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If you have sold or transferred all your shares in Asia Orient Holdings Limited, you should at once hand this circular to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

**MAJOR TRANSACTION
IN RELATION TO THE ACQUISITION OF PROPERTY**

A letter from the board of directors of Asia Orient Holdings Limited is set out on pages 4 to 8 of this circular.

* *For identification purpose only*

CONTENTS

	Page
DEFINITIONS	1
 LETTER FROM THE BOARD	
Introduction	4
The Tender and the Conditions of Sale	5
Reason for the Acquisition	5
Information on the Vendors	6
Information on the Company and Charm Elite	6
Information on the Property	6
Financial effects of the Acquisition	7
Listing Rules Implications	7
Additional Information	8
 Appendix I — Financial information of the Group	 9
Appendix II — Unaudited financial information of the Property	13
Appendix III — Unaudited pro forma financial information of the Group	17
Appendix IV — Property valuation report	23
Appendix V — General information	29

DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“Acquisition”	the acquisition of the Property by Charm Elite on the terms of the Tender and the Conditions of Sale
“Announcement”	the joint announcement dated 23 July 2014 made by the Company and ASI
“ASH”	Asia Standard Hotel Group Limited, an exempted company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 292) and a 70.06%-owned subsidiary of ASI
“ASI”	Asia Standard International Group Limited, an exempted company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 129) and a 50.918%-owned subsidiary of the Company
“associate(s)”	have the meaning ascribed to it in Rules 1.01 and 14A.06(2) of the Listing Rules
“Board”	the board of Directors
“Charm Elite”	Charm Elite Enterprises Limited, a limited liability company incorporated in Hong Kong and an indirect wholly-owned subsidiary of ASI
“Closely Allied Group”	a closely allied group of Shareholders comprising Mr. Poon Jing and his associates who together were interested in 390,016,408 Shares (representing approximately 50.999% of the issued share capital of the Company as at the date of the Announcement)
“Company”	Asia Orient Holdings Limited, an exempted company incorporated in Bermuda with limited liability whose Shares are listed on the Main Board of the Stock Exchange (Stock Code: 214)
“Conditions of Sale”	the conditions of sale of the Property as attached to, and forming part of, the Tender
“connected person(s)”	have the meaning ascribed to it in Rules 1.01 and 14A.06(2) of the Listing Rules
“Consideration”	the purchase price payable by Charm Elite for the Acquisition, being HK\$1,105 million

DEFINITIONS

“Directors”	the directors of the Company
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	26 August 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Notice of Acceptance of Tender”	the notice of acceptance of the Tender dated 23 July 2014 issued by the legal advisers of the Vendors to Charm Elite confirming the acceptance of the Tender
“percentage ratios”	have the meaning ascribed to it in Rule 14.07 of the Listing Rules
“PRC”	The People’s Republic of China
“Property”	ALL THOSE pieces or parcels of ground registered in the Land Registry as SECTION A OF SUBSECTION 1 of SECTION A OF INLAND LOT NO.2821, SECTION A OF SUBSECTION 2 of SECTION A OF INLAND LOT NO.2821, THE REMAINING PORTION OF SUBSECTION 3 of SECTION A OF INLAND LOT NO.2821, SECTION B OF INLAND LOT NO.2821, SECTION D OF INLAND LOT NO.2821 and SECTION E OF INLAND LOT NO.2821 together with the messuage(s) erection(s) and building(s) thereon known as FOOK LEE COMMERCIAL CENTRE, TOWN PLACE, NO.33 LOCKHART ROAD, HONG KONG
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreements”	the 45 tenancy agreements in relation to the Property entered into between the Vendors and third parties independent of the Company and its connected persons

DEFINITIONS

“Tender”	the form of tender offer submitted by Charm Elite for the acquisition of the Property
“Vendors”	collectively, Fook Lee Holdings Limited (福利置業有限公司) and Fook Lee Estates Limited - in liquidation (福利地產有限公司 - 清盤中)
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“sq. ft.”	square feet
“%”	per cent

LETTER FROM THE BOARD



ASIA ORIENT HOLDINGS LIMITED

滙漢控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 214)

Executive Directors

Mr. Fung Siu To, Clement (*Chairman*)
Dr. Lim Yin Cheng (*Deputy Chairman*)
Mr. Poon Jing (*Managing Director and Chief Executive*)
Mr. Poon Hai
Mr. Lun Pui Kan
Mr. Kwan Po Lam, Phileas

Independent Non-executive Directors

Mr. Cheung Kwok Wah
Mr. Hung Yat Ming
Mr. Wong Chi Keung

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

*Head office and principal place
of business in Hong Kong:*

30th Floor
Asia Orient Tower
Town Place
33 Lockhart Road
Hong Kong

29 August 2014

To the Shareholders

Dear Sirs,

MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF PROPERTY

INTRODUCTION

Reference is made to the Announcement dated 23 July 2014. Charm Elite, an indirect wholly-owned subsidiary of ASI, received the Notice of Acceptance of Tender confirming that the Vendors had accepted the Tender for the purchase of the Property known as Fook Lee Commercial Centre, Town Place, No. 33 Lockhart Road, Hong Kong, for the Consideration of HK\$1,105 million.

The Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. The purpose of this circular is to provide you with details of the Acquisition and other information as required to be disclosed under the Listing Rules.

* For identification purpose only

LETTER FROM THE BOARD

THE TENDER AND THE CONDITIONS OF SALE

The principal terms of the Tender and the Conditions of Sale are as follows:

The Vendors

- (i) Fook Lee Holdings Limited (福利置業有限公司)
- (ii) Fook Lee Estates Limited - in liquidation (福利地產有限公司 - 清盤中)

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiry, the Vendors and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

The Purchaser

Charm Elite, an indirect wholly-owned subsidiary of ASI

Property

Fook Lee Commercial Centre, Town Place, No. 33 Lockhart Road, Hong Kong

The Property is sold to Charm Elite free from all encumbrances and subject to the Tenancy Agreements.

Consideration

HK\$1,105 million

Charm Elite has paid an initial deposit of HK\$30 million (the “**Initial Deposit**”) at the time of submission of the Tender, and has paid a further deposit of HK\$80.5 million (which, together with the Initial Deposit, represents 10% of the Consideration) on 6 August 2014. Charm Elite shall pay the remaining balance of the Consideration upon completion of the Acquisition.

The Board considers that the Consideration is fair and reasonable having taken into account the prevailing market value of the properties in the vicinity of the Property. The Group will fund the Consideration by its internal resources and bank financing.

Completion of the Acquisition

Completion of the Acquisition shall take place on 21 October 2014.

REASONS FOR THE ACQUISITION

The Property is a commercial property adjoining Asia Orient Tower, the principal place of business of the Company in Hong Kong, with an aggregate floor area of approximately 80,000 sq. ft. The Company intends to lease the units in the Property for rental income after completion of the Acquisition.

LETTER FROM THE BOARD

The Acquisition will enable the Company to consolidate their ownership and control in Town Place (comprising both the Property and Asia Orient Tower). Given that the Property is adjoining Asia Orient Tower, it is possible for the Company to create office spaces of a larger floor area by combining the floor areas of the Property and those of Asia Orient Tower. This will enable the Group to attract more premium tenants who are looking for larger office space for expansion and thus enhance the overall rental return of the Property and Asia Orient Tower. The Directors consider that the terms of the Acquisition (including the Consideration) are on normal commercial terms and fair and reasonable, and that the Acquisition is in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE VENDORS

The Vendors are companies incorporated in Hong Kong with limited liability. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the principal activities of the Vendors are property holding.

INFORMATION ON THE COMPANY AND CHARM ELITE

The Company is an exempted company incorporated in Bermuda with limited liability whose Shares are listed on the Main Board of the Stock Exchange. The Company and its subsidiaries are principally engaged in property management, development and investment, hotel and travel operation and securities investments. As at the Latest Practicable Date, the Company owns approximately 50.918% interest in ASI.

Charm Elite is a limited liability company incorporated in Hong Kong and an indirect wholly-owned subsidiary of ASI. The principal activity of Charm Elite is property holding.

INFORMATION ON THE PROPERTY

The Property was valued by an independent professional valuer at approximately HK\$1,300,000,000 as at 30 July 2014.

Based on the summary of Tenancy Agreements provided by the Vendors, in June 2014, there were a total of 45 subsisting Tenancy Agreements in respect of 34 office premises, 2 shop units and 36 car parking spaces.

The Property is a 25-storey commercial building (with 4th, 14th and 24th Floors omitted), erected over 7-storey podium of shop, carpark and E&M floors common to two towers (i.e. the Property and Asia Orient Tower) completed in 1993. The Property is served by 3 passenger lifts, 1 cargo lift and 2 common staircases. The Property is constructed of reinforced concrete framework with external elevation clad with aluminum green reflective glass curtain wall for office tower and granite slabs for the podium floors. The interior of the building is well maintained, decorated with carpeted floor, granite on walls and false ceiling on the upper office floors. The lift lobbies on the ground floor area finished with marble tiled floor, granite on walls and false ceiling.

LETTER FROM THE BOARD

Ground floor of the Property provides 2 shop units and a main lift lobby, entered from Lockhart Road. As for car parks, 7 parking spaces are provided on 1st floor, 7 parking spaces are provided on 2nd floor, 8 parking spaces are provided on 3rd Floor, 8 parking spaces are provided on 5th Floor and 7 parking spaces are provided on 6th floor which are for the sole use of the Property (*note: the summary of Tenancy Agreements shows the leasing of only 6 parking spaces on 6th floor*). 7th to 31st floors are designed as office floors with common lavatories provided.

The Property is tenanted via various Tenancy Agreements while office units 902, 1203, 1303 & 2502 on 9/F, 12/F, 13/F & 25/F respectively are vacant.

FINANCIAL EFFECTS OF THE ACQUISITION

Based on the unaudited pro-forma financial information of the Group as set out in Appendix III to this circular, the unaudited pro-forma adjusted consolidated total assets of the Group will be approximately HK\$25,878,803,000, as compared to approximately HK\$25,434,409,000, which represents the audited consolidated total assets of the Group as at 31 March 2014.

Based on the unaudited pro-forma financial information of the Group as set out in Appendix III to this circular, the unaudited pro-forma adjusted consolidated total liabilities of the Group will be approximately HK\$6,873,752,000, as compared to approximately HK\$6,429,358,000, which represents the audited consolidated total liabilities of the Group as at 31 March 2014.

The Group's earnings are expected to increase as a result of the Acquisition taking into account of the rental income of the Property.

LISTING RULES IMPLICATIONS

Charm Elite is an indirect wholly-owned subsidiary of ASI. As the applicable percentage ratios in respect of the Acquisition are more than 25% but less than 100% for the Company, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, none of the Shareholders has a material interest in the Acquisition and therefore none of them would be required to abstain from voting if a general meeting of the Company were to be convened to approve the Acquisition. Pursuant to Rule 14.44 of the Listing Rules, on the date of the Announcement, the Company has obtained a written approval from the Closely Allied Group who together were interested in 390,016,408 Shares (representing approximately 50.999% of the issued

LETTER FROM THE BOARD

share capital of the Company as at the date of the Announcement), to approve the Acquisition. The Closely Allied Group comprises the following Shareholders:

Name of the Shareholders	Number of Shares held	Percentage shareholding in the Company
Heston Holdings Limited (<i>Note 1</i>)	47,360,116	6.193%
Teddington Holdings Limited (<i>Note 1</i>)	56,934,459	7.445%
Full Speed Investments Limited (<i>Note 1</i>)	32,080,713	4.195%
Ms. Wong Mei Ling, Suzanne (<i>Note 2</i>)	4,995,066	0.653%
Mr. Poon Jing	234,145,614	30.617%
Mr. Fung Siu To, Clement (<i>Note 3</i>)	<u>14,500,440</u>	<u>1.896%</u>
Total:	390,016,408	50.999%

Notes:

1. Each of these companies is directly or indirectly wholly-owned by Mr. Poon Jing.
2. Ms. Wong Mei Ling, Suzanne is the spouse of Mr. Poon Jing.
3. Mr. Fung Siu To, Clement is the brother-in-law of Mr. Poon Jing and the Chairman and an executive director of each of the Company and ASI.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of
Asia Orient Holdings Limited
Fung Siu To, Clement
Chairman

AUDITED CONSOLIDATED FINANCIAL INFORMATION

The audited consolidated financial information of the Group (i) for the year ended 31 March 2014 is disclosed in the annual report of the Company for the year ended 31 March 2014 published on 24 July 2014, from pages 45 to 128; (ii) for the year ended 31 March 2013 is disclosed in the annual report of the Company for the year ended 31 March 2013 published on 26 July 2013, from pages 39 to 109; and (iii) for the year ended 31 March 2012 is disclosed in the annual report of the Company for the year ended 31 March 2012 published on 31 July 2012, from pages 34 to 109. All of which have been published on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.asiaorient.com.hk).

INDEBTEDNESS STATEMENT

As at the close of business on 31 July 2014, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had approximately HK\$5,654,358,000 outstanding indebtedness comprising:-

- (a) medium term notes of approximately HK\$710,812,000 and convertible bonds of approximately HK\$37,124,000 both being unguaranteed and unsecured;
- (b) bank borrowings of approximately HK\$4,906,422,000 of which:-
 - (i) HK\$4,367,141,000 were guaranteed, out of which HK\$3,667,141,000 were secured by the Group's property, plant and equipment, investment properties, properties under development for sale and shares of an associated company while HK\$700,000,000 were unsecured; and
 - (ii) HK\$539,281,000 were unguaranteed, out of which HK\$537,484,000 were secured by the Group's financial securities investments while HK\$1,797,000 were unsecured.

The carrying values of the Group's assets pledged to secure its borrowings amounted to HK\$16,749,953,000.

As at close of business on 31 July 2014, the Group had contingent liabilities of HK\$401,469,000 in respect of financial guarantees given to banks for facilities extended to the Group's joint ventures.

Save as aforesaid and apart from intra-group liabilities and normal trade payables, as at the close of business on 31 July 2014, the Group did not have any debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptance or acceptance credits, debentures, mortgages, charges, hire purchase or finance lease commitments, guarantees or contingent liabilities.

MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there had been no material adverse change in the financial or trading position or prospects of the Group since 31 March 2014, the date to which the latest published audited financial statements of the Group were made up.

WORKING CAPITAL

The Directors are of the opinion that, in the absence of any unforeseen circumstances and after taking into account (i) the internal resources of the Group; (ii) the Group's presently available banking facilities; and (iii) expected completion of the Acquisition, the Group will have sufficient working capital for its present requirements and for at least the next twelve months from the date of this circular.

FINANCIAL AND TRADING PROSPECTS OF THE GROUP**RESULTS**

The Group's revenue for the year ended 31 March 2014 amounted to HK\$1,308 million (2013: HK\$1,027 million, adjusted for certain accounting changes), it recorded a HK\$774 million (2013: HK\$1,364 million) profit attributable to shareholders. The decrease in profit is a result of a reduction of revaluation gain of the Group's investment properties.

Property sales and development

The Group's property sales, development and leasing operation is carried out through ASI. In the last financial year, the Hong Kong government implemented tax measures to regulate the upward trend of the property market. However, there are no adverse effect to the Group's current year result as there were no new property projects launched for sale in this year.

During the year ended 31 March 2014, the Group completed and recognised a HK\$160 million sales contract for the inventory retail podium of Canaryside in Yau Tong. The Group has sold all inventory of this development.

The Group is at present engaged in the development of several residential and commercial projects with an attributable GFA of approximately 4.0 million sq. ft., spanning over Hong Kong, Shanghai, Beijing and Macau.

In Hong Kong, the Group's Hung Shui Kiu development is currently undergoing planning process. This is a major residential and commercial development on an 112,000 sq. ft. site, which will provide approximately 900 residential units and retail shops, with an approximate total GFA of 519,000 sq. ft. This development is conveniently located adjacent to a light rail station linked to the West Rail network. The Group has another development nearby at the Lam Tei station which is also in the process of planning application.

Demolition is underway for the Group's luxurious high-rise residential development at Perkins Road, Jardine's Lookout. During the year ended 31 March 2014, the Group acquired a building at Henderson Road, Jardine's Lookout on the Hong Kong Island, demolition was completed and foundation work is due to commence.

In Shanghai, the Group is building over 300 villas and apartments in a traditional high end and low-density residential neighborhood in the Qingpu district, Puxi. There are about a dozen international schools that surround our development, which makes the location very sought after. Furthermore, the Group's development is minutes away from the Hongqiao transportation hub and is about 30 minutes drive from the Nanjing West Road central business district. This 50% joint venture project is now in superstructure stage. The development has a total floor area of approximately 1,080,000 sq. ft. on a 1.5 million sq. ft. site. The Group expects the development's pre-sale will commence in the 3rd quarter of 2014 and project completion in 2015.

In Beijing, the Group was successful in gaining planning approvals from the local government of Tongzhou. This 50% joint venture development is a waterfront residential/commercial development with a total floor area of approximately 2,360,000 sq. ft. Land premium has been paid and land clearances are under preparation.

In Macau, planning application for the 190,000 sq. ft. site is underway. This site is located within the proposed residential/commercial Seac Pai Van zoning outline indicated by the local Government.

Leasing

Rental income attributable to the Group's 353,000 sq. ft. investment properties portfolio in Central, Wan Chai and Causeway Bay amounted to HK\$134 million (2013: HK\$117 million), an increase of 15%.

Revaluation gain (including that generated from an investment property owned by an associated company) of HK\$270 million (2013: HK\$1,419 million) was recorded.

Hotel

The hotel and travel operation is carried out through ASH.

Overnight-stay visitors to Hong Kong increased 9% to 26 million during the year ended 31 March 2014. Growth has come from short haul markets where mainland China continues to be the most important inbound source.

In the face of a 5% increase in total hotel rooms supply, revenue arising from the hotel and travel segment amounted to HK\$518 million (2013: HK\$520 million, adjusted for accounting changes on certain travel business). Average room rates of the three Hong Kong hotels were slightly dropped as compared to last year while average occupancies stay above 95%. Contribution to segment results before depreciation was approximately HK\$249 million (2013: HK\$259 million).

Superstructure works of the new hotel project adjacent to the existing one in Causeway Bay had just commenced, while foundation work of the other new hotel in Tsimshatsui is in progress and schedule to complete by early 2015. These two new developed hotels will add 184 rooms to the portfolio upon completion in 2016/2017.

Financial investments

Interest and dividend income for the year ended 31 March 2014 from the Group's financial investments amounted to HK\$489 million (2013: HK\$378 million).

The Group's financial investments continue to benefit from the low-interest rate and ample liquidity environment for most part of the year. During the year ended 31 March 2014, the Group recorded a net investment gain of HK\$694 million (2013: HK\$831 million) of which HK\$580 million (2013: HK\$590 million) unrealized gain arose from the mark to market valuation at year end.

FUTURE PROSPECTS

Local and mainland property markets have all suffered from public interventions in various forms and consequently industry participants will have a very challenging time ahead until these non-market forces have been lifted.

The Group's hotel segment is being confronted with the new supply of hotel rooms in the market, the effects are however somewhat mitigated by the fact that the Group's hotels are well positioned in the city hubs or tourist preferred area as opposed to those situated at peripheral areas far away from shopping centres.

Management holds a cautious stance but remains affirmative in the Group's performance.

PROFIT AND LOSS STATEMENT OF THE PROPERTY

Pursuant to Rule 14.67(6)(b)(i) of the Listing Rules, on an acquisition of revenue generating assets (other than a business or company) with identifiable income stream or assets valuation, the Company is required to include in this circular a profit and loss statement and valuation (where available) for the 3 preceding financial years (the “**Relevant Period**”) on identifiable net income stream and valuation in relation to such assets which must be reviewed by the auditor or reporting accountant to ensure that such information has been properly compiled and derived from the underlying books and records.

For the preparation of the profit and loss statement on the identifiable income stream in relation to the Property in strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules, full access to the underlying books and records of the Vendors covering the Relevant Period is required. However, despite requests made by the Company with the Vendors, the Vendors have not agreed to grant permission for the Group and/or the Company’s auditor to gain full access to the abovementioned underlying books and records of the Vendors nor have they agreed to provide to the Group the above information in relation to the Property, except for making available the Tenancy Agreements for inspection only and a summary of the Tenancy Agreements during the tendering process. Without the aforesaid full access to the underlying books and records of the Vendors granted by the Vendors, it would not be possible for the Company to include the net profits (both before and after taxation and extraordinary items) attributable to the Property for the 2 preceding financial years and to properly compile a profit and loss statement on the identifiable income stream in relation to the Property for inclusion in the circular as required under Rules 14.58(7) and 14.67(6)(b)(i) of the Listing Rules.

The summary of Tenancy Agreements (the “**Summary of Tenancy Agreements**”) sets out certain details of the tenancy agreements relating to the Property which were subsisting as in June 2014. The Company takes the view that the Summary of Tenancy Agreements may not give a true and complete picture of the performance of the Property during the Relevant Period because the Summary of Tenancy Agreements does not set out those tenancy agreements which were then subsisting during the Relevant Period but have been expired or terminated as at the date to which the Summary of Tenancy Agreements was made up, as a result of which there appears to be a significant variance in the rental income generated by the Property during the two years ended 31 March 2012 and 2013 as compared to the rental income generated by the Property for the year ended 31 March 2014 (the “**Year**”). For this reason, the Directors consider that it would be potentially misleading to disclose the financial information relating to the Property for the Relevant Period based on the information in the Summary of Tenancy Agreements.

The Company has therefore applied to the Stock Exchange for a waiver, which had been granted by the Stock Exchange on 21 August 2014, from strict compliance with Rules 14.58(7) and 14.67(6)(b)(i) of the Listing Rules, such that the gross rental income generated by the Property for the Year be disclosed instead.

The Company has verified the information in the Summary of Tenancy Agreements against a summary (the “**Management Summary**”) of material terms of the Tenancy Agreements prepared by its legal advisers who had inspected the Tenancy Agreements and found that the information derived from the Summary of Tenancy Agreements and contained in this Appendix is accurate in all material respects and not misleading.

APPENDIX II UNAUDITED FINANCIAL INFORMATION OF THE PROPERTY

Based on the Summary of Tenancy Agreements and the Management Summary, there were a total of 45 Tenancy Agreements covering 34 office premises, 2 shop units and 36 car parking spaces:

- (a) Among the Tenancy Agreements in respect of the 34 office premises:
 - (i) 2 of which have a fixed term of three years and the earliest commencement date is 1 October 2011. The monthly rentals are HK\$50,500 and HK\$76,400, respectively; and
 - (ii) 32 of which have a fixed term of two years and the earliest commencement date is 15 September 2012. The total monthly rentals are HK\$1,521,916.
- (b) The Tenancy Agreements in respect of the 2 shop units have a fixed term of six years. The commencement date of each of these Tenancy Agreements is 29 June 2012 and the average monthly rentals are HK\$58,688 and HK\$95,378, respectively.
- (c) Among the Tenancy Agreements in respect of the car parking spaces, all of them are for a fixed term of one year or two years commencing on 1 July 2013 or 1 July 2014 (as the case may be) and the total monthly rentals are HK\$144,000.

Based solely on the Summary of Tenancy Agreements, the gross rental income of the Property during the Year is as follows:

	For the year ended 31 March 2014 <i>HK\$'000</i> <i>(Unaudited)</i>
Gross rental income	12,889

Notes:

1. The gross rental income for the Year was derived from the Summary of Tenancy Agreements as in June 2014, on the assumption that there is no change in the monthly rental and other terms under the Tenancy Agreements between 31 March 2014 and the date to which the Summary of Tenancy Agreements was made up.
2. The gross rental income for the Year is compiled from the Summary of Tenancy Agreements provided by the Vendors. It may not give a true picture of the gross rental income attributable to the Property for the Year since (a) no books of accounts are available for inspection to ensure that the rental income has been received; and (b) it is not a complete record of the rental income because it only covers the subsisting tenancy agreements of the Property as in June 2014 and does not include any other rental income which the Vendors may have received during the Year where the tenancy agreements to which such rental income related have been expired or terminated as at the date to which the Summary of Tenancy Agreements was made up.
3. As a standard market practice, the tenant is responsible for Government rates, management fees and charges, utilities expenses, all service management and maintenance charges (save and except those of a capital nature) and all other outgoings while the landlord is responsible for Government rent and property tax. Based on the information of the land register obtained from the Land Registry, government rent of the Property was HK\$144 per annum during the Year. In addition, based on the Summary of Tenancy Agreements, there were 4 vacant premises in June 2014 for which the

APPENDIX II UNAUDITED FINANCIAL INFORMATION OF THE PROPERTY

landlord was responsible for Government rates, management fees and charges, utilities expenses, all service management and maintenance charges (save and except those of a capital nature) and all other outgoings. Based on the information of the land register obtained from the Land Registry and the information available to the Group in its capacity as the property manager of the Property, the Government rates and management fees paid by the landlord in respect of these 4 vacant premises are estimated to be approximately HK\$34,961 for the month.

While the Vendors were not required to pay Hong Kong Property Tax in respect of rents and other benefits (if any) received by them in respect of the Property, the rents and other benefits (if any) received by the Vendors in respect of the Property would form part of their taxable profits for the year of assessment 2013/2014. The tax rate for the Hong Kong Profits Tax for the year of assessment 2013/14 was 16.5%. The Company is unable to estimate the profits tax in relation to the Property given the annual allowance to be deducted in arriving at taxable profit is not available to/accessible by the Company currently.

4. Save for the Summary of the Tenancy Agreements and other publicly available information such as the applicable tax rates, the Directors do not have access to other financial information in relation to the Property. Due to the limited information available to them, the Directors are unable to ascertain the amount of any other expenses, if any, in relation to the Property. Accordingly, no other expenses such as land lease paid and payable, depreciation, repair and maintenance expenses, finance costs (if any) and stamp duty in respect of the Tenancy Agreements (if any) were included in the above financial information. The financial information in relation to the Property set out above is prepared using accounting policies which are materially consistent with those of the Group.
5. The Directors engaged PricewaterhouseCoopers, the auditor of the Company, to conduct certain agreed upon procedures on the compilation of the gross rental income for the Year in accordance with Hong Kong Standard on Related Services 4400 “Engagements to Perform Agreed Upon Procedures Regarding Financial Information” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The procedures have been determined by and are the responsibility of the Directors. The auditor of the Company performed the procedures as summarised below:
 - (i) The auditor obtained the Summary of Tenancy Agreements from the Directors setting out the floor, unit/car park no., rental deposit, utility and other deposits, rental period, rental-free period, monthly rental charges as in June 2014 in respect of each Tenancy Agreement. The Summary of Tenancy Agreements was provided by the Vendors to Charm Elite.
 - (ii) The auditor obtained a schedule setting out monthly rental charges and gross rental charges in respect of each Tenancy Agreement for the Year (the “**Statement of Gross Rental Income**”) from the Directors and compared the amounts as shown in the Summary of Tenancy Agreements with the corresponding amounts shown in the Statement of Gross Rental Income.
 - (iii) The auditor recalculated the amounts of monthly rental charges and gross rental income for the Year presented on the Statement of Gross Rental Income based on the information set out in the Summary of Tenancy Agreements and the formula stated in the Statement of Gross Rental Income.
 - (iv) The auditor compared the gross rental income for the Year shown in the Statement of Gross Rental Income with the corresponding amount shown in the Profit and Loss Statement of the Property.

APPENDIX II UNAUDITED FINANCIAL INFORMATION OF THE PROPERTY

The auditor has performed the above agreed-upon procedures set out in the relevant engagement letter between the Company and reported its factual findings based on the agreed-upon procedures to the Directors. Pursuant to the terms of the relevant engagement letter between the Company and the auditor, the reported factual findings should not be used or relied upon by any other parties for any purpose. In the opinion of the Directors, the Statement of Gross Rental Income has been properly compiled based on the Summary of Tenancy Agreements.

The above procedures do not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA. Consequently, no assurance is provided by the auditor of the Company on the unaudited financial information of the Property disclosed in this circular and the gross rental income for the Year.

Having taken into account the above disclosure of financial information of the Property, the Directors consider the omission of a profit and loss statement for the Property's net income stream for the Relevant Period would not render this circular materially incomplete, misleading or deceptive.

VALUATION OF THE PROPERTY

No valuation of the Property for each of the financial year end with the Relevant Period has been disclosed herein as the Company is not able to obtain any valuation reports from the Vendors.

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The unaudited pro forma statement of assets and liabilities of the Group has been prepared based on the audited consolidated balance sheet of the Group as at 31 March 2014 and adjusted for the effect of the Acquisition to illustrate how the Acquisition might have affected the financial position of the Group as if the Acquisition took place on 31 March 2014. As the unaudited pro forma statement of assets and liabilities has been prepared for illustrative purpose only, it may not purport to represent what the financial position of the Group would have been on actual completion of the Acquisition.

	Statement of assets and liabilities of the Group as at 31 March 2014 <i>HK\$'000</i> <i>(Note 1)</i>	Pro forma adjustments <i>HK\$'000</i>	Notes	Unaudited pro forma statement of assets and liabilities of the Group after the Acquisition <i>HK\$'000</i>
Non-current assets				
Property, plant and equipment	7,224,741			7,224,741
Investment properties	5,535,909	1,200,425	(2)	6,736,334
Joint ventures	1,198,343			1,198,343
Associated companies	1,519,893			1,519,893
Available-for-sale investments	241,078			241,078
Financial assets at fair value through profit or loss	554,844			554,844
Derivative financial instruments	10,427			10,427
Mortgage loans receivable	2,797			2,797
Deferred income tax assets	3,573			3,573
	16,291,605			17,492,030
Current assets				
Properties under development for sale	1,748,797			1,748,797
Completed properties held for sale	3,816			3,816
Hotel and restaurant inventories	1,569			1,569
Trade and other receivables	307,066			307,066
Income tax recoverable	5,589			5,589
Financial assets at fair value through profit or loss	5,586,317			5,586,317
Bank balances and cash	1,489,650	(758,925)	(3)	733,619
		(1,500)	(4)	
		4,394	(5)	
	9,142,804			8,386,773

APPENDIX III
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE GROUP**

	Statement of assets and liabilities of the Group as at 31 March 2014 <i>HK\$'000</i>	Pro forma adjustments <i>HK\$'000</i>	Notes	Unaudited pro forma statement of assets and liabilities of the Group after the Acquisition <i>HK\$'000</i>
Current liabilities				
Trade and other payables	167,412	4,394	(5)	171,806
Amounts due to joint ventures	37,058			37,058
Derivative financial instruments	982			982
Convertible bonds	48,149			48,149
Borrowings	929,483			929,483
Income tax payable	37,139			37,139
	<u>1,220,223</u>			<u>1,224,617</u>
Net current assets	<u>7,922,581</u>			<u>7,162,156</u>
Total assets less current liabilities	<u>24,214,186</u>			<u>24,654,186</u>
Non-current liabilities				
Long term borrowings	3,849,758	440,000	(3)	4,289,758
Medium term notes	609,894			609,894
Deferred income tax liabilities	749,483			749,483
	<u>5,209,135</u>			<u>5,649,135</u>
Net assets	<u>19,005,051</u>			<u>19,003,551</u>

Notes:

1. The figures are extracted from the audited consolidated balance sheet of the Group as at 31 March 2014, as set out in the published annual report of the Company for the year ended 31 March 2014.
2. Based on the facts and circumstances of this transaction, the Acquisition is accounted for as an acquisition of asset. The adjustment reflects the recognition and settlement of the cost of the Property of approximately HK\$1,200,425,000 arising from the Acquisition, as if the Acquisition had been completed on 31 March 2014. The cost of the Property comprises (i) the purchase price of the Property of HK\$1,105,000,000 for the Acquisition; (ii) the stamp duty of approximately HK\$93,925,000 in respect of the Acquisition; and (iii) estimated expenses of HK\$1,500,000 attributable to the Acquisition capitalized as mentioned in point 4 below.
3. It is assumed that the Acquisition will be financed by a bank loan of HK\$440,000,000 and the remaining from the Group's internal resources. The Group has received offer letters from various banks regarding their intention to provide a new facility of not less than HK\$440,000,000 (the "**New Facility**") to the Group. However, up to the date of this circular, no formal agreements have been reached for the New Facility. In case formal agreements for the New Facility cannot be reached, the bank loan could be drawn down from the Group's existing committed banking facilities.
4. The adjustment reflects the payment of the estimated legal and professional fee of approximately HK\$1,500,000 attributable to the Acquisition.
5. The Vendors have to transfer the rental, utility, management and other deposit received from tenants in respect of the Property to the Group upon the completion of the Acquisition. The adjustment reflects the recognition of the above deposits from tenants of HK\$4,394,000 in respect of the Property, as if the Acquisition had been completed on 31 March 2014.
6. No adjustment has been made to reflect any operating results or other transactions of the Group entered into subsequent to 31 March 2014.

B. REPORT FROM THE REPORTING ACCOUNTANT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.



羅兵咸永道

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION INCLUDED IN
A CIRCULAR****TO THE DIRECTORS OF ASIA ORIENT HOLDINGS LIMITED**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Asia Orient Holdings Limited (the "Company") and its subsidiaries (collectively the "Group"), and the property held by Fook Lee Holdings Limited and Fook Lee Estates Limited to be acquired by the Group (the "Property") (collectively the "Enlarged Group") by the directors for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of assets and liabilities as at 31 March 2014, and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages 17 to 19 of the Company's circular dated 29 August 2014, in connection with the proposed acquisition of the Property (the "Transaction") by the Group. The applicable criteria on the basis of which the directors have compiled the Unaudited Pro Forma Financial Information are described on page 19.

The Unaudited Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the Transaction on the Group's financial position as if the Transaction had taken place at 31 March 2014. As part of this process, information about the Group's financial position has been extracted by the directors from the Group's financial statements for the year ended 31 March 2014, on which an audit report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

*PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com*

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus", issued by the HKICPA. This standard requires that the reporting accountant complies with ethical requirements and plans and performs procedures to obtain reasonable assurance about whether the directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Transaction at 31 March 2014 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 29 August 2014

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from Prudential Surveyors Int'l Limited, an independent professional valuer, in connection with the valuation of the property which is to be held by the Company as at 30 July 2014.



PRUDENTIAL
Surveyors International Ltd
測 建 行 有 限 公 司

3/F, Tung Hip Commercial Building, 244-252 Des Voeux Road Central, H.K.
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29 August 2014

Charm Elite Enterprises Limited
30th Floor, Asia Orient Tower, Town Place
33 Lockhart Road, Wanchai, Hong Kong

Dear Sirs,

**Re: Fook Lee Commercial Centre, Town Place,
No. 33 Lockhart Road, Hong Kong (the “Property”)**

INSTRUCTION

In accordance with the instruction of **Charm Elite Enterprises Limited** (the “Company”) for us to value the Property, we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at 30 July 2014 (the “Date of Valuation”).

This letter, forming part of our valuation report, identifies the Property being valued, explains the basis and methodology of our valuation, and lists out the assumptions and the title investigation we have made in the course of our valuation, as well as the limiting conditions.

BASIS OF VALUATION

Our valuation of the property interest in the Property is our opinion of the market value which we would define as intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably prudently and without compulsion.”

The market value is the best price reasonably obtained in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated for deflated by special terms or circumstances such as atypical

financing, sale and leaseback arrangements, joint ventures, management agreements, special considerations or concessions granted by anyone associated with the sale, or any element of special value. The market value of the Property is also estimated without regard to costs of sale and purchase, and without offset for any associated taxes.

Our valuation has been carried out in accordance with The Hong Kong Institute of Surveyors (“HKIS”) Valuation Standards (2012 Edition) issued by the HKIS, the relevant provisions in the Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Main Board).

VALUATION METHOD

We have valued the Property by using the Direct Comparison Method assuming sale of the Property in its existing state subject to its existing tenancies by making reference to the comparable market transactions as available in the market and where appropriate, on the basis of capitalization of the net income shown on the documents handed to us. Comparable properties with similar character, facing aspect, size, view, floor level, location, building facilities and so on are analyzed and carefully weighed against all respective advantages and disadvantages of the property in order to arrive at a fair comparison of value. Also, we have allowed for outgoings and, in appropriate case, made provisions for reversionary income potential.

VALUATION ASSUMPTIONS

In valuing the property interest, we have assumed that the Company has free and uninterrupted rights to use or to assign the property interest for the whole of the unexpired term granted subject to payment of government rent and that all requisite land premium/purchase consideration otherwise payable have been fully settled.

Our valuation has also been made on the assumption that the Property is to be sold in the open market without the benefit of deferred terms contracts, leasebacks, joint ventures, management agreements or any similar arrangements that would serve to affect its value. No account has been taken of any option or right of pre-emption concerning or affecting the sale of the Property and no forced sale situation in any manner is assumed in our valuation.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation that may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions, and outgoings of an onerous nature that could adversely affect their value.

TITLE INVESTIGATION

We have been shown copies of various documents relating to the property interest and, we have caused searches at the Land Registry. We have not, however, searched the original documents to verify ownership or to verify the existence of any lease amendments. All documents and leases have been used for reference only.

Moreover, we have not been provided with any legal opinion regarding to the titles to the property interest.

LIMITING CONDITIONS

Inspection to the exterior and the interior, where available, of the Property on 29 July 2014 was conducted by Mr. Leo S.D. Cheung. However, no structural survey has been made nor have any tests been carried out on any of the services provided in the Property. We are, therefore, not able to report that the Property is free from rot, infestation or any other structural defects. Yet, in the course of our inspection, we did not note any serious defects.

No detailed on-site measurements have been made during our inspection. Dimensions, measurements and areas included in the valuation certificate attached are based on information contained in the documents available to us and are therefore approximations only.

We have relied to a considerable extent on the information provided by the Company and have accepted advice given to us on such matters as planning approvals, statutory notices, easements, tenure, completion dates of buildings, particulars of occupancy, site and floor plans, site and floor areas and other relevant matters in the identification of the Property in which the Company has valid interest. We have not seen original planning consents and have assumed that the Property has been erected and is being occupied and used in accordance with such consents.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We were also advised by the Company that no material facts have been omitted from the information supplied. We considered that we have been provided with sufficient information to reach an informed view and have no reason to suspect that any information has been withheld.

Yours faithfully,

For and on behalf of

PRUDENTIAL SURVEYORS INTERNATIONAL LIMITED

Leo S D Cheung

MHKIS MRICS RPS(GP) BSc MSc MFin EMBA

Director

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244-252 Des Voeux Road Central

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Mr. Leo S. D. Cheung is a Registered Professional Surveyor (GP) with more than 20 years experience in valuation of properties in HKSAR, Macau, mainland China and the Asia Pacific Region. Mr. Cheung is a Professional Member of The Royal Institution of Chartered Surveyors and a Member of The Hong Kong Institute of Surveyors.

VALUATION CERTIFICATE OF THE PROPERTY

Property	Description and Tenure	Particulars of Occupancy	Market Value as at 30 July 2014
<p>Fook Lee Commercial Centre, Town Place, No.33 Lockhart Road, Hong Kong</p> <p>Section A of Sub-section 1 & 2 of Section A of, the Remaining Portion of Sub-section 3 of Section A of, Sections B, C & D of Inland Lot No.2821.</p>	<p>The Property is a 25-storey commercial building (with 4th, 14th and 24th Floors omitted), erected over 7-storey podium of shop, carpark and E&M floors common to two towers [the Property and Asia Orient Tower (“AOT”)] completed in 1993. The Property is served by 3 passenger lifts, 1 cargo lift and 2 common staircases.</p> <p>Ground floor of the Property provides 2 shop units and a main lift lobby, entered from Lockhart Road.</p> <p>As for car parks, a total of 12 approved car parking spaces are provided to the Property and AOT on each floor as depicted in the approved building plan; whereas 7 parking spaces are provided on 1st floor, 7 parking spaces are provided on 2nd floor, 8 parking spaces are provided on 3rd & 5th Floors and 7 parking spaces are provided on 6th floor which are for the sole use of the Property by reference to the tenancy schedule provided by the Company. The actual no. of spaces on site as per our inspection on 29 July 2014 is consistent to the provided tenancy schedule.</p> <p>7th to 31st floors are designed as office floors with common lavatories provided.</p> <p>The Property is constructed of reinforced concrete framework with external elevation clad with aluminum green reflective glass curtain wall for office tower and granite slabs for the podium floors. The interior of the building is well maintained, decorated with carpeted floor, granite on walls and false ceiling on the upper office floors. The lift lobbies on the ground floor area finished with marble tiled floor, granite on walls and false ceiling.</p>	<p>The Property is tenanted via various tenancy agreements while office units 902, 1203, 1303 & 2502 on 9/F, 12/F, 13/F & 25/F respectively are vacant as per tenancy schedule provided by the Company.</p> <p>The current total monthly rental receivable of the Property is about HK\$1,937,612 exclusive of government rent, rates, management fee and other outgoings as per the tenancy schedule provided by the Company.</p>	HK\$1,300,000,000

Property	Description and Tenure	Particulars of Occupancy	Market Value as at 30 July 2014
	<p>The registered site area of the Property is 5,319 sq.ft (494.125 sq.m) as depicted in the Deed of Joint Venture (Memorial No.UB4932510).</p> <p>The total gross floor area of the Property is about 79,791 sq.ft (7,412.765 sq.m) as advised by the Company and, therefore, for reference only.</p> <p>The Property is held under the Government Lease of a term of 99 years renewable for 99 years commencing from 25 May 1929 and the total government rent payable is HK\$144.00 per annum.</p>		

Note:

1. The registered owner of the Property is Fook Lee Estates Limited and Fook Lee Holdings Limited (Tenants in Common) by an Assignment dated 4 July 1991 vide Memorial No.UB4932511 [Remarks: Deed of Exchange & Partial release (IL 2821 S.A SS.1 S.A, S.A SS.2 S.A & S.A SS.3 S.A) for shares see Memorial.]
2. The Property is subject to a First Legal Charge (Incorporating a Building Mortgage) dated 21 December 1990 in favour of Sin Hua Trust, Savings & Commercial Bank Limited vide Memorial No.UB4682961. (Remarks: for consideration & Premises see Memorial released see Memorial Nos.UB4932511 & UB5696892)
3. The Property is subject to a Deed of Joint Venture dated 4 July 1991 vide Memorial No.UB4932510. (Remarks: for premises affected see Memorial)
4. The Property is subject to a Deed of Mutual Grant of Right of Way dated 17 June 1993 vide Memorial No.UB5689921. (Remarks: for Lots affected see Memorial)
5. The Property is subject to various tenancy agreements with various terms from 2 years to 6 years and rents via various memorials.
6. The 1st, 2nd, 3rd, 5th & 6th Floors of the Property is subject to a Licence Agreement dated 17 June 1993 in favour of Tilpifa Company Limited vide Memorial No.UB5689922. (Remarks: Re. Car Parking Space no.1 on 1/F, 2/F, 3/F, 5/F & 6/F for term see Memorial)
7. The registered owner of the Property agreed to grant to the owner of Asia Orient Tower (“AOT”) and/or its nominee an irrevocable licence to use a car parking space within the demarcation of the Property without any payment for as long as the buildings persists.
8. The 1st, 2nd, 3rd, 5th & 6th Floors of the Property is subject to a Debenture dated 30 September 2003 in favour of Hang Seng Bank Limited vide Memorial No.UB9027054. (Remarks: by Tilpifa Company Limited, for consideration and premises affected see Memorial.)

9. The 1st, 2nd, 3rd, 5th & 6th Floors of the Property is subject to a Deed of Variation and further Charge dated 15 January 2007 in favour of Hang Seng Bank Limited vide Memorial No.07012901460202 for consideration see Memorial. (Remarks: by Tilpifa Company Limited Re. Car Parking Space No.1)
10. The Property lies within an area zoned "Commercial" under approved Wan Chai Outline Zoning Plan No.S/H5/27 dated 3 August 2012. It is stated in the explanatory notes of the said Outline Zoning Plan that the Planning intention of "Commercial" zone is primarily for commercial developments, which may include uses such as office, shop, services, place of entertainment, eating place and hotel, functioning as territorial business/financial centre(s) and regional or district commercial/shopping centre(s). These areas are usually major employment nodes.
11. The classification of the Property is held for investment.
12. The commercial and office uses of the Property do not constitute any breach of environmental regulation.
13. As informed by the Company, there is no plan for construction, renovation, improvement or development of the Property.
14. As informed by the Company, there is no plan to dispose of or change the use of the Property.
15. The Property is located in the traditional office district in Wan Chai, Hong Kong. The occupancy rate of office premises is high in the locality. The sales prices and rental rates of similar commercial premises are approximately HK\$16,000 per sq.ft. and HK\$40 per sq.ft on saleable area basis as the time of our valuation respectively. The annual rental return of Grade A office premises ranges from 2.8% to 3.0% as at the Valuation Date.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Directors' and chief executive's interests and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules were as follows:

(I) LONG POSITIONS IN SHARES

(a) The Company

Director	Number of Shares held			Total	Percentage of Shares in issue (%)
	Personal interest	Corporate interest	Family interest		
Poon Jing	247,145,614	136,375,288	4,995,066	388,515,968	49.912
			(Notes)		
Fung Siu To, Clement	14,500,440	—	—	14,500,440	1.862

(b) Associated corporations

Director	Associated corporation	Number of Shares held			Percentage of shares in issue (%)
		Personal interest	Corporate interest	Total	
Poon Jing	ASI	1,223,452	638,938,336 <i>(Note 1)</i>	640,161,788	51.01
Poon Jing	ASH	50,050	1,132,669,492 <i>(Note 1)</i>	1,132,719,542	73.08
Fung Siu To, Clement	Mark Honour Limited	9	—	9	0.01

Notes:

- By virtue of his controlling interest in the Company, Mr. Poon Jing is deemed to be interested in shares of ASI and ASH held by the Company and its subsidiaries.
- By virtue of Mr. Poon Jing's interest in the Company, he is deemed to be interested in the shares of all the Company's subsidiaries and associated companies.

(II) LONG POSITIONS IN UNDERLYING SHARES

Interests in share options

(a) The Company

Director	Outstanding as at the Latest Practicable Date
Fung Siu To, Clement	2,126,301
Lim Yin Cheng	2,126,301
Lun Pui Kan	2,126,301
Kwan Po Lam, Phileas	2,126,301

Note:

Options were granted on 29 March 2007 and exercisable during the period from 29 March 2007 to 28 March 2017 at exercise price of HK\$1.4315 (as adjusted) per Share.

(b) Associated corporation — ASI

Director	Outstanding as at the Latest Practicable Date
Fung Siu To, Clement	2,062,176
Lim Yin Cheng	2,062,176
Poon Jing	515,544
Lun Pui Kan	2,062,176
Kwan Po Lam, Phileas	2,062,176

Note:

Options were granted on 30 March 2005 and exercisable during the period from 30 March 2005 to 29 March 2015 at exercise price of HK\$3.15 (as adjusted) per share.

(c) Associated corporation — ASH

Director	Date of grant	Exercise price (HK\$)	Exercise period	Outstanding as at the Latest Practicable Date
Fung Siu To, Clement	29 March 2007	1.296	29 March 2007 to 28 March 2017	8,000,000
Lim Yin Cheng	2 April 2007	1.300	2 April 2007 to 1 April 2017	8,000,000
Lun Pui Kan	2 April 2007	1.300	2 April 2007 to 1 April 2017	8,000,000
Kwan Po Lam, Phileas	2 April 2007	1.300	2 April 2007 to 1 April 2017	8,000,000

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company and their respective associates was interested or was deemed to be interested in the long and short positions in the shares, underlying shares and/or debentures of the Company or any of its associated corporations, which were required to be notified to the Company and the Stock Exchange under the SFO, recorded in the register required to be kept under Section 352 of the SFO or notified under the Model Code or otherwise known by the Directors.

Substantial Shareholders' and other persons' interests and short positions

As at the Latest Practicable Date, so far as was known by or otherwise notified to the Directors and chief executive of the Company, the particulars of the corporations or individuals (one being a Director) who had 5% or more interests in the following long and short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under Section 336 of the SFO (“**Register of Shareholders**”) or were entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the Company (“**Voting Entitlement**”) (i.e. within the meaning of Substantial Shareholders under the Listing Rules) were as follows:

LONG POSITIONS IN SHARES OF THE COMPANY

Shareholder	Capacity	Number of Shares held	Percentage (%)
Heston Holdings Limited (“ Heston ”) (Note 1)	Beneficial owner	47,360,116	6.084
Teddington Holdings Limited (“ Teddington ”) (Note 1)	Beneficial owner	56,934,459	7.314
Dalton Investments LLC (“ Dalton ”) (Note 2)	Investment manager	135,678,237	17.430
Clearwater Insurance Company (“ Clearwater Insurance ”) (Note 2)	Trustee	48,341,035	6.210
Daswani Rajkumar Murlidhar	Beneficial owner	49,007,674	6.295

Notes:

1. Mr. Poon Jing, his family interest and the companies wholly owned by him namely Teddington, Heston and Full Speed Investments Limited together hold 388,515,968 Shares. The interest of Teddington and Heston duplicate the interest of Mr. Poon Jing disclosed under the heading “Directors’ and chief executive’s interests and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations”.
2. Dalton is the investment manager for Clearwater Insurance. The interest of Clearwater Insurance in the Shares duplicate the interest of Dalton disclosed above.

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any other corporation or individual (other than a Director or the chief executive of the Company) who had the Voting Entitlements or 5% or more interests or short positions in the Shares or underlying Shares as recorded in the Register of Shareholders.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which will not expire or be determinable by the relevant member of the Group within one year without payment of compensation (other than statutory compensation).

4. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against the members of the Group.

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective associates had any interest in a business which competes or may compete with the businesses of the Group (which would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them was a controlling shareholder of the Company).

6. INTEREST IN ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which have been, since 31 March 2014 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, there is no contract or arrangement subsisting in which any of the Directors are materially interested and which is significant to the business of the Group.

7. MATERIAL CONTRACTS

The following contracts (being contracts entered into outside the ordinary course of business carried on by the Group) have been entered into by members of the Group within the two years immediately preceding the date of this circular:

- (a) the Tender and the Notice of Acceptance of Tender; and
- (b) the sale and purchase agreement dated 6 November 2012 between Asia Standard Hotel (Holdings) Limited (“**ASHHL**”) (as purchaser), an indirect wholly-owned subsidiary of ASH and Grand-Star Alliance Limited (“**Grand Star**”) (as vendor), an indirect wholly-owned subsidiary of ASI pursuant to which Grand Star transferred the entire issued share capital of Victor Empire Limited and an inter-company loan of HK\$285,480,076 to ASHHL at an aggregate consideration of HK\$285,530,076.

8. QUALIFICATION AND CONSENT OF EXPERT

The following are the qualification of the experts who have been named in this circular or have given opinions or advice which are contained in this circular:

Name	Qualification
PricewaterhouseCoopers	Certified Public Accountants
Prudential Surveyors International Limited	Professional Surveyors and Valuers

Each of PricewaterhouseCoopers and Prudential Surveyors International Limited has given and has not withdrawn its written consent to the issue of the circular with the inclusion herein of its reports or letter or references to its name in the form and context in which they respectively appear.

None of PricewaterhouseCoopers and Prudential Surveyors International Limited has any shareholding in any number of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

None of PricewaterhouseCoopers and Prudential Surveyors International Limited had any direct or indirect interests in any assets which have since 31 March 2014 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by leased to any members of the Group, or are proposed to be acquired or disposed of by or leased to any members of the Group.

9. GENERAL

- (a) The address of the registered office of the Company is Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.
- (b) Mr. Tung Kwok Lui is the company secretary of the Company. He is a solicitor of the High Court of Hong Kong. He is also an attorney and counselor at law of Supreme Court of the State of California (U.S.A.) and a Certified Public Accountant in North Dakota (U.S.A.).
- (c) The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) In case of inconsistency, the English text of this circular shall prevail over the Chinese text.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the principal office of the Company in Hong Kong at 30th Floor, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong for 14 days from the date of this circular:

- (a) the Memorandum of Association and Bye-Laws of the Company;
- (b) the material contracts referred to under the paragraph headed “Material Contracts” in this Appendix;
- (c) the report on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix III;
- (d) the property valuation report of Prudential Surveyors Int’l Limited as set out in Appendix IV to this circular;
- (e) the letters of consent referred to under the section headed “Qualification and Consent of Expert” in this Appendix;
- (f) the annual reports of the Company for the three years ended 31 March 2012, 2013 and 2014; and
- (g) this circular.