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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)

**MAJOR AND
CONNECTED TRANSACTION**

**DISCLOSEABLE AND
CONNECTED TRANSACTION**

**IN RELATION TO THE ACQUISITION OF
SHARES IN ASIA STANDARD HOTEL GROUP LIMITED**

ACQUISITION OF SHARES

On 27 June 2016 (after trading hours), ASI, through its wholly-owned subsidiary has contracted to purchase the Acquired Shares representing an aggregate of 12.46% equity interest in ASH as at the date of this joint announcement at a Total Consideration of HK\$372,006,403.60, which is based on an unit purchase price of HK\$1.90 per ASH share.

Upon the completion of the Acquisitions, AO, ASI and their connected persons will own an aggregate of approximately 85.71% equity interest in ASH, with the remaining 14.29% owned by public shareholders.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios in respect of the Acquisitions are more than 25% but less than 100% for AO, the Acquisitions, when aggregated, constitutes a major transaction for AO under Chapter 14 of the Listing Rules and is therefore subject to the announcement, circular and shareholders' approval requirements under the Listing Rules.

Given that none of the AO Shareholders has a material interest in the Acquisitions, none of them would be required to abstain from voting if a general meeting of AO were to be convened to approve the Acquisitions. Pursuant to Rule 14.44 of the Listing Rules, AO has obtained a written approval from the AO Closely Allied Group who together are interested in 437,533,460 AO Shares (representing approximately 52.75% of the issued share capital of AO as at the date of this joint announcement), to approve the Acquisitions. Hence, the Acquisitions are not conditional upon the approval of the AO Shareholders.

As the applicable percentage ratios in respect of the Acquisitions, when aggregated, are more than 5% but less than 25% for ASI, the Acquisitions, when aggregated, constitutes a discloseable transaction for ASI under Chapter 14 of the Listing Rules.

The Vendors are corporations controlled by Mr. Lo and his associates. Given that the Vendors are collectively interested in more than 10% equity interest in ASH, which is an indirect non-wholly owned subsidiary of AO and ASI respectively, the Vendors are considered as connected persons of AO and ASI respectively at the subsidiary level under the Listing Rules and the Acquisitions are therefore considered as connected transactions under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.101 of the Listing Rules, such connected transactions are exempted from the circular, independent financial adviser and shareholders' approval requirements if (1) the AO Board and the ASI Board have respectively approved the Acquisitions; (2) the independent non-executive directors of AO and ASI have respectively confirmed that the terms of the Acquisitions are fair and reasonable, the Acquisitions are on normal commercial terms or better and in the interests of AO, ASI and their respective shareholders as a whole.

The AO Board has approved the Acquisitions and the AO Directors (including its independent non-executive directors) have confirmed that the terms of the Acquisitions are fair and reasonable, the Acquisitions are on normal commercial terms or better for AO, and the Acquisitions are in the interests of AO and AO Shareholders as a whole. As such, pursuant to Rule 14A.101 of the Listing Rules, the Acquisitions are exempted from the circular, independent financial adviser and shareholders' approval requirements under Chapter 14A of the Listing Rules insofar as AO is concerned.

The ASI Board has also approved the Acquisitions and the ASI Directors (including its independent non-executive directors) have confirmed that the terms of the Acquisitions are fair and reasonable, the Acquisitions are on normal commercial terms or better for ASI, and the Acquisitions are in the interests of ASI and ASI Shareholders as a whole. As such, pursuant to Rule 14A.101 of the Listing Rules, the Acquisitions are exempted from the circular, independent financial adviser and shareholders' approval requirements under Chapter 14A of the Listing Rules insofar as ASI is concerned.

DESPATCH OF CIRCULAR

In accordance with the requirements of the Listing Rules, AO will despatch a circular containing the information required under the Listing Rules in relation to the Acquisitions to the AO Shareholders as soon as possible, which is expected to be on or before 19 July 2016.

INTRODUCTION

On 27 June 2016 (after trading hours), ASI, through its wholly-owned subsidiary has contracted to purchase the Acquired Shares representing an aggregate of 12.46% equity interest in ASH as at the date of this joint announcement at a Total Consideration of HK\$372,006,403.60, which is based on an unit purchase price of HK\$1.90 per ASH share.

Upon the completion of the Acquisitions, AO, ASI and their connected persons will own an aggregate of approximately 85.71% equity interest in ASH, with the remaining 14.29% owned by public shareholders.

On 27 June 2016 (after trading hours), ASIL, a direct wholly-owned subsidiary of ASI, has contracted to purchase the Acquired Shares representing an aggregate of 12.46% equity interest in ASH as at the date of this joint announcement at a Total Consideration of HK\$372,006,403.60 payable in cash, and the principal terms and conditions are as follows:-

(I) THE PURCHASE NO.1

Date: 27 June 2016

The Vendor(s): RHIH's subsidiaries

The RHIH's subsidiaries are wholly owned subsidiaries of RHIH and corporations controlled by Mr. Lo, CCIH, PH and YSL.

To the best of the knowledge, information and belief of the respective AO Directors and ASI Directors, having made all reasonable enquiries, the RHIH's subsidiaries and their respective ultimate beneficial owners are third parties independent of AO, ASI and their respective connected persons.

The Purchaser: ASIL

Assets Acquired : 188,462,845 ASH Shares, representing approximately 12.00% of the issued shares of ASH as at the date of this joint announcement

Consideration: HK\$358,079,405.50, which is based on a unit purchase price of HK\$1.90 per ASH Share

Completion: Completion is expected to take place on or before 29 June 2016

(II) THE PURCHASE NO.2

Date: 27 June 2016

The Vendor(s): Cosmopolitan

Cosmopolitan is a limited liability company incorporated in Hong Kong and a wholly-owned subsidiary of Cosmopolitan International Holdings Limited (stock code: 120), a limited company incorporated in Cayman Islands whose issued shares are listed on the Main Board and a corporation controlled by Mr. Lo, CCIH, PH, RHIH, and YSL. Its principal activities are financing and financial assets investment.

To the best of the knowledge, information and belief of the respective AO Directors and ASI Directors, having made all reasonable enquiries, Cosmopolitan and its ultimate beneficial owner is third party independent of AO, ASI and their respective connected persons.

The Purchaser: ASIL

Assets Acquired : 7,329,999 ASH Shares, representing approximately 0.46% of the issued shares of ASH as at the date of this joint announcement

Consideration:	HK\$13,926,998.10, which is based on a unit purchase price of HK\$1.90 per ASH Share
Completion:	Completion is expected to take place on or before 29 June 2016

CONSIDERATION

The Total Consideration is approximately HK\$372,006,403.60 in cash, representing HK\$1.90 per ASH Share and will be satisfied on the respective Completion Dates from internal cash resources. The consideration was agreed between ASI and each of the Vendors based on arm's length negotiation after taking into account of the following factors: (i) ASH Shares is suspended for trading and may be delisted if ASH cannot restore its public float (as described below), (ii) the price per share payable pursuant to the Acquisitions is at a premium of 38.6% to the last closing price of ASH Share of HK\$1.37 per share prior to the suspension of trading of ASH Shares and discount of 13.6% to the current consolidated net asset per share of ASH Shares of HK\$2.2 per share.

INFORMATION ON ASH

ASH is a member of ASI Group and 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 four hotels in Hong Kong and Canada; travel operations; catering operations and securities investments.

The audited net asset value of ASH as at 31 March 2016 was approximately HK\$3,454.5 million. Based on the audited consolidated financial statements of ASH for the two financial year ended 31 March 2015 and 2016, the audited consolidated net profit before taxation of ASH for those two financial years were approximately HK\$137.7 million and HK\$259.9 million respectively, and the audited consolidated net profit after taxation of ASH for those financial years were approximately HK\$120.1 million and HK\$250.6 million respectively.

REASONS FOR AND BENEFITS OF THE ACQUISITION

Reference is made to joint announcement of AO, ASI and ASH dated 7 January 2015 and the announcements of ASH dated 6 February 2015 and 29 December 2015 respectively. AO and ASI are each controlling shareholders of ASH, who together deemed to be interested in 73.25% in ASH.

Mr. Lo and his associates are substantial shareholders of ASH within the meaning of the Listing Rules, holding approximately 12.46% equity interest in ASH as at the date of this joint announcement. Accordingly, their shareholdings in ASH has not been regarded as shares being held in public hands pursuant to Rule 8.24 of the Listing Rules. As a result, the public float of ASH has fallen below 25% of the entire issued share capital of ASH as prescribed by Rule 8.08(1)(a) of the Listing Rules. Due to its inability to meet the minimum public float requirements, the trading of ASH Shares has been suspended for about six months since 30 December 2015 and may be delisted if the situation continues.

Mr. Lo and his associates have not taken any steps to dispose of their shares in ASH to enable ASH to restore its public float. By purchasing the Acquired Shares, control of the ASH shares previously held by Mr. Lo and his associates is now handed to ASI and puts ASH in a better position to explore various options to restore the minimum public float of ASH so as to resume the trading of ASH Shares.

While the price per share payable pursuant to the Acquisitions is at a premium of 38.6% to the last closing price of ASH Share of HK\$1.37, it still represents a discount of 13.6% to the current consolidated net asset per share of ASH Shares of HK\$2.2 per share. Also, given that Mr. Lo and his associates effectively have a block of ASH Shares which enables them to control the resumption of trading of the ASH Shares, the AO Directors and the ASI Directors believe that Mr. Lo and his associates would not have sold their ASH Shares to ASI at a lower price to the price payable by ASI pursuant to the Acquisitions.

The AO Directors and the ASI Directors respectively (including their respective independent non-executive directors) believe that the Acquisitions is on normal commercial terms or better, which are fair and reasonable, and the Acquisitions are in the interests of AO, ASI and their respective shareholders as a whole.

INFORMATION ON AO AND ASI

AO is a limited liability company incorporated in Bermuda whose shares are listed on the Main Board. AO and its subsidiaries are principally engaged in property management, development and investment, hotel and travel operations and securities investments. As at the date of this joint announcement, AO owns approximately 51.52% interest in ASI, and approximately 3.02% 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. 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 and travel operations. As at the date of this joint announcement, ASI owns approximately 70.23% interest in ASH.

IMPLICATIONS UNDER THE LISTING RULES

Insofar as AO is concerned, as one or more of the percentage ratios in respect of the Acquisitions, when aggregated, is more than 25% but less than 100%, the Acquisitions, when aggregated, constitutes a major transaction for AO under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the AO Directors having made all reasonable enquiries, none of the AO Shareholders has a material interest in the Acquisitions and therefore none of them would be required to abstain from voting if a general meeting of AO were to be convened to approve the Acquisitions. Pursuant to Rule 14.44 of the Listing Rules, AO has obtained a written approval from the AO Closely Allied Group who together are interested in 437,533,460 AO Shares (representing approximately 52.75% of the issued share capital of AO as at the date of this joint announcement), to approve the Acquisitions. The AO Closely Allied Group comprises the following AO Shareholders:

Name of the AO Shareholders	Number of AO Shares held	Percentage shareholding in AO
Heston Holdings Limited (<i>Note 1</i>)	49,616,193	5.98%
Teddington Holdings Limited (<i>Note 1</i>)	59,646,626	7.19%
Full Speed Investments Limited (<i>Note 1</i>)	33,608,925	4.05%
Mr. Poon Jing	269,194,664	32.47%
Mr. Fung Siu To, Clement (<i>Note 2</i>)	15,191,190	1.83%
Mr. Poon Hai (<i>Note 3</i>)	<u>10,275,862</u>	<u>1.23%</u>
Total:	<u><u>437,533,460</u></u>	<u><u>52.75%</u></u>

Notes:

- Each of these companies is directly or indirectly wholly-owned by Mr. Poon Jing.
- Mr. Fung Siu To, Clement is the brother-in-law of Mr. Poon Jing and uncle of Mr. Poon Hai. He is the Chairman and an executive director of each of AO and ASI.

3. Mr. Poon Hai is the son of Mr. Poon Jing and nephew of Mr. Fung Siu To, Clement. He is an executive director of each of AO and ASI.

Insofar as ASI is concerned, as one or more of the percentage ratios in respect of the Acquisitions, when aggregated, is more than 5% but less than 25%, the Acquisitions, when aggregated, constitutes a discloseable transaction for ASI and is subject to the notification and publication requirements but exempts from shareholders' approval requirement set out in Chapter 14 of the Listing Rules.

As at the date of this joint announcement, AO and ASI are each controlling shareholders of ASH. As the Vendors are associates of each of Mr. Lo, CCIH, PH, RHIH and YSL, each of Mr. Lo, CCIH, PH, RHIH and YSL is deemed to be interested in the Acquired Shares, a substantial shareholder of ASH and hence is a connected person of each of AO and ASI at the subsidiary level. Accordingly, the Acquisitions constitute a connected transaction for each of AO and ASI under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.101 of the Listing Rules, such connected transactions are exempted from the circular, independent financial adviser and shareholders' approval requirements if (1) the AO Board and the ASI Board have respectively approved the Acquisitions; (2) the independent non-executive directors of AO and ASI have respectively confirmed that the terms of the Acquisitions are fair and reasonable, the Acquisitions are on normal commercial terms or better and in the interests of AO, ASI and their respective shareholders as a whole.

The AO Board has approved the Acquisitions and the AO Directors (including its independent non-executive directors) have confirmed that the terms of the Acquisitions are fair and reasonable, the Acquisitions are on normal commercial terms or better for AO, and the Acquisitions are in the interests of AO and AO Shareholders as a whole. As such, pursuant to Rule 14A.101 of the Listing Rules, the Acquisitions are exempted from the circular, independent financial adviser and Shareholders' approval requirements under Chapter 14A of the Listing Rules insofar as AO is concerned.

The ASI Board has also approved the Acquisitions and the ASI Directors (including its independent non-executive directors) have confirmed that the terms of the Acquisitions are fair and reasonable, the Acquisitions are on normal commercial terms or better for ASI, and the Acquisitions are in the interests of ASI and ASI Shareholders as a whole. As such, pursuant to Rule 14A.101 of the Listing Rules, the Acquisitions are exempted from the circular, independent financial adviser and Shareholders' approval requirements under Chapter 14A of the Listing Rules insofar as ASI is concerned.

None of the AO Directors or the ASI Directors is considered to have a material interest in the Acquisitions. However, by virtue of his directorships in various companies controlled by Mr. Lo and his associates, Mr. Wong abstained from voting on the Acquisition. Save in respect of Mr. Wong, no AO Director nor ASI Director was required to abstain from voting on the respective AO Board and ASI Board resolution approving the Acquisition.

DESPATCH OF CIRCULAR

In accordance with the requirements of the Listing Rules, AO will despatch a circular containing the information required under the Listing Rules in relation to the Acquisition to AO Shareholders as soon as possible, which is expected to be on or before 19 July 2016.

DEFINITIONS

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

“Acquired Shares”	195,792,844 ASH Shares
“Acquisition”	the purchase of Acquired Shares contemplated under the Purchase No.1 and the Purchase No.2
“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, and the controlling shareholder of ASI
“AO Board”	The board of directors of AO
“AO Closely Allied Group”	a closely allied group of AO Shareholders comprising Mr. Poon Jing and his associates who together are interested in 437,533,460 AO Shares (representing approximately 52.75% of the issued share capital of AO as at the date of this joint announcement)
“AO Directors”	the directors of AO
“AO Shareholder(s)”	holder(s) of AO Share(s)

“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 and a 70.23% owned subsidiary of ASI
“ASH Share(s)”	share(s) of HK\$0.02 each in the issued share capital of ASH
“ASIL” or “Purchaser”	Asia Standard International Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of ASI
“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 and a 51.52% owned subsidiary of AO
“ASI Board”	the board of directors of ASI
“ASI Directors”	the directors of ASI
“ASI Group”	ASI together with its subsidiaries
“ASI Shareholder(s)”	holder(s) of ASI Share(s)
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“CCIH”	Century City International Holdings Limited, a limited liability company incorporated in Bermuda
“Completion”	the completion of the acquisition of the Acquired Shares under the Purchase No.1 and the Purchase No.2
“Completion Date”	the date when the Completion takes place
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Cosmopolitan”	Cosmopolitan International Finance Limited, a limited liability company incorporated in Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Lo”	Lo Yuk Sui
“Mr. Wong”	Wong Chi Keung
“Main Board”	the main board of The Stock Exchange of Hong Kong Limited
“PH”	Paliburg Holdings Limited, a limited liability company incorporated in Bermuda
“Purchase No.1”	a purchase arrangement made by ASIL in connection with the purchase of 188,462,845 ASH Shares
“Purchase No.2”	a purchase arrangement made by ASIL in connection with the purchase of 7,329,999 ASH Shares
“RHIH”	Regal Hotels International Holdings Limited, a limited liability company incorporated in Bermuda
“Total Consideration”	a total of HK\$372,006,403.60, being the total consideration for the Purchase No.1 and the Purchase No.2
“Vendors”	the vendors of ASH Shares under the Purchase No.1 and the Purchase No.2
“YSL”	YSL International Holdings Limited, a limited liability company incorporated in the British Virgin Islands
“%”	per cent

By order of
the board of directors of
**Asia Orient
Holdings Limited**
Fung Siu To, Clement
Chairman

By order of
the board of directors of
**Asia Standard International
Group Limited**
Fung Siu To, Clement
Chairman

Hong Kong, 27 June 2016

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 are Mr. Cheung Kwok Wah, Mr. Hung Yat Ming and Mr. Wong Chi Keung; and*

- (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 are Mr. Koon Bok Ming Alan, Mr. Leung Wai Keung and Mr. Wong Chi Keung.*

** For identification purposes only*