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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)

**VOLUNTARY
ANNOUNCEMENT**



**ASIA STANDARD INTERNATIONAL
GROUP LIMITED**

泛海國際集團有限公司*
(Incorporated in Bermuda
with limited liability)
(Stock Code: 129)

**DISCLOSEABLE
TRANSACTION**



**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 EXCHANGE OF FINELAND NOTES**

THE EXCHANGE OF FINELAND NOTES

On 20 January 2021, ASI Noteholder and ASH Noteholder exchanged their respective 13.5% Fineland Notes in the notional amount of US\$20 million (equivalent to approximately HK\$155.1 million) for the New Fineland Notes in the same notional amount.

LISTING RULES IMPLICATIONS

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

As all of the applicable percentage ratios in respect of the Exchange of Fineland Notes are below 5% for AO, the Exchange of Fineland Notes does not constitute a notifiable transaction for AO under Chapter 14 of the Listing Rules.

THE EXCHANGE OF FINELAND NOTES

On 20 January 2021, ASI Noteholder and ASH Noteholder exchanged their respective 13.5% Fineland Notes in the notional amount of US\$20 million (equivalent to approximately HK\$155.1 million) for the New Fineland Notes in the same notional amount.

The settlement date will occur on or about 27 January 2021 unless the Exchange Offer is extended or earlier terminated.

Given that ASI Noteholder and ASH Noteholder used their respective 13.5% Finland Notes to exchange for the New Finland Notes in the same notional amounts, no cash consideration was paid by them under the Exchange of Finland Notes.

INFORMATION ON THE NEW FINLAND NOTES

The principal terms of the New Finland Notes are summarised as follows:

- Issuer : Finland
- Interest rate and interest payment dates : The New Finland Notes will bear interest from 27 January 2021 at a rate of 13.6% per annum, payable semi-annually in arrears on 27 January and 27 July of each year, commencing on 27 July 2021.
- Ranking : The New Finland Notes will be (i) general obligations of Finland; (ii) senior in right of payment to any existing and future obligations of Finland expressly subordinated in right of payment to the New Finland Notes, (iii) at least *pari passu* in right of payment with all unsecured, unsubordinated indebtedness of Finland (subject to any priority rights of such unsecured, unsubordinated indebtedness pursuant to applicable law), (iv) guaranteed by the subsidiary guarantors and the JV subsidiary guarantors (if any) on a senior basis, subject to the limitations described in the offering memorandum, (v) effectively subordinated to the secured obligations (if any) of Finland, the subsidiary guarantors and the JV subsidiary guarantors (if any), to the extent of the value of the assets serving as security therefor, and (vi) effectively subordinated to all existing and future obligations of the non-guarantor subsidiaries.
- Redemption/repurchase : Unless previously redeemed or purchased and cancelled, the New Finland Notes will mature on 27 July 2023.

At any time prior to 27 July 2023, Finland may at its option redeem the New Finland Notes, in whole but not in part, at a redemption price equal to 100% of the notional amount of the New Finland Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time and from time to time prior to 27 July 2023, Finland may redeem up to 35% of the aggregate notional outstanding amount of the New Finland Notes with the net cash proceeds of one or more sales of common stock of Finland in an equity offering at a redemption price of 113.6% of the notional amount of the New Finland Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date, provided that at least 65% of the aggregate notional amount of the New Finland Notes originally issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

Not later than 30 days following a change of control triggering event, Finland will make an offer to purchase/repurchase all outstanding New Finland Notes at a purchase price equal to 101% of their notional amount plus accrued and unpaid interest, if any, to (but not including) the offer to purchase/repurchase payment date.

If completion of the registration of the New Finland Notes with SAFE (Guangdong branch) and delivery of an officers' certificate to the trustee shall not have occurred on or prior to the 90th business day of SAFE (Guangdong branch) after the original issue date of the New Finland Notes, Finland will make an offer to purchase/repurchase all outstanding New Finland Notes with respect to which the abovementioned event has occurred at a purchase price equal to 101% of their notional amount plus accrued and unpaid interest, if any, to (but not including) the date of purchase/repurchase.

Transferability : The New Finland Notes are freely transferrable by the holders thereof to any person subject to the terms and conditions of the New Finland Notes.

Listing : Application will be made to the SGX-ST for the listing and quotation of the New Finland Notes on the SGX-ST.

INFORMATION ON THE 13.5% FINELAND NOTES EXCHANGED FOR THE NEW FINELAND NOTES UNDER THE EXCHANGE OFFER

Under the Exchange Offer, each of ASI Noteholder and ASH Noteholder will, in addition to the New Finland Notes issued to it in the notional amount of US\$20 million, receive a cash consideration of US\$200,000 (equivalent to approximately HK\$1.6 million) and the accrued and unpaid interest on the 13.5% Finland Notes validly tendered and accepted under the Exchange Offer up to but excluding the settlement date.

As at 30 September 2020, the carrying value of the 13.5% Finland Notes exchanged for the New Finland Notes by each of ASI Noteholder and ASH Noteholder under the Exchange Offer was approximately HK\$155.7 million. The net profits (both before and after taxation) attributable to the 13.5% Finland Notes exchanged for the New Finland Notes by ASI Noteholder and ASH Noteholder under the Exchange Offer were approximately HK\$18.5 million and approximately HK\$18.4 million respectively for the financial year ended 31 March 2020.

FINANCIAL EFFECTS OF THE EXCHANGE OF FINELAND NOTES

As a result of the Exchange of Finland Notes, it is expected that ASI Group and ASH Group will record, on a consolidated basis, a gain before tax and before non-controlling interest of approximately HK\$6.2 million and HK\$3.1 million respectively, in the current financial year. The gain represents the difference between the consideration and the cost of the 13.5% Finland Notes exchanged for the New Finland Notes by ASI Noteholder and/or ASH Noteholder under the Exchange Offer, less the incremental interest income from the difference between the yield and the coupon amortised to profit or loss in prior years, plus the written back of expected credit loss and the reversal of unrealised exchange loss recognised in prior years. ASI Directors and ASH Directors intend to apply the amount received as general working capital.

REASONS FOR AND BENEFITS OF THE EXCHANGE OF FINELAND NOTES

The Exchange of Fineland Notes forms part of the investing activities of ASI Group and ASH Group, which were conducted in their ordinary and usual course of business. As part of the principal business, ASI Group and ASH Group monitor the performance of their respective securities portfolios and make adjustments to them (with regard to the types and/or amounts of the securities held) from time to time.

Having considered the terms of the Exchange Offer and the New Fineland Notes, ASI Directors and ASH Directors respectively are of the view that the terms thereof are fair and reasonable and the Exchange of Fineland Notes is in the interests of ASI, ASH and their respective shareholders as a whole.

INFORMATION ON AO, ASI, ASH, ASI NOTEHOLDER AND ASH NOTEHOLDER

AO is a limited liability company incorporated in Bermuda whose shares are listed on the Main Board. AO Group is principally engaged in property management, development and investment, hotel operations and securities investments.

ASI is a limited liability company incorporated in Bermuda whose shares are listed on the Main Board. ASI Group is principally engaged in investment and development of commercial, retail and residential properties and securities investments. Through ASH, ASI Group is also involved in hotel operations.

ASH is a limited liability company incorporated in Bermuda whose shares are listed on the Main Board. The principal activity of ASH is investment holding. The principal activities of the subsidiaries of ASH consist of holding and operating hotels, property development and securities investments.

ASI Noteholder is a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of ASI. As at the date hereof, it is principally engaged in securities investments.

ASH Noteholder is a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of ASH. As at the date hereof, it is principally engaged in securities investments.

INFORMATION ON FINELAND

According to the offering memorandum of the New Fineland Notes, Fineland is a property development company headquartered in Guangzhou, the PRC focusing on the development of mid-end and high-end residential properties and high-end commercial properties, and is 100% beneficially owned by Mr. Fong Ming.

To the best of the knowledge, information and belief of ASI Directors and ASH Directors having made all reasonable enquiries, Fineland and its ultimate beneficial owner are Independent Third Parties of ASI and ASH.

LISTING RULES IMPLICATIONS

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

As all of the applicable percentage ratios in respect of the Exchange of Finland Notes are below 5% for AO, the Exchange of Finland Notes does not constitute a notifiable transaction for AO under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“13.5% Finland Notes”	the 13.5% senior notes due 2021 issued by Finland on 17 April 2019 in an aggregate notional amount of US\$300,000,000 with the maturity date on 17 April 2021, listed and quoted on the SGX-ST
“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
“AO Group”	AO and its subsidiaries, including ASI Group and ASH Group
“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
“ASH Director(s)”	the director(s) of ASH, including the independent non-executive director(s)
“ASH Group”	ASH and its subsidiaries
“ASH Noteholder”	Greatime Limited, a company incorporated in the British Virgin Islands 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
“ASI Director(s)”	the director(s) of ASI, including the independent non-executive director(s)
“ASI Group”	ASI and its subsidiaries, including ASH Group

“ASI Noteholder”	Techfull Properties Corp., a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of ASI
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Exchange of Fineland Notes”	the 13.5% Fineland Notes tendered by ASI Noteholder and ASH Noteholder accepted by Fineland in exchange for the New Fineland Notes under the Exchange Offer on 20 January 2021, details of which please refer to the paragraph headed “THE EXCHANGE OF FINELAND NOTES” of this joint announcement
“Exchange Offer”	the exchange offer from Fineland to the noteholders of 13.5% Fineland Notes, such that each of the noteholders whose 13.5% Fineland Notes are accepted for exchange by Fineland will receive on settlement: (a) US\$1,000 in notional amount of the New Fineland Notes for each US\$1,000 in notional amount of the 13.5% Fineland Notes validly tendered and accepted for exchange by Fineland, (b) a cash consideration of US\$10 for each US\$1,000 in notional amount of the 13.5% Fineland Notes for which a valid tender under the Exchange Offer has been delivered, (c) a cash amount representing the accrued and unpaid interest on the 13.5% Fineland Notes validly tendered and accepted for exchange up to but excluding the settlement date, and (d) cash in lieu of any fractional amount of the New Fineland Notes
“Fineland”	Guangzhou Fineland Real Estate Development Co., Ltd.* (廣州市方圓房地產發展有限公司), a company incorporated in the PRC with limited liability, the issuer of the 13.5% Fineland Notes and the New Fineland Notes
“HK\$”	Hong Kong Dollars
“Independent Third Party(ies)”	independent third party(ies), being person(s) or company(ies) independent of ASI and/or ASH (as the case may be) and their respective connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the Main Board of the Stock Exchange
“New Fineland Notes”	the 13.6% senior notes due 2023 issued by Fineland on 27 January 2021 in an aggregate notional amount of US\$340,000,000 with the maturity date on 27 July 2023
“percentage ratio(s)”	has the same meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China

“SAFE”	the State Administration of Foreign Exchange of the PRC
“SGX-ST”	the Singapore Exchange Securities Trading Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States Dollars
“%”	per cent

In this joint announcement, amounts denominated in US\$ are converted into HK\$ at the rate of US\$1.00 = HK\$7.753. Such conversion rate is for illustration purpose only and should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate or at all.

By Order of the Board of
Asia Orient
Holdings Limited
Fung Siu To, Clement
Chairman

By Order of the Board of
Asia Standard International
Group Limited
Fung Siu To, Clement
Chairman

By Order of the Board of
Asia Standard Hotel
Group Limited
Lim Yin Cheng
Deputy Chairman and
Chief Executive

Hong Kong, 22 January 2021

As at the date of this joint announcement,

- (a) *the executive directors of AO are Mr. Fung Siu To, Clement, Mr. Poon Jing, Mr. Poon Hai, Mr. Poon Yeung, Roderick, Mr. Lun Pui Kan and Mr. Kwan Po Lam, Phileas and the independent non-executive directors of AO are Mr. Cheung Kwok Wah, Mr. Leung Wai Keung and Mr. Wong Chi Keung;*
- (b) *the executive directors of ASI are Mr. Fung Siu To, Clement, Mr. Poon Jing, Mr. Poon Hai, Mr. Poon Yeung, Roderick, Mr. Lun Pui Kan and Mr. Kwan Po Lam, Phileas and the independent non-executive directors of ASI 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. Poon Yeung, Roderick, Mr. Fung Siu To, Clement and Mr. Woo Wei Chun, Joseph and the independent non-executive directors of ASH are Mr. Ip Chi Wai, Mr. Leung Wai Keung and Mr. Wong Chi Keung.*

* *For identification purpose only*