



**ASIA STANDARD HOTEL GROUP LIMITED**

**泛海酒店集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 292)**

29 August 2024

*To Scheme Shareholders and holders of the Convertible Notes*

Dear Sir or Madam,

**(1) PROPOSED GROUP REORGANISATION OF ASI AND  
ASH BY THE OFFEROR INVOLVING A SHARE EXCHANGE OFFER  
WITH CASH PAYMENT TO THE SCHEME SHAREHOLDERS FOR  
THE CANCELLATION OF ALL THE SCHEME SHARES BY WAY OF  
A SCHEME OF ARRANGEMENT UNDER SECTION 99 OF  
THE COMPANIES ACT 1981 OF BERMUDA;**

**AND**

**(2) PROPOSED WITHDRAWAL OF LISTING OF THE ASH SHARES**

I refer to this scheme document dated 29 August 2024 jointly issued by ASI, the Offeror and ASH in relation to the Proposal and the Scheme and the Convertible Note Offer (the “**Scheme Document**”), of which this letter forms part. Unless the context requires otherwise, terms used in this letter shall have the same meanings as given to them in this Scheme Document.

I have been appointed by the Board as the Independent Board Committee to advise the Scheme Shareholders in connection with the Proposal, in particular as to (i) whether the Proposal is fair and reasonable and (ii) voting in respect of the Scheme at the Court Meeting and the SGM, and to advise the holders of the Convertible Notes (other than the Offeror and the Offeror Concert Parties) in connection with the Convertible Note Offer, and in particular my view on the Convertible Note Offer.

Altus has been appointed, with my approval, as the Independent Financial Adviser in respect of the Proposal, the Scheme and the Convertible Note Offer.

I wish to draw your attention to (a) the “Letter from the Board” set out on in Part 4 of this Scheme Document; (b) the “Letter from the Independent Financial Adviser” as set out in Part 6 of this Scheme Document which sets out the factors and reasons taken into account by the Independent Financial Adviser in arriving at its recommendations; and (c) the Explanatory Statement as set out in Part 7 of this Scheme Document.

Having considered the terms of the Proposal, the Scheme and the Convertible Note Offer and having taken into account the advice of Altus, in particular, the factors, reasons and recommendations as set out in the “Letter from the Independent Financial Adviser” (as set out in Part 6 of this Scheme Document), I consider the Proposal and the Scheme to be fair and reasonable so far as the Scheme Shareholders are concerned and the Convertible Note Offer to be fair and reasonable so far as the holders of the Convertible Notes (other than the Offeror and Offeror Concert Parties) are concerned.

Accordingly, I recommend:

- (i) the Scheme Shareholders to vote IN FAVOUR OF the resolution to approve the Scheme at the Court Meeting;
- (ii) (a) holders of Convertible Notes (other than the Offeror and the Offeror Concert Parties) who are seeking for the most prudent course of action to ACCEPT the Convertible Note Offer; and  
  
(b) holders of Convertible Notes (other than the Offeror and the Offeror Concert Parties) who are prepared to accept the risk of holding convertible securities of an unlisted subsidiary of a listed company in exchange for potentially higher monetary returns NOT TO ACCEPT the Convertible Note Offer and continue to hold the Convertible Notes; and
- (iii) the Scheme Shareholders to vote IN FAVOUR OF (i) the special resolution at the SGM to approve and give effect to the reduction of the issued share capital of ASH by cancelling the Scheme Shares; and (ii) the ordinary resolution at the SGM to approve, among other things, the increase of the issued share capital of ASH immediately following the cancellation of the Scheme Shares to the amount prior to the cancellation of the Scheme Shares by issuing to the Offeror such number of new ASH Shares as is equal to the number of Scheme Shares cancelled.

\* *for identification purpose only*

Yours faithfully  
For and on behalf of  
**Asia Standard Hotel Group Limited**  
**Independent Board Committee**



**Mr. Koon Bok Ming, Alan**  
*Independent non-executive director*

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**Mr. Koon Bok Ming, Alan**  
*Independent Non-executive Director*