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**ASIA ORIENT HOLDINGS
LIMITED**
滙漢控股有限公司*
(incorporated in Bermuda with limited liability)
(Stock code: 214)



**ASIA STANDARD INTERNATIONAL
GROUP LIMITED**
泛海國際集團有限公司*
(incorporated in Bermuda with limited liability)
(Stock code: 129)



**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**

**DISCLOSEABLE
TRANSACTION**

**MAJOR AND CONNECTED
TRANSACTION**

**IN RELATION TO THE REORGANISATION OF
PROPERTY INTERESTS IN TSIMSHATSUI**

On 6 November 2012, the ASI Group and the ASH Group entered into the Sale and Purchase Agreement in relation to the sale by the ASI Group, and the purchase by the ASH Group, of the entire issued share capital of a company which indirectly holds the Property Units at an aggregate consideration of HK\$285,530,076, subject to adjustment on the Completion Date. Upon Completion, the Property Units will become indirectly and wholly-owned by ASH.

AO and ASI are each a controlling shareholder and hence a connected person of ASH. Under the Listing Rules, the Transaction constitutes a discloseable transaction for AO and ASI and a major and non-exempt connected transaction for ASH.

ASH will convene a special general meeting at which ordinary resolutions will be proposed for the approval of the Transaction by the ASH Independent Shareholders. The ASH Independent Board Committee will be formed to advise the ASH Independent Shareholders on the Transaction. ASH will also appoint an independent financial adviser to advise the ASH Independent Board Committee and the ASH Independent Shareholders on the Transaction.

ASH will despatch to its shareholders on or before 23 November 2012 a circular containing the details of the Transaction and other information prescribed by the Listing Rules, together with a notice of special general meeting to approve the Transaction.

INTRODUCTION

ASI owns the entire beneficial interests in the Property Units through Pacific Crown, its indirect wholly-owned subsidiary.

On 6 November 2012, ASHHL, an indirect wholly-owned subsidiary of ASH, entered into the Sale and Purchase Agreement with Grand Star, an indirect wholly-owned subsidiary of ASI which owns the entire issued share capital of Victor Empire, pursuant to which ASHHL agreed to acquire the entire issued share capital of Victor Empire from Grand Star and the Inter-company Loan from ASF.

The aggregate consideration for the sale and purchase of the Sale Share and the assignment of the Inter-company Loan is HK\$285,530,076, of which the sum of HK\$50,000 is the consideration for the sale and purchase of the Sale Share and the sum of HK\$285,480,076 is the consideration for the assignment of the Inter-company Loan, subject to adjustment at the Completion Date.

Upon Completion, the Property Units will become indirectly and wholly-owned by ASH.

THE SALE AND PURCHASE AGREEMENT

Date

6 November 2012

Parties

Vendor: Grand Star (an indirect wholly-owned subsidiary of ASI)

Purchaser: ASHHL (an indirect wholly-owned subsidiary of ASH)

Assets to be transferred

- (1) the Sale Share, representing the entire issued share capital of Victor Empire; and
- (2) the Inter-company Loan

Consideration

The aggregate consideration for the sale and purchase of the Sale Share and the assignment of the Inter-company Loan is HK\$285,530,076, of which the Share Consideration is HK\$50,000 and the Loan Consideration is HK\$285,480,076, subject to adjustment in accordance with the paragraph headed “Adjustment to consideration for the Inter-company Loan” below. The consideration will be payable in cash at Completion and will be funded by the ASH Group from its internal cash resources and bank loan.

The Share Consideration was determined after arm’s length negotiations between the Vendor and the Purchaser with reference to (i) the unaudited consolidated net asset value of Victor Empire of approximately HK\$59,000 as at 30 September 2012; (ii) the value of the Property Units of approximately HK\$390 million as at 30 September 2012 as determined by an independent valuer; and (iii) the Parent Guarantee referred to under the paragraph headed “Provision of corporate guarantee” below which is to be assumed by ASH after Completion. The Loan Consideration is the face value of the Inter-company Loan as at the date of the Sale and Purchase Agreement, subject to adjustment in accordance with the paragraph headed “Adjustment to consideration for the Inter-company Loan” below.

Adjustment to consideration for the Inter-company Loan

In the event that the Inter-company Loan as at the date of Completion is more than HK\$285,480,076, the Loan Consideration is to be increased by the shortfall amount. In the event that the Inter-company Loan as at the date of Completion is less than HK\$285,480,076, the Loan Consideration is to be reduced by the excess amount.

Conditions precedent to Completion

Completion of the Sale and Purchase Agreement is conditional upon, among other things:

- (1) the ASH Independent Shareholders having approved the Sale and Purchase Agreement and the transactions contemplated thereunder at a special general meeting of ASH;
- (2) (if necessary) each of AO, ASI and ASH having obtained all other necessary approvals, consents or waivers (as appropriate) as are required under the Listing Rules or other applicable regulations from the Stock Exchange or any other regulators in respect of the entering into and performance of the Sale and Purchase Agreement; and

(3) all other third party consents required in connection with the execution and delivery of, and the consummation of the transactions contemplated by, the Sale and Purchase Agreement, having been obtained.

If the above conditions precedent cannot be fulfilled by 15 January 2013 (or such later date as the parties to the Sale and Purchase Agreement may agree), all rights and obligations of the parties under the Sale and Purchase Agreement shall cease and terminate.

Completion of the Sale and Purchase Agreement

Completion shall take place on the third business day next following the day of fulfillment of all of the above conditions precedent (or such later date as the parties to the Sale and Purchase Agreement may agree).

Upon Completion, both Victor Empire and Pacific Crown will each become an indirect wholly-owned subsidiary of ASH, and an indirect non-wholly owned subsidiary of AO and ASI.

Assignment of Inter-company Loan

ASF, which has advanced to Pacific Crown the Inter-company Loan, shall enter into the Deed of Assignment with ASHHL on the Completion Date.

Pursuant to the terms of the Sale and Purchase Agreement and the Deed of Assignment, the Vendor agreed to procure ASF to assign and transfer, and the Purchaser agreed to accept the assignment and transfer of, the Inter-company Loan with effect from the date of Completion.

Provision of corporate guarantee

As at the date of the Sale and Purchase Agreement, ASI has given the Parent Guarantee in favour of the Bank for the benefit of Pacific Crown. At Completion or as soon as reasonably practicable after Completion, the Parties shall procure the Bank to release ASI from the Parent Guarantee and ASHHL shall procure ASH to give a corporate guarantee in favour of the Bank in place of the Parent Guarantee.

INFORMATION OF THE PROPERTY UNITS

The Property Units comprise the following residential units and retail shops which are located at 10-16 Kimberley Street, Tsimshatsui, Kowloon, Hong Kong:

Location	Property Units
10 Kimberley Street	Shops 1 to 3 on the Ground Floor; and Property units on 1st Floor to 7th Floor and Roof Floor
12 Kimberley Street	Shops A to C on the Ground Floor; and Property units on 1st Floor to 4th Floor, 6th Floor, 7th Floor and Roof Floor
14 Kimberley Street	Property units on 1st Floor to 3rd Floor and Roof Floor
16 Kimberley Street	Property units on 2nd Floor and 3rd Floor

The Property Units were valued by an independent professional valuer at approximately HK\$390 million as at 30 September 2012.

FINANCIAL INFORMATION OF VICTOR EMPIRE

Pacific Crown and Victor Empire were incorporated on 27 January 2011 and 21 March 2011, respectively.

For the period between 27 January 2011 (being the date of incorporation of Pacific Crown) and 31 March 2011 and the year ended 31 March 2012, Victor Empire recorded an unaudited consolidated net loss (both before and after taxation and extraordinary items) of approximately HK\$12,538 and HK\$113,805, respectively.

The unaudited consolidated net asset value of Victor Empire as at 30 September 2012 was approximately HK\$59,000.

FINANCIAL EFFECTS OF THE TRANSACTION

The Transaction will give rise to gain of approximately HK\$0.8 million for ASI and HK\$0.3 million for AO, which represents the difference between the aggregate consideration and the net of the carrying value of the Property Units and Bank Loan and expenses as at 30 September 2012 that is attributable to ASI and AO respectively. These gains will not be recorded in the consolidated profit and loss account of ASI nor AO but will be recorded as a movement in reserves pursuant to the Hong Kong Financial Reporting Standards.

The net sale proceeds of the Transaction will become the working capital of ASI.

REASONS FOR, AND BENEFITS OF, THE TRANSACTION

The ASI Group has been acquiring and accumulating property units for redevelopment purposes, and has considered from time to time how to maximize the value of the Property Units. The ASI Directors consider that the attraction of Hong Kong as a tourist destination for international as well as PRC visitors will continue to grow. In this regard, the Property Units are situated at Tsimshatsui, which is in a prime location and within a short distance from tourist spots and local attractions. More importantly, the Property Units are in the vicinity of Empire Hotel Kowloon, one of the hotels operated by ASH. ASH is the member of the ASI Group which owns and manages its hotel interests, currently owning and managing four hotels in Hong Kong and Canada. In view of the management and administrative expertise and resources to operate hotels or hotel related facilities and the close proximity between the Property Units and Empire Hotel Kowloon, the ASI Directors have decided to transfer and the directors of ASH have decided to acquire the Property Units for redevelopment into a hotel or hotel related facilities, believing that this can create operational synergies and further business opportunities and will increase the revenue generated from the Property Units for the ASI Group as a whole.

The respective directors of AO, ASI and ASH (other than the independent non-executive directors of ASH, whom will only form a view after reviewing the advice given by the independent financial adviser to be appointed by ASH) believe that the terms of the Sale and Purchase Agreement are on normal commercial terms, the terms of which are fair and reasonable and that the Transaction is in the interests of AO, ASI and ASH and their respective shareholders as a whole.

INFORMATION ON GRAND STAR, ASHHL, VICTOR EMPIRE AND PACIFIC CROWN

Grand Star and Victor Empire are investment holding companies incorporated under the laws of the BVI.

ASHHL is an investment holding company incorporated under the laws of Hong Kong.

Pacific Crown is a property holding company incorporated in Hong Kong which holds the entire beneficial interest in the Property Units.

INFORMATION ON AO, ASI AND ASH

AO is a limited liability company incorporated in Bermuda whose shares are listed on the Main Board of the Stock Exchange. AO and its subsidiaries are principally

engaged in property management, development and investment, hotel, travel agency and catering operations and securities investments. As at the date of this announcement, AO owns approximately 50.6% interest in ASI, and approximately 3% interest in ASH (other than those interest held through ASI).

ASI is a limited liability company incorporated in Bermuda whose shares are listed on the Main Board of the Stock Exchange. ASI and its subsidiaries are principally engaged in investment and development of commercial, retail and residential properties in Hong Kong and the PRC and securities investments. Through ASH, ASI is also involved in hotel operation, travel agency services and catering operations. As at the date of this announcement, ASI owns approximately 70.1% interest in ASH.

ASH is a limited liability company incorporated in Bermuda whose shares are listed on the Main Board of the Stock Exchange. The principal activity of ASH is investment holding. The principal activities of the subsidiaries of ASH consist of holding and operating four hotels in Hong Kong and Canada; travel agency services; catering operations and securities investments.

IMPLICATIONS UNDER THE LISTING RULES

ASH is approximately 70.1%-owned by ASI, which in turn is owned by AO as to approximately 50.6%. AO and ASI are each a controlling shareholder and hence a connected person of ASH.

As one or more of the percentage ratios in respect of the Transaction is more than 5% but less than 25% for AO and ASI, the Transaction constitutes a discloseable transaction for AO and ASI under the Listing Rules. Details of the Sale and Purchase Agreement are required to be disclosed by way of this announcement in accordance with Chapter 14 of the Listing Rules.

In addition, as one or more of the percentage ratios in respect of the Transaction is more than 25% but less than 100% for ASH, the Transaction constitutes a major and non-exempt connected transaction for ASH. Accordingly, the Transaction is subject to the notification, publication and shareholders' approval requirements under Chapter 14 of the Listing Rules and the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules as far as ASH is concerned. ASH will convene a special general meeting at which ordinary resolutions will be proposed for the approval of the Transaction by the ASH Independent Shareholders, being those shareholders of ASH other than AO, ASI and their respective associates. In this regard, the shares in ASH held by AO and Mr. Poon Jing, respectively the controlling shareholders of ASI and AO, and their respective associates shall abstain from voting on the ordinary resolutions to approve the Transaction. Mr. Poon Jing is also a director of both ASI and ASH.

GENERAL

The ASH Independent Board Committee will be formed, comprising all the independent non-executive directors of ASH to advise the ASH Independent Shareholders as to whether the Transaction is fair and reasonable and in the interest of ASH insofar as the ASH Independent Shareholders are concerned, and how they should vote at the special general meeting to approve the Transaction.

ASH will appoint an independent financial adviser to advise the ASH Independent Board Committee and the ASH Independent Shareholders as to whether the Transaction is fair and reasonable and in the interest of ASH insofar as the ASH Independent Shareholders are concerned, and how they should vote at the special general meeting to approve the Transaction.

ASH will despatch to its shareholders on or before 23 November 2012 a circular containing the details of the Transaction and other information prescribed by the Listing Rules, together with a notice of special general meeting to approve the Transaction.

DEFINITIONS

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

“AO”	Asia Orient Holdings Limited (stock code: 214), an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange, and the controlling shareholding of ASI
“ASF”	Asia Standard Finance Company Limited, a limited liability company incorporated in Hong Kong and an indirect wholly-owned subsidiary of ASI
“ASH”	Asia Standard Hotel Group Limited (stock code: 292), an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange and a 70.1%-owned subsidiary of ASI
“ASH Group”	ASH and its subsidiaries

“ASH Independent Board Committee”	a board committee of ASH comprising all independent non-executive directors of ASH to be established to advise the ASH Independent Shareholders on the Transaction
“ASH Independent Shareholders”	shareholders of ASH other than AO, ASI and their respective associates
“ASHHL” or “Purchaser”	Asia Standard Hotel (Holdings) Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of ASH
“ASI”	Asia Standard International Group Limited (stock code: 129), an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange and a 50.6%-owned subsidiary of AO
“ASI Directors”	the directors of ASI
“ASI Group”	ASI together with its subsidiaries
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Bank”	Bank of China (Hong Kong) Limited
“Bank Loan”	all outstanding bank loan owed by Pacific Crown to the Bank, which amounted to HK\$106,030,000 as at the date of the Sale and Purchase Agreement
“BVI”	the British Virgin Islands
“Completion”	the completion of the sale and purchase of the Sale Share and the assignment of the Inter-company Loan pursuant to the terms of the Sale and Purchase Agreement
“Completion Date”	the date when the Completion takes place
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Deed of Assignment”	the deed of assignment to be entered into between ASF and ASHHL in respect of the assignment of the Inter-company Loan from ASF to ASHHL

“Grand Star” or “Vendor”	Grand-Star Alliance Limited, a limited liability company incorporated in the BVI and an indirect wholly-owned subsidiary of ASI
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Inter-company Loan”	the outstanding loan advanced by ASF to Pacific Crown up to the date of, and immediately prior to, Completion
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loan Consideration”	the face value of the Inter-company Loan
“Main Board”	the main board of The Stock Exchange of Hong Kong Limited
“Pacific Crown”	Pacific Crown Enterprises Limited, a limited liability company incorporated in Hong Kong and a direct wholly-owned subsidiary of Victor Empire
“Parent Guarantee”	the corporate guarantee provided by ASI in favour of the Bank for the benefit of Pacific Crown in respect of the Bank Loan
“Property Units”	the property units at 10-16 Kimberley Street, Tsimshatsui, Kowloon, Hong Kong owned by Pacific Crown, as more particularly described in the section headed “Information on the Property Units” of this announcement
“PRC”	The People’s Republic of China
“Sale and Purchase Agreement”	the sale and purchase agreement dated 6 November 2012 entered into between Grand Star and ASHHL in connection with the sale of the entire issued share capital of Victor Empire, and the assignment of the Inter-company Loan by ASF to ASHHL
“Sale Share”	the one Share (representing the entire issued share capital of Victor Empire) legal and beneficially owned by the Vendor for sale to the Purchaser pursuant to the Sale and Purchase Agreement

“Share”	the ordinary share of US\$1.00 in the share capital of Victor Empire
“Share Consideration”	the consideration of HK\$50,000 for the transfer of the Sale Share from Grand Star to ASHHL under the Sale and Purchase Agreement
“Transaction”	the transactions contemplated under the Sale and Purchase Agreement
“Victor Empire”	Victor Empire Limited, a limited liability company incorporated in the BVI and a direct wholly-owned subsidiary of Grand Star
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“US\$”	United States dollar, the lawful currency of the United States
“%”	per cent

By order of the board of directors of Asia Orient Holdings Limited Fung Siu To, Clement <i>Chairman</i>	By order of the board of directors of Asia Standard International Group Limited Fung Siu To, Clement <i>Chairman</i>	By order of the board of directors of Asia Standard Hotel Group Limited Lim Yin Cheng <i>Deputy Chairman</i>
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Hong Kong, 6 November 2012

As at the date of this joint announcement:

- (a) *the executive directors of AO are Mr. Fung Siu To, Clement, Dr. Lim Yin Cheng, Mr. Poon Jing, Mr. Poon Hai, Mr. Lun Pui Kan and Mr. Kwan Po Lam, Phileas, and the independent non-executive directors are Mr. Cheung Kwok Wah, Mr. Hung Yat Ming and Mr. Wong Chi Keung;*
- (b) *the executive directors of ASI are Mr. Fung Siu To, Clement, Mr. Poon Jing, Mr. Poon Hai, Dr. Lim Yin Cheng, Mr. Lun Pui Kan and Mr. Kwan Po Lam, Phileas, and the independent non-executive Directors are Mr. Koon Bok Ming, Alan, Mr. Leung Wai Keung and Mr. Wong Chi Keung; and*
- (c) *the executive directors of ASH are Mr. Poon Jing, Dr. Lim Yin Cheng, Mr. Poon Hai, 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 identification purposes only*