been provided to the Group.

## **REASONS AND BENEFITS OF THE ACQUISITION**

The principal businesses of the Group are hotel operations and investment, property development, travel operation and securities investment. The Land is located in the vicinity of the hotel owned by the Group and the property development project of its joint venture in Vancouver, British Columbia, and the Company intends to demolish the building erected on the Land for residential development for sale. The Directors consider that the Acquisition represents an attractive investment opportunity of the Group which may yield a satisfactory return and strengthen its overseas portfolio.

The Directors (including the independent non-executive Directors) believe that the terms of the Purchase and Sale Agreement are on normal commercial terms and fair and reasonable, and that 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 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 investment, property development, travel operation and securities investment.

The Purchaser is a company incorporated in British Columbia, Canada.

The Vendor is a body corporate duly incorporated under the laws of British Columbia. Its principal activity is hotel operation.

## LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition exceeds 5% but all are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the requirements of announcement and reporting under Chapter 14 of the Listing Rules.

## DEFINITIONS

Unless the context otherwise requires, the following terms have the following meanings in this announcement:

<b>“Acquisition”</b>	the acquisition of the Purchased Assets by the Purchaser from the Vendor pursuant to the Purchase and Sale Agreement
<b>“AS Robson”</b>	AS Robson Holdings Limited, an indirect wholly-owned subsidiary of the Company
<b>“Company”</b>	Asia Standard Hotel Group Limited (Stock Code: 292), a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange
<b>“Completion Date”</b>	31 January 2017 or such other date as the Vendor and the Purchaser agree in writing
<b>“Consideration”</b>	Canadian Dollars 25,000,000 (equivalent to approximately HK\$144,730,000), being the consideration for the Purchased Assets under the Purchase and Sale Agreement

<b>“Directors”</b>	the directors of the Company
<b>“Group”</b>	the Company and its subsidiaries
<b>“HK\$”</b>	Hong Kong dollar, the lawful currency of Hong Kong
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC
<b>“Land”</b>	the land and premises at 1394 Robson Street, Vancouver, British Columbia, V6E 1C5, legally described as Lot 13 Block 32 District Lot 185 Plan 92 (Parcel Identifier: 002-547-619)
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>“percentage ratios”</b>	has the meaning ascribed to it in Rule 14.07 of the Listing Rules
<b>“PRC”</b>	the People’s Republic of China, excluding for the purpose of this announcement Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
<b>“PST”</b>	pacific standard time
<b>“Purchaser”</b>	AS Robson
<b>“Purchase and Sale Agreement”</b>	a purchase and sale agreement executed on 1 November 2016 (PST) entered into between AS Robson and the Vendor in respect of the purchase of the Purchased Assets
<b>“Purchased Assets”</b>	the Land including all of the Vendor’s right, title and interest in all buildings thereon, in all service contracts and other agreement related thereto, in all equipment owned by the Vendor on the Lands, in all permits relating to the business operation of the hotel and the corresponding plans and records
<b>“Shareholder(s)”</b>	holder(s) of the Shares
<b>“Share(s)”</b>	ordinary share(s) of HK\$0.02 each in the share capital of the Company
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited

**“Vendor”**

Robsonstrasse City Motor Inn Ltd.

**“%”**

per cent

By order of the board of Directors of  
**Asia Standard Hotel Group Limited**  
**Lee Tai Hay, Dominic**  
*Company Secretary*

Hong Kong, 3 November 2016

*As at the date of this announcement, the executive Directors are 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; and the independent non-executive Directors are Mr. Ip Chi Wai, Mr. Leung Wai Keung and Mr. Hung Yat Ming.*

*For the purposes of this announcement, unless otherwise specified, conversions of Canadian Dollars into HK\$ are based on the approximate exchange rate of Canadian Dollar 1 to HK\$5.7892 for the purposes of illustration only. No representation is made that any amount into HK\$ or Canadian Dollars could have been or could be converted at the above rate or any other rates.*

*\* for identification purpose only*