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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 DISPOSAL OF THE MODERN LAND SECURITIES**

#### **THE DISPOSAL**

On 2 March 2020, Modern Land disclosed the results of the Tender Offer in the 2 March 2020 Modern Land Announcement. As a result, the Modern Land Securities (which comprise the 15.5% Modern Land Senior Notes in the principal amount of US\$20 million (equivalent to approximately HK\$156.2 million)) held by the Seller, an indirect wholly-owned subsidiary of ASH, had been validly tendered and pursuant to which, will be disposed of to Modern Land, at a total consideration of US\$20.6 million (equivalent to approximately HK\$160.9 million).

#### **LISTING RULES IMPLICATIONS**

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

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The purchase price payable to the Seller is equal to US\$1,030 for each US\$1,000 in principal amount of the 15.5% Modern Land Senior Notes. In addition, the Seller will also receive accrued and unpaid interest on the principal amount of the 15.5% Modern Land Senior Notes from and including the last interest payment date of 2 January 2020 up to, but excluding, the relevant settlement date, which is currently expected to be 4 March 2020.

## **INFORMATION ON THE MODERN LAND SECURITIES**

The Modern Land Securities comprise the 15.5% Modern Land Senior Notes in the principal amount of US\$20 million (equivalent to approximately HK\$156.2 million). The 15.5% Modern Land Senior Notes are listed and quoted on the Official List of the SGX-ST.

As at the date hereof, the Seller holds the 15.5% Modern Land Senior Notes in the principal amount of US\$60 million (equivalent to approximately HK\$468.6 million) and upon completion of the Disposal, the Seller will hold the 15.5% Modern Land Senior Notes in the principal amount of US\$40 million (equivalent to approximately HK\$312.4 million). Such 15.5% Modern Land Senior Notes were acquired by the Seller between December 2018 and February 2019.

As at 30 September 2019, the carrying value of the Modern Land Securities, according to the unaudited management accounts of ASH for the six months ended 30 September 2019, was approximately HK\$158.5 million. The net profits (both before and after taxation and extraordinary items) attributable to the Modern Land Securities for the financial year ended 31 March 2019 were approximately HK\$3.6 million.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Disposal forms part of the investing activities of the ASH Group, which is conducted in its ordinary and usual course of business. As part of its principal business, the ASH Group monitors the performance of its securities portfolios and makes adjustments to them (with regard to the types and/or amounts of the securities held) from time to time.

The Disposal will provide the ASH Group with an opportunity to realise its investment in the Modern Land Securities, and to re-allocate resources for other reinvestment opportunities when they arise.

Having considered the terms of the Disposal (including but not limited to the disposal price), the ASH Directors are of the view that such terms are fair and reasonable and the Disposal is in the interests of ASH and its shareholders as a whole.

## **FINANCIAL EFFECTS OF THE DISPOSAL AND USE OF PROCEEDS**

As a result of the Disposal and subject to audit, it is expected that the ASH Group will record a gain of approximately HK\$6.4 million in the current financial year. The gain represents the difference between the consideration and the cost of the Modern Land Securities, plus the written back of expected credit loss of the Modern Land Securities provided during the financial year ended 31 March 2019.

It is expected that the ASH Group will receive net proceeds of approximately US\$20.6 million (equivalent to approximately HK\$160.9 million) from the Disposal. The ASH Directors intend to apply the proceeds from the Disposal as general working capital, for repayment of bank loans and/or for other reinvestment opportunities when they arise.

## **INFORMATION ON ASH AND THE SELLER**

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.

The Seller 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 investment.

## **INFORMATION ON MODERN LAND**

Modern Land (including its subsidiaries) is a property developer focusing on the development of green, energy-saving and eco-friendly residences in the PRC.

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

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## DEFINITIONS

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

“15.5% Modern Land Senior Notes”	Modern Land’s 15.5% US\$-denominated senior notes due 2020 issued on 2 January 2019 and 27 February 2019
“2 March 2020 Modern Land Announcement”	the announcement of Modern Land dated 2 March 2020
“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
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Disposal”	the disposal of the Modern Land Securities by the Seller to Modern Land pursuant to the Tender Offer
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or company(ies) which is/are third party(ies) independent of ASH and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the Main Board of the Stock Exchange
“Modern Land”	Modern Land (China) Co., Limited (Stock Code: 1107), a company incorporated under the laws of the Cayman Islands with limited liability, whose shares are listed on the Main Board
“Modern Land Securities”	the 15.5% Modern Land Senior Notes in the principal amount of US\$20 million (equivalent to approximately HK\$156.2 million), which are held by the Seller
“Offer to Purchase”	the offer to purchase dated 19 February 2020 made available to the holders of the 15.5% Modern Land Senior Notes in relation to the Tender Offer
“percentage ratio(s)”	has the same meaning ascribed to it under the Listing Rules

“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Seller”	Greatime Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of ASH
“SGX-ST”	the Singapore Exchange Securities Trading Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tender Offer”	the offer to purchase for cash by Modern Land of its outstanding 15.5% Modern Land Senior Notes up to the relevant maximum acceptance amount (on all terms and subject to the conditions set out in the Offer to Purchase)
“US\$”	United States Dollars, the lawful currency of the United States of America
“%”	per cent

*In this announcement, amounts denominated in US\$ are converted into HK\$ at the rate of US\$1.00 = HK\$7.81. 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 Standard Hotel Group Limited**  
**Lim Yin Cheng**  
*Deputy Chairman and Chief Executive*

Hong Kong, 3 March 2020

*As at the date of this announcement, 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. Hung Yat Ming.*

\* *for identification purpose only*