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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)

INTERNATIONAL GROUP LIMITED

泛海國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code : 129)

DISCLOSEABLE TRANSACTION IN RELATION TO THE DEEMED DISPOSAL OF INTERESTS IN ASIA STANDARD HOTEL GROUP LIMITED

DEEMED DISPOSAL

Reference is made to the circular published by ASH on 27 January 2017. ASH, a subsidiary for each of AO and ASI, published a circular in relation to the proposed bonus issue of ASH Shares to fulfil the public float requirement under the Listing Rules.

Reference is made to the announcement published by ASH on 16 February 2017 in relation to results of the bonus issue of ASH Bonus Shares and election for the ASH Convertible Notes. According to the Announcement, ASH has received election for a total of 447,569,392 ASH Bonus Shares and 2,693,204,266 ASH Convertible Notes. AO and ASI have elected to receive 94,897,644 and 2,597,418,454 ASH Convertible Notes respectively under the ASH Bonus Issue. Upon completion of the ASH Bonus Issue, AO and ASI will own approximately 66.709% and 64.358% issued share capital in ASH respectively.

LISTING RULES IMPLICATIONS

The dilution of interests held by AO and ASI in ASH as a result of the ASH Bonus Issue constitutes a deemed disposal under Chapter 14 of the Listing Rules.

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

INTRODUCTION

On 27 January 2017, ASH, a subsidiary for each of AO and ASI published a circular in relation to the proposed bonus issue of ASH Shares, with the option to elect to receive ASH Convertible Notes in lieu of ASH Bonus Shares, to fulfil the public float requirement under the Listing Rules (the “**Circular**”). The principal terms and conditions of the ASH Convertible Note are set out the Circular.

On 16 February 2017, ASH published an announcement in relation to results of the bonus issue of ASH Bonus Shares and election for the ASH Convertible Notes (the “**Announcement**”). According to the Announcement, ASH has received election for a total of 447,569,392 ASH Bonus Shares and 2,693,204,266 ASH Convertible Notes.

In order to facilitate ASH to comply with the Listing Rules, which require that not less than 25% of the shares in issue by a listed company should be held by the public, AO, ASI and each of their wholly owned subsidiaries have elected to receive the ASH Convertible Notes in lieu of the ASH Bonus Shares in respect of all the ASH Shares registered in the names of the AO, ASI or/and their wholly owned subsidiaries.

AO and ASI (by themselves or through their wholly owned subsidiaries) have elected to receive an aggregate of 94,897,644 and 2,597,418,454 ASH Convertible Notes respectively under the ASH Bonus Issue. Upon completion of the ASH Bonus Issue, AO and ASI will own approximately 66.709% and 64.358% issued share capital in ASH respectively.

CONSIDERATION

Under the ASH Bonus Issue, the ASH Bonus Shares will be issued and credited as fully paid at par, AO, ASI and their subsidiaries have elected to receive ASH Convertible Notes in lieu of ASH Bonus Shares. As such, no consideration was paid by AO, ASI and their subsidiaries to subscribe for the ASH Convertible Notes.

At completion of the ASH Bonus Issue, AO, ASI and their subsidiaries will receive an aggregate of 2,692,316,098 ASH Convertible Notes, with a total face value of HK\$1,219,619,192.40 and is convertible into 2,692,316,098 ASH Shares during the Conversion Period.

REASONS FOR AND BENEFITS OF THE ELECTION TO RECEIVE ASH CONVERTIBLE NOTES

The trading in the ASH Shares was halted on the Stock Exchange from 30 December 2015 due to insufficient public float. AO and ASI are each controlling shareholders of ASH. The AO Directors and the ASI Directors are of the respective view that electing the ASH Convertible Notes under the ASH Bonus Issue would facilitate the fulfilment of the public float requirement by ASH as required under the Listing Rules, and allow ASH to apply to the Stock Exchange to resume trading in ASH Shares.

The AO Directors and the ASI Directors respectively (including their respective independent non-executive directors) believe that the respective election for the ASH Convertible Notes by AO and ASI are fair and reasonable, and are in the interests of AO, ASI and their respective shareholders as a whole.

FINANCIAL EFFECT OF THE DEEMED DISPOSAL ON AO AND ASI

Set out below is the shareholding of AO and ASI in ASH (i) immediately before completion of the ASH Bonus Issue and (ii) immediately after completion of the ASH Bonus Issue:

	Immediately before completion of the ASH Bonus Issue		Immediately after completion of the ASH Bonus Issue	
	No. of Shares	Shareholding percentage (<i>approx.</i>)	No. of Shares	Shareholding percentage (<i>approx.</i>)
AO (<i>Note 1</i>)	1,346,158,049	85.721%	1,346,158,049	66.709%
ASI (<i>Note 2</i>)	1,298,709,227	82.700%	1,298,709,227	64.358%

Notes:

- (1) The total number of ASH Shares held by AO and its subsidiaries. AO and its subsidiaries together held more than one-half of the issued shares of ASI and are deemed to be interested in and duplicate the issued share capital of ASH held by ASI.
- (2) The total number of ASH Shares held by ASI and its subsidiaries.

Upon completion of the ASH Bonus Issue, AO will own approximately 66.709% issued share capital in ASH. The financial results of ASH will continue to be consolidated by the AO Group. There will be no material financial effect on the AO Group resulting from the Deemed Disposal.

Upon completion of the ASH Bonus Issue, ASI will own approximately 64.358% issued share capital in ASH. The financial results of ASH will continue to be consolidated by the ASI Group. There will be no material financial effect on the ASI Group resulting from the Deemed Disposal.

INFORMATION ON AO, ASI AND ASH

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, travel 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 and travel 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 in Hong Kong and Canada, property development, travel operations, catering operations and securities investments.

IMPLICATIONS UNDER THE LISTING RULES

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

DEFINITIONS

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

“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 Directors”	the directors of AO
“AO Group”	AO together with its subsidiaries
“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 Bonus Issue”	issue of ASH Bonus Share(s) by ASH on the basis of two (2) ASH Bonus Shares for every one (1) existing ASH Share held by the shareholders of ASH with the option to elect to receive ASH Convertible Notes in lieu of the ASH Bonus Shares
“ASH Bonus Share(s)”	new ASH Shares to be allotted, issued and credited as fully paid up under the ASH Bonus Issue
“ASH Share(s)”	share(s) of HK\$0.02 each in the issued share capital of ASH
“ASH Convertible Note(s)”	the convertible note(s) to be constituted by deed poll executed by ASH and issued by ASH pursuant to the ASH Bonus Issue to shareholders of ASH electing to receive the convertible note(s) in lieu of the ASH Bonus Shares

“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 Directors”	the directors of ASI
“ASI Group”	ASI together with its subsidiaries
“Conversion Period”	At any time commencing on the first business day (which must be a day on which the Stock Exchange is open for business) (the “Stock Exchange Business Day”) immediately following the issue of the ASH Convertible Notes up to and including the date falling the 10th business day prior to the thirtieth anniversary of the date of issue of the ASH Convertible Notes and if such date is not a Stock Exchange Business Day, the Stock Exchange Business Day immediately preceding such date
“Deemed Disposal”	the reduction of the shareholding (direct or indirect) in ASH’s issued share capital for each of AO and ASI upon completion of the ASH Bonus Issue
“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
“Main Board”	the main board of the Stock Exchange
“percentage ratio”	having the meaning ascribed to it in Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China and for the purpose of this joint announcement, excluding Hong Kong, Macau and Taiwan

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

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, 16 February 2017

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*