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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 ACQUISITIONS OF CHINA EVERGRANDE NOTES**

#### **THE ACQUISITIONS**

Between 16 and 21 April 2020, the Acquirer acquired the China Evergrande Notes on the open market at an aggregate consideration of approximately US\$19.35 million (equivalent to approximately HK\$150.93 million).

#### **LISTING RULES IMPLICATIONS**

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

## **INTRODUCTION**

Between 16 and 21 April 2020, the Acquirer acquired the China Evergrande Notes on the open market at an aggregate consideration of approximately US\$19.35 million (equivalent to approximately HK\$150.93 million).

In view that the Acquisitions were conducted through the open market, the Company is not aware of the identities of the vendors of the China Evergrande Notes. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the vendors of the China Evergrande Notes and their respective ultimate beneficial owners are Independent Third Parties.

### **Terms of the Acquisitions are set out below:**

Notional amount of the Acquisitions, Acquisition price and date of settlement : 11.5% China Evergrande Notes Due 2022 in the aggregate notional amount of US\$3 million (equivalent to approximately HK\$23.4 million): aggregate consideration was approximately US\$2.69 million (equivalent to approximately HK\$20.98 million)

12% China Evergrande Notes Due 2023 in the aggregate notional amount of US\$13.8 million (equivalent to approximately HK\$107.64 million): aggregate consideration was approximately US\$12.05 million (equivalent to approximately HK\$93.99 million)

13% China Evergrande Notes Due 2022 in the notional amount of US\$3 million (equivalent to approximately HK\$23.4 million): consideration was approximately US\$2.77 million (equivalent to approximately HK\$21.61 million)

13.75% China Evergrande Notes Due 2023 in the notional amount of US\$2 million (equivalent to approximately HK\$15.6 million): consideration was approximately US\$1.84 million (equivalent to approximately HK\$14.35 million)

The date of settlement of the Acquisitions will be between 20 and 23 April 2020

## **INFORMATION ON THE CHINA EVERGRANDE NOTES**

The 12% China Evergrande Notes Due 2023 and the 13.75% China Evergrande Notes Due 2023:

Issuer : 12% China Evergrande Notes Due 2023 and 13.75% China Evergrande Notes Due 2023: Scenery Journey

Interest rate and payment : 12% China Evergrande Notes Due 2023: will bear interest at the rate of 12% per annum. Interest will be payable semi-annually in arrears on 24 January and 24 July of each year, beginning on 24 July 2020 except that the last interest period will be from and including 24 July 2023 to but excluding 24 October 2023

13.75% China Evergrande Notes Due 2023: will bear interest at the rate of 13.75% per annum. Interest will be payable semi-annually in arrears on 6 May and 6 November of each year, beginning on 6 May 2019

Ranking : 12% China Evergrande Notes Due 2023:

The 12% China Evergrande Notes Due 2023 are (1) general obligations of Scenery Journey, (2) senior in right of payment to any existing and future obligations of Scenery Journey expressly subordinated in right of payment to the 12% China Evergrande Notes Due 2023, (3) at least *pari passu* in right of payment with all the unsecured, unsubordinated indebtedness of Scenery Journey, (4) guaranteed by Tianji Holding, the Tianji Holding Subsidiary Guarantors and the Tianji Holding JV Subsidiary Guarantors (if any) on a senior basis, subject to certain limitations, (5) effectively subordinated to the secured obligations of Tianji Holding, Scenery Journey, the Tianji Holding Subsidiary Guarantors and the Tianji Holding JV Subsidiary Guarantors, to the extent of the value of the assets serving as security therefor, and (6) effectively subordinated to all existing and future obligations of the non-guarantor subsidiaries

13.75% China Evergrande Notes Due 2023:

The 13.75% China Evergrande Notes Due 2023 are (1) general obligations of Scenery Journey, (2) senior in right of payment to any existing and future obligations of Scenery Journey expressly subordinated in right of payment to the 13.75% China Evergrande Notes Due 2023, (3) at least *pari passu* in right of payment with all the unsecured, unsubordinated indebtedness of Scenery Journey, (4) guaranteed by Tianji Holding, the Tianji Holding Subsidiary Guarantors and the Tianji Holding JV Subsidiary Guarantors (if any) on a senior basis, subject to certain limitations, (5) effectively subordinated to the secured obligations of Tianji Holding, Scenery Journey, China Evergrande, the Tianji Holding Subsidiary Guarantors and the Tianji Holding JV Subsidiary Guarantors, to the extent of the value of the assets serving as security therefor, and (6) effectively subordinated to all existing and future obligations of the non-guarantor subsidiaries

## Optional redemption

### 12% China Evergrande Notes Due 2023:

On or after 24 October 2021, Scenery Journey may on any one or more occasions redeem all or any part of the 12% China Evergrande Notes Due 2023, at the redemption prices (expressed as percentages of notional amount) set forth below, plus accrued and unpaid interest, if any, on the 12% China Evergrande Notes Due 2023 redeemed, to (but not including) the applicable date of redemption, if redeemed during the respective period indicated below:

<b>Period</b>	<b>Redemption Price</b>
From (and including) 24 October 2021 to (excluding) 24 October 2022	106%
From (and including) 24 October 2022 to (excluding) 24 July 2023	103%

At any time prior to 24 October 2021, Scenery Journey may, upon giving not less than 30 days' nor more than 60 days' notice to the holders and the Trustee, at its option redeem the 12% China Evergrande Notes Due 2023, in whole but not in part, at a redemption price equal to 100% of the notional amount of the 12% China Evergrande Notes Due 2023 redeemed 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 24 October 2021, Scenery Journey may, upon giving not less than 30 days' nor more than 60 days' notice to the holders and the Trustee, redeem up to 35% of the aggregate notional amount of the 12% China Evergrande Notes Due 2023 at a redemption price of 112% of the notional amount of the 12% China Evergrande Notes Due 2023 redeemed, plus accrued and unpaid interest, if any, with the proceeds from sales of certain kinds of its capital stock, subject to certain conditions

At any time from and including 24 July 2023 to but excluding 24 October 2023, Scenery Journey may, upon giving not less than 15 days' nor more than 30 days' notice to the holders and the Trustee, at its option redeem the 12% China Evergrande Notes Due 2023, in whole but not in part, at a redemption price equal to 100% of the notional amount of the 12% China Evergrande Notes Due 2023 redeemed plus accrued and unpaid interest, if any, to (but not including) the redemption date

### 13.75% China Evergrande Notes Due 2023:

On or after 6 November 2021, Scenery Journey may on any one or more occasions redeem all or any part of the 13.75% China Evergrande Notes Due 2023, at the redemption prices (expressed as percentages of notional amount) set forth below, plus accrued and unpaid interest, if any, on the 13.75% China Evergrande Notes Due 2023 redeemed, to (but not including) the applicable date of redemption, if redeemed during the twelve-month period beginning on 6 November of the years indicated below:

<b>Year</b>	<b>Redemption Price</b>
2021	106.875%
2022 and thereafter	103.4375%

At any time prior to 6 November 2021, Scenery Journey may at its option redeem the 13.75% China Evergrande Notes Due 2023, in whole but not in part, at a redemption price equal to 100% of the notional amount of the 13.75% China Evergrande Notes Due 2023, plus the applicable premium, and accrued and unpaid interest, if any, to (but not including) the redemption date

At any time and from time to time prior to 6 November 2021, Scenery Journey may redeem up to 35% of the aggregate notional amount of the 13.75% China Evergrande Notes Due 2023 with the net cash proceeds of one or more sales of common stock of Hengda Real Estate Group Co., Ltd (a wholly-owned subsidiary of China Evergrande) in an equity offering at a redemption price of 113.75% of the notional amount of the 13.75% China Evergrande Notes Due 2023 redeemed, 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 13.75% China Evergrande Notes Due 2023 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

**Listing** : The 12% China Evergrande Notes Due 2023 and the 13.75% China Evergrande Notes Due 2023 are listed and quoted on the SGX-ST

The 11.5% China Evergrande Notes Due 2022 and the 13% China Evergrande Notes Due 2022:

Information on the 11.5% China Evergrande Notes Due 2022 and the 13% China Evergrande Notes Due 2022 are disclosed in the 26 March 2020 Announcement.

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

The Acquisitions form part of the investing activities of the Group, which are conducted in its ordinary and usual course of business. The Group intends to fund the Acquisition prices of the China Evergrande Notes by its internal cash resources.

Having considered the terms of the China Evergrande Notes (including the relevant Acquisition prices, interest rates and maturity dates), the Directors are of the view that the terms of the China Evergrande Notes are fair and reasonable and the Acquisitions are in the interests of the Company and its shareholders as a whole.

## **INFORMATION ON THE COMPANY AND THE ACQUIRER**

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

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

## **INFORMATION ON CHINA EVERGRANDE**

China Evergrande was founded in 1996 in Guangzhou City, Guangdong Province, the PRC and together with its subsidiaries, has established an overall industry layout leveraging in real estate development as its foundation, developing cultural tourism and health and wellbeing management industries as complementary pillars, and focusing in new energy vehicles as a lead growth driver. It is ranked 138th in the Fortune Global 500 in 2019.

## **LISTING RULES IMPLICATIONS**

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

## DEFINITIONS

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

“11.5% China Evergrande Notes Due 2022”	the 11.5% senior notes due 2022 in the aggregate notional amount of US\$2,000 million issued by Scenery Journey, which will mature on 24 October 2022, details of which are disclosed in the 26 March 2020 Announcement
“12% China Evergrande Notes Due 2023”	the 12% senior notes due 2023 in the aggregate notional amount of US\$2,000 million issued by Scenery Journey, which will mature on 24 October 2023
“13% China Evergrande Notes Due 2022”	the 13% senior notes due 2022 in the aggregate notional amount of US\$645 million issued by Scenery Journey, which will mature on 6 November 2022, details of which are disclosed in the 26 March 2020 Announcement
“13.75% China Evergrande Notes Due 2023”	the 13.75% senior notes due 2023 in the aggregate notional amount of US\$590 million issued by Scenery Journey, which will mature on 6 November 2023
“26 March 2020 Announcement”	the joint announcement of AO, ASI and the Company dated 26 March 2020
“Acquirer”	Greatime Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Acquisition(s)”	the acquisitions of the China Evergrande Notes between 16 and 21 April 2020 by the Acquirer in the aggregate notional amount of US\$19.35 million, at the aggregate consideration of approximately US\$150.93 million on the open market
“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
“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

“China Evergrande”	China Evergrande Group (Stock Code: 3333), an exempted company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board
“China Evergrande Notes”	the 11.5% China Evergrande Notes Due 2022, the 12% China Evergrande Notes Due 2023, the 13% China Evergrande Notes Due 2022 and/or the 13.75% China Evergrande Notes Due 2023, as the case may be
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Company”	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
“Director”	the director(s) of the Company, including the independent non-executive director(s)
“Group”	the Company and its subsidiaries
“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 the Company 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
“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
“Scenery Journey”	Scenery Journey Limited, a company incorporated with limited liability in the British Virgin Islands, an indirect subsidiary of China Evergrande and the issuer of, among others, the 12% China Evergrande Notes Due 2023 and the 13.75% China Evergrande Notes Due 2023



“SGX-ST”	the Singapore Exchange Securities Trading Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianji Holding”	Tianji Holding Limited, a company incorporated in Hong Kong with limited liability and a subsidiary of China Evergrande
“Tianji Holding JV Subsidiary Guarantor(s)”	subsidiaries of Tianji Holding that provide limited-recourse guarantee(s) for, among others, the 12% China Evergrande Notes Due 2023 and the 13.75% China Evergrande Notes Due 2023
“Tianji Holding Subsidiary Guarantors”	the subsidiaries of Tianji Holding which guarantee, among others, the 12% China Evergrande Notes Due 2023 and the 13.75% China Evergrande Notes Due 2023
“Trustee”	Citicorp International Limited, as the trustee of, among others, the 12% China Evergrande Notes Due 2023
“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\$7.80. 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, 21 April 2020

*As at the date of this announcement, the executive directors of the Company 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 the Company are Mr. Ip Chi Wai, Mr. Leung Wai Keung and Mr. Hung Yat Ming.*

*\* for identification purpose only*