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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)**



**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  
SUBSCRIPTION OF 11.8% MODERN LAND NOTES DUE 2022**

**THE SUBSCRIPTION**

On 19 February 2020, ASH Subscriber subscribed for the 11.8% Modern Land Notes in the principal amount of US\$20 million (equivalent to approximately HK\$156 million) at the Offering Price.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the Subscription, when aggregated with the Previous Acquisitions, exceeds 5% but is or are less than 25% for each of AO, ASI and ASH, the Subscription constitutes a discloseable transaction for each of AO, ASI and ASH and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. The Previous Acquisitions were exempted from the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**INTRODUCTION**

On 19 February 2020, ASH Subscriber subscribed for the 11.8% Modern Land Notes in the principal amount of US\$20 million (equivalent to approximately HK\$156 million) at the Offering Price.

## PRINCIPAL TERMS OF THE SUBSCRIPTION AND THE 11.8% MODERN LAND NOTES

Issuer	:	Modern Land (China) Co., Limited
Notes offered	:	Subject to the fulfilment or waiver of the conditions precedent to the issue of the 11.8% Modern Land Notes by the Issuer, the Issuer will issue the 11.8% Modern Land Notes
Offering price	:	98.156% of the principal amount with respect to the 11.8% Modern Land Notes
Date of settlement	:	26 February 2020
Total issue size	:	US\$200 million in aggregate
Principal amount of the Subscription by ASH Subscriber	:	US\$20 million (equivalent to approximately HK\$156 million)
Interest rate and payment	:	The 11.8% Modern Land Notes will bear interest from and including 26 February 2020 at the rate of 11.8% per annum, payable semi-annually in arrears on 26 February and 26 August of each year, beginning on 26 August 2020
Maturity date	:	26 February 2022
Ranking of the 11.8% Modern Land Notes	:	The 11.8% Modern Land Notes will, upon their issue, constitute general obligations of the Issuer and will be (i) senior in right of payment to any existing and future obligations of the Issuer expressly subordinated in right of payment to the 11.8% Modern Land Notes; (ii) at least <i>pari passu</i> in right of payment with the Modern Land March 2018 Notes, the Modern Land January 2019 Notes and the Modern Land April 2019 Notes and all other unsecured and unsubordinated indebtedness of the Issuer (subject to any priority rights of such unsecured and unsubordinated indebtedness pursuant to applicable law); (iii) guaranteed by the Subsidiary Guarantors on a senior basis, subject to certain limitations on the issue date of the 11.8% Modern Land Notes; (iv) effectively subordinated to the other secured obligations (if any) of the Issuer, the Subsidiary Guarantors and the JV Subsidiary Guarantors, to the extent of the value of the assets serving as security therefor (other than the Collateral); and (v) effectively subordinated to all existing and future obligations of the subsidiaries of the Issuer which are not providing guarantees under the 11.8% Modern Land Notes
Denomination	:	The 11.8% Modern Land Notes will be issued in minimum denominations of US\$200,000.00 of principal amount and integral multiples of US\$1,000.00 in excess thereof

Security : The Issuer has pledged or caused the initial Subsidiary Guarantor Pledgor to pledge, as the case may be, the Collateral on a first priority basis in order to secure the obligations of (a) the Issuer under the Modern Land March 2018 Notes and of the relevant Subsidiary Guarantor Pledgor under its subsidiary guarantee thereunder, (b) the Issuer under the Modern Land January 2019 Notes and of the relevant Subsidiary Guarantor Pledgor under its subsidiary guarantee thereunder, (c) the Issuer under the Modern Land April 2019 Notes and of the relevant Subsidiary Guarantor Pledgor under its subsidiary guarantee thereunder and (d) the Issuer and the relevant Subsidiary Guarantor Pledgor under any other permitted *pari passu* secured indebtedness

The Issuer has agreed to extend, or cause each of the initial Subsidiary Guarantor Pledgor to extend, as the case may be, the benefit of the security interests created over the Collateral to the holders on the original issue date in order to secure the obligations of the Issuer under the 11.8% Modern Land Notes and the Indenture and of such initial Subsidiary Guarantor Pledgor under its Subsidiary Guarantee. Upon the trustee acceding to the related intercreditor agreement in the prescribed manner, such security interests will be so extended

The Collateral may be released or reduced in the event of certain asset sales and certain other circumstances

Redemption and repurchase : At any time prior to 26 February 2022, the Issuer may at its option redeem the 11.8% Modern Land Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 11.8% Modern Land Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date

At any time prior to 26 February 2022, the Issuer may redeem up to 35% of the aggregate principal amount of the 11.8% Modern Land Notes at a redemption price of 111.8% of the principal amount of the 11.8% Modern Land Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date, with the net cash proceeds from one or more sales of certain kinds of its capital stock in any equity offering, subject to certain conditions

Subject to certain exceptions, the Issuer or a surviving person with respect to the Issuer may at its option redeem the 11.8% Modern Land Notes, in whole but not in part, at any time, upon giving not less than 30 days' nor more than 60 days' notice to the holders (which notice shall be irrevocable) and upon reasonable notice in advance of such notice to holders to the trustee and the paying and transfer agent, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the Issuer or the surviving person, as the case may be, for redemption, if the Issuer or a Subsidiary Guarantor would become obligated to pay certain additional amounts as a result of certain changes in specified tax laws or certain other circumstances

No later than 30 days following the occurrence of certain events constituting a change of control triggering event, the Issuer will make an offer to repurchase all outstanding 11.8% Modern Land Notes at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest, if any, to (but not including) the repurchase date

Listing : Application will be made to the SGX-ST for the listing and quotation of the 11.8% Modern Land Notes on the SGX-ST

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

The Subscription forms part of the investing activities of ASH Group, which is conducted in its ordinary and usual course of business. ASH intends to fund the subscription price of the 11.8% Modern Land Notes by its internal cash resources and banking facilities.

Having considered the terms of the 11.8% Modern Land Notes (including the subscription price, the interest rate and the maturity date), the AO Directors, the ASI Directors and the ASH Directors respectively are of the view that the terms of the 11.8% Modern Land Notes are fair and reasonable and the Subscription is in the interests of AO, ASI and ASH and their respective shareholders as a whole.

## **INFORMATION ON AO, ASI, ASH AND ASH SUBSCRIBER**

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 operations and securities investments.

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 operations.

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 hotels, property development and securities investments.

ASH Subscriber 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 THE ISSUER**

The Issuer (including its subsidiaries (which include but are not limited to the Subsidiary Guarantors and the JV Subsidiary Guarantors)) 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 AO Directors, the ASI Directors and the ASH Directors having made all reasonable enquiries, each of the Issuer, the Subsidiary Guarantors, the JV Subsidiary Guarantors and their respective ultimate beneficial owners are Independent Third Parties of AO, ASI and ASH.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the Subscription, when aggregated with the Previous Acquisitions, exceeds 5% but is or are less than 25% for each of AO, ASI and ASH, the Subscription constitutes a discloseable transaction for each of AO, ASI and ASH and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. The Previous Acquisitions were exempted from 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 joint announcement:

“11.8% Modern Land Notes”	the US\$-denominated green senior notes due 2022 in the aggregate principal amount of US\$200 million to be issued by the Issuer
“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 Director(s)”	the director(s) of AO, including the independent non-executive director(s)
“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 Subscriber”	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
“Collateral”	all collateral securing, or purported to be securing, directly or indirectly, the 11.8% Modern Land Notes, any Subsidiary Guarantee or any JV Subsidiary Guarantee, pursuant to the security documents, and initially consists of the capital stock of all of the initial Subsidiary Guarantors
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“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 AO or ASI or ASH (as the case may be) and its connected persons
“Indenture”	the indenture to be entered into among the Issuer as issuer of the 11.8% Modern Land Notes, the Subsidiary Guarantors as guarantors and Citicorp International Limited as the trustee of the 11.8% Modern Land Notes, setting out the terms of the 11.8% Modern Land Notes including the interest rate of the 11.8% Modern Land Notes and the maturity date, pursuant to which the 11.8% Modern Land Notes will be issued
“Issuer”	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
“JV Subsidiary Guarantees”	limited-recourse guarantees executed by the JV Subsidiary Guarantors on the 11.8% Modern Land Notes
“JV Subsidiary Guarantors”	subsidiaries of the Issuer that execute JV Subsidiary Guarantees
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the Main Board of the Stock Exchange

“Modern Land April 2019 Notes”	any and all outstanding notes of the Issuer’s 12.85% senior notes due 2021 issued on 25 April 2019
“Modern Land January 2019 Notes”	any and all outstanding notes of the Issuer’s 15.5% senior notes due 2020 issued on 2 January 2019 and 27 February 2019
“Modern Land March 2018 Notes”	any and all outstanding notes of the Issuer’s 7.95% senior notes due 2021 issued on 5 March 2018
“Offering Price”	98.156% of the principal amount with respect to the 11.8% Modern Land Notes
“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 joint announcement, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Previous Acquisitions”	the previous acquisitions or subscriptions by AO Group, ASI Group and ASH Group during the past 12 months on a standalone basis (as the case may be), respectively, of notes previously issued by the Issuer, which include the Modern Land April 2019 Notes, the Modern Land January 2019 Notes and the Modern Land March 2018 Notes
“SGX-ST”	the Singapore Exchange Securities Trading Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the 11.8% Modern Land Notes by ASH Subscriber
“Subsidiary Guarantees”	the guarantees provided by the Subsidiary Guarantors on the 11.8% Modern Land Notes
“Subsidiary Guarantor Pledgor”	certain Subsidiary Guarantors that will provide pledges over the shares of the Subsidiary Guarantor held by it to secure the obligations of such Subsidiary Guarantor under its guarantee for the 11.8% Modern Land Notes
“Subsidiary Guarantors”	certain subsidiaries of the Issuer which guarantee the Issuer’s obligations under the 11.8% Modern Land Notes
“US\$”	United States Dollars, the lawful currency of the United States of America
“%”	per cent



*In this joint announcement, amounts denominated in US\$ are converted into HK\$ at the rate of US\$1.00 = HK\$7.803. 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, 20 February 2020

*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. Hung Yat Ming 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. Hung Yat Ming.*

*\* for identification purpose only*