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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect about this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**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 EXCHANGE OF KAISA NOTES**

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A letter from the Board of Asia Orient Holdings Limited (the “**Company**”) is set out on pages 5 to 13 of this circular.

\* *For identification purposes only*

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## DEFINITIONS

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*In this circular (including in the appendices), unless the context otherwise requires, the following expressions have the following meanings:*

“18 December 2020 Announcement”	the joint announcement of the Company and ASI dated 18 December 2020 in relation to the Major Transaction
“29 January 2021 Circular”	the circular dated 29 January 2021 issued by the Company in relation to the Major Transaction
“9.375% Kaisa Notes”	the 9.375% US\$-denominated senior notes due 2024 issued by Kaisa, details of which are disclosed in the Kaisa Announcements
“Announcement”	the joint announcement made by the Company, ASI and ASH dated 14 May 2021 in relation to the Exchange of Kaisa Notes
“AO Closely Allied Group”	a closely allied group of Shareholders, comprising Mr. Poon Jing and his associates who together held 514,797,691 Shares (representing approximately 61.20% of the issued share capital of the Company as at the date of the Announcement)
“AO Noteholder”	Sunrich Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“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 Group”	ASH and its subsidiaries
“ASH Noteholder”	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 Group”	ASI and its subsidiaries, including ASH Group
“ASI Noteholder”	Techfull Properties Corp., a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of ASI
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors

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## DEFINITIONS

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“close associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Company”	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
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company, including the independent non-executive director(s)
“Exchange of Kaisa Notes”	the 9.375% Kaisa Notes tendered by AO Noteholder, ASI Noteholder and ASH Noteholder and accepted by Kaisa in exchange for the New Kaisa Notes under the Exchange Offer on 11 May 2021, details of which please refer to the paragraph headed “THE EXCHANGE OF KAISA NOTES” of this circular
“Exchange Offer”	the exchange offer from Kaisa to the noteholders of 9.375% Kaisa Notes, such that each of the noteholders whose 9.375% Kaisa Notes are accepted for exchange by Kaisa will receive on settlement: (a) US\$1,000 in notional amount of the New Kaisa Notes for each US\$1,000 in notional amount of the 9.375% Kaisa Notes validly tendered and accepted for exchange by Kaisa, (b) a cash amount representing the accrued and unpaid interest on the 9.375% Kaisa Notes validly tendered and accepted for exchange up to but not including the settlement date (rounded to the nearest US\$0.01, with US\$0.005 rounded upwards), and (c) cash (rounded to the nearest US\$0.01, with US\$0.005 rounded upwards) in lieu of any fractional amount of the New Kaisa Notes equal to the notional amount of the New Kaisa Notes not issued (after rounding downward the amount of the New Kaisa Notes to the nearest multiple of US\$1,000)
“Group”	the Company and its subsidiaries, including ASI Group and ASH Group
“HK\$”	Hong Kong Dollars
“Independent Third Party(ies)”	person(s) or company(ies) which is/are third party(ies) independent of the Company and its connected persons
“Kaisa”	Kaisa Group Holdings Ltd. (Stock Code: 1638), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board

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## DEFINITIONS

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“Kaisa Announcements”	the announcements of Kaisa dated 23 June 2017, 4 August 2017, 20 September 2017, 2 November 2017, 27 April 2021 and 28 April 2021 (as the case may be)
“Latest Practicable Date”	21 June 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the Main Board of the Stock Exchange
“Major Transaction”	the previous disposals of the Kaisa Notes, on a non-consolidated and standalone basis, between 17 and 18 December 2020 by the Group, details of which are disclosed in 18 December 2020 Announcement and 29 January 2021 Circular
“New Kaisa Notes”	the 11.7% senior notes due 2025 in denominations of US\$200,000 each and integral multiples of US\$1,000 in excess thereof, issued by Kaisa in an aggregate notional amount of US\$500 million to the noteholders whose 9.375% Kaisa Notes have been validly tendered and accepted under the Exchange Offer
“percentage ratios”	has the same meaning ascribed to it under the Listing Rules
“PRC” or “China”	the People’s Republic of China
“Previous Disposals”	the previous disposals of the 9.375% Kaisa Notes by the Group over the 12-month period prior to the date of the Exchange of Kaisa Notes which shall be aggregated for the purpose of calculating the applicable percentage ratios pursuant to Rule 14.22 of the Listing Rules, details of which please refer to the paragraph headed “IMPLICATIONS UNDER THE LISTING RULES” under the section “LETTER FROM THE BOARD” of this circular
“RMB”	Renminbi
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“SGX-ST”	the Singapore Exchange Securities Trading Limited
“Shareholder(s)”	the holder(s) of the Share(s)
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the issued share capital of the Company

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## DEFINITIONS

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“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“US\$”	United States Dollars
“%”	per cent

*This circular contains translations of certain US\$ amounts into HK\$ at the approximate exchange rates at the time of the relevant transactions to which they apply. 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.*

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Fung Siu To, Clement (*Chairman*)  
Mr. Poon Jing  
*(Managing Director and Chief Executive)*  
Mr. Poon Hai  
Mr. Poon Yeung, Roderick  
Mr. Lun Pui Kan  
Mr. Kwan Po Lam, Phileas

*Independent non-executive Directors:*

Mr. Cheung Kwok Wah  
Mr. Leung Wai Keung, *JP*  
Mr. Wong Chi Keung

*Registered Office:*

Victoria Place  
5th Floor  
31 Victoria Street  
Hamilton HM 10  
Bermuda

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

30th Floor  
YF Life Tower  
33 Lockhart Road  
Wanchai  
Hong Kong

24 June 2021

*To the Shareholders*

Dear Sirs/Madams,

### MAJOR TRANSACTION IN RELATION TO THE EXCHANGE OF KAISA NOTES

#### INTRODUCTION

Reference is made to the Announcement.

On 11 May 2021, AO Noteholder, ASI Noteholder and ASH Noteholder exchanged their respective 9.375% Kaisa Notes in the notional amount of approximately US\$4.4 million (equivalent to approximately HK\$34.2 million), US\$10.2 million (equivalent to approximately HK\$79.2 million) and approximately US\$10.2 million (equivalent to approximately HK\$79.2 million) respectively for the New Kaisa Notes in the same notional amount.

\* *For identification purposes only*

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## LETTER FROM THE BOARD

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The Exchange of Kaisa Notes, after aggregation with the Previous Disposals, constitute a major transaction for the Company under Chapter 14 of the Listing Rules. The purpose of this circular is to provide you with, among other things, (i) information on the Exchange of Kaisa Notes; and (ii) other information as required under the Listing Rules.

### THE EXCHANGE OF KAISA NOTES

On 11 May 2021, AO Noteholder, ASI Noteholder and ASH Noteholder exchanged their respective 9.375% Kaisa Notes in the notional amount of approximately US\$4.4 million (equivalent to approximately HK\$34.2 million), US\$10.2 million (equivalent to approximately HK\$79.2 million) and approximately US\$10.2 million (equivalent to approximately HK\$79.2 million) respectively for the New Kaisa Notes in the same notional amount.

Given that AO Noteholder, ASI Noteholder and ASH Noteholder used their respective 9.375% Kaisa Notes in an aggregate notional amount of approximately US\$24.8 million to exchange for the New Kaisa Notes in the same notional amounts, no cash consideration was paid by them under the Exchange of Kaisa Notes.

### INFORMATION ON THE NEW KAISA NOTES

The principal terms of the New Kaisa Notes are summarised as follows:

Interest rate, interest payment dates and maturity date	:	The New Kaisa Notes will bear interest from and including 11 May 2021 at the rate of 11.7% per annum, payable semi-annually in arrears on 11 May and 11 November each year, commencing on 11 November 2021. The New Kaisa Notes will mature on 11 November 2025.
Ranking	:	The New Kaisa Notes will be (i) general obligations of Kaisa; (ii) senior in right of payment to any existing and future obligations of Kaisa expressly subordinated in right of payment to the New Kaisa Notes; (iii) at least <i>pari passu</i> in right of payment with all other unsecured, unsubordinated indebtedness of Kaisa (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law); (iv) guaranteed by the subsidiary guarantors and the JV subsidiary guarantors (if any) on a senior basis, subject to certain limitations; (v) effectively subordinated to the secured obligations of Kaisa, the subsidiary guarantors and the JV subsidiary guarantors (if any) to the extent of the value of the assets serving as security therefor; and (vi) effectively subordinated to all existing and future obligations of the subsidiaries of Kaisa which are not subsidiary guarantors or JV subsidiary guarantors (if any).



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## LETTER FROM THE BOARD

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Redemption/  
repurchase : At any time and from time to time on or after 11 November 2023, Kaisa may at its option redeem the New Kaisa Notes, in whole or in part, at a redemption price equal to the percentage of notional amount set forth below, plus accrued and unpaid interest, if any, to (but not including) the redemption date if redeemed during the 12-month period commencing on 11 November of any year set forth below:

<b>Period</b>	<b>Redemption Price</b>
2023	104%
2024	102%

At any time prior to 11 November 2023, Kaisa may at its option redeem the New Kaisa Notes, in whole but not in part, at a redemption price equal to 100% of the notional amount of the New Kaisa Notes, plus the applicable premium as of, and accrued and unpaid interest (if any), to the redemption date.

In addition, at any time prior to 11 November 2023, Kaisa may redeem up to 35% of the aggregate notional amount of the New Kaisa Notes with the net cash proceeds of one or more sales of common stock of Kaisa in an equity offering at a redemption price of 111.7% of the notional amount of the New Kaisa Notes, plus accrued and unpaid interest (if any) to the redemption date; provided that at least 65% of the aggregate notional amount of the New Kaisa Notes issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

Not later than 30 days following a change of control triggering event, Kaisa will make an offer to purchase all outstanding New Kaisa Notes at a purchase price equal to 101% of their notional amount plus accrued and unpaid interest, if any, to the date of repurchase.

Listing : The New Kaisa Notes are listed and quoted on the SGX-ST.

Further information on the New Kaisa Notes is disclosed in the Kaisa Announcements.

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## **LETTER FROM THE BOARD**

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### **INFORMATION ON THE 9.375% KAISA NOTES EXCHANGED FOR THE NEW KAISA NOTES UNDER THE EXCHANGE OFFER**

Under the Exchange Offer, each of AO Noteholder, ASI Noteholder and ASH Noteholder will, in addition to the New Kaisa Notes issued to it, receive the accrued and unpaid interest on the 9.375% Kaisa Notes validly tendered and accepted under the Exchange Offer up to but excluding the settlement date.

As at 31 March 2021, the carrying value of the 9.375% Kaisa Notes exchanged for the New Kaisa Notes by each of AO Noteholder, ASI Noteholder and ASH Noteholder under the Exchange Offer was approximately HK\$32.2 million, HK\$75.4 million and HK\$75.1 million respectively. The net profits (both before and after taxation) attributable to the 9.375% Kaisa Notes exchanged for the New Kaisa Notes by the Group under the Exchange Offer were approximately HK\$17.9 million and HK\$17.3 million for the financial years ended 31 March 2019 and 2020 respectively.

### **FINANCIAL EFFECTS OF THE EXCHANGE OF KAISA NOTES**

As a result of the Exchange of Kaisa Notes, it is expected that the Group will record, on a consolidated basis, a gain before tax and before non-controlling interest of approximately HK\$4.6 million in the current financial year. The estimated gain represents the difference between the consideration (being the aggregate notional amount of New Kaisa Notes held by AO Noteholder, ASI Noteholder and ASH Noteholder as a result of the Exchange of Kaisa Notes) of approximately HK\$191.9 million and the cost of the 9.375% Kaisa Notes exchanged for the New Kaisa Notes by AO Noteholder under the Exchange Offer of approximately HK\$186.5 million, less the incremental interest income from the difference between the yield and the coupon amortised to profit or loss in prior years of approximately HK\$2.4 million, plus the written back of expected credit loss of approximately HK\$1.0 million and the reversal of unrealised exchange loss of approximately HK\$0.6 million recognised in prior years. For avoidance of doubt, no cash consideration was paid to AO Noteholder, ASI Noteholder and ASH Noteholder under the Exchange of Kaisa Notes.

Having taken into account of the total assets of the Group, it is estimated that, except the estimated gains as mentioned above, the Exchange of Kaisa Notes would not have any significant impact on the overall financial position of the Group.

### **REASONS FOR AND BENEFITS OF THE EXCHANGE OF KAISA NOTES**

The Exchange of Kaisa Notes provides the Group with investment opportunity which enables the Group to enhance its income stream and providing a stable investment return given the New Kaisa Notes offer a higher yield.

Having considered the terms of the Exchange Offer and the New Kaisa Notes, the Directors believe that such terms are fair and reasonable and the Exchange of Kaisa Notes are in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### **INFORMATION ON THE COMPANY, AO NOTEHOLDER, ASI NOTEHOLDER AND ASH NOTEHOLDER**

The Company is a limited liability company incorporated in Bermuda whose Shares are listed on the Main Board. The Group is principally engaged in property management, development and investment, hotel operations and securities investments.

AO Noteholder is a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company. As at the Latest Practicable Date, it was principally engaged in securities investments.

ASI Noteholder is a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of ASI. As at the Latest Practicable Date, it was principally engaged in securities investments.

ASH Noteholder is a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of ASH. As at the Latest Practicable Date, it was principally engaged in securities investments.

### **INFORMATION ON KAISA**

Kaisa is an investment holding company, and its subsidiaries are principally engaged in property development, property investment, property management, hotel and catering operations, cinema, department store and cultural centre operations, water-way passenger and cargo transportation and healthcare business in the PRC.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries (based on the information available to the Company), Kaisa and its ultimate beneficial owners are Independent Third Parties.

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## LETTER FROM THE BOARD

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### IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios in respect of the Exchange of Kaisa Notes, when aggregated with the Previous Disposals, exceeds 25% but is or are less than 75%, the Exchange of Kaisa Notes constitutes a major transaction for the Company, and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As all of the applicable percentage ratios in respect of the Exchange of Kaisa Notes, when aggregated with the Previous Disposals and any other previous disposals over the past 12 months of the notes issued by Kaisa by the Group, would still be classified as a major disposal transaction for the Company under Chapter 14 of the Listing Rules, and since the Company has complied with the major disposal transaction requirements in respect of the Major Transaction as set out in 18 December 2020 Announcement and 29 January 2021 Circular, the Company is not required to reclassify the Exchange of Kaisa Notes and the Previous Disposals by aggregating them with any other previous disposals over the past 12 months of the notes issued by Kaisa by the Group, and the implications of the applicable percentage ratios in respect of the Exchange of Kaisa Notes, when aggregated with the Previous Disposals are determined on a standalone basis. Details of the Previous Disposals, on a non-consolidated and standalone basis, are set out below:

Transaction dates	Seller	Notional amount of Kaisa Notes disposed of	Consideration (including unpaid interests accrued)
Between 21 December 2020 and 4 January 2021	ASI Group	approximately US\$38.4 million (equivalent to approximately HK\$299.5 million)	approximately US\$37.8 million (equivalent to approximately HK\$294.8 million)
4 January 2021	ASH Group	approximately US\$10.6 million (equivalent to approximately HK\$82.7 million)	approximately US\$10.3 million (equivalent to approximately HK\$80.3 million)
On 18 and 22 February 2021	ASI Group	US\$10.0 million (equivalent to approximately HK\$77.5 million)	approximately US\$9.8 million (equivalent to approximately HK\$76.0 million)
25 February 2021	ASI Group	US\$15.0 million (equivalent to approximately HK\$116.4 million)	approximately US\$14.7 million (equivalent to approximately HK\$114.0 million)
Between 18 and 19 March 2021	The Group	US\$5.0 million (equivalent to approximately HK\$38.8 million)	approximately US\$5.0 million (equivalent to approximately HK\$38.8 million)
Between 18 and 19 March 2021	ASI Group	US\$20.0 million (equivalent to approximately HK\$155.3 million)	approximately US\$19.8 million (equivalent to approximately HK\$153.8 million)

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## LETTER FROM THE BOARD

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<b>Transaction dates</b>	<b>Seller</b>	<b>Notional amount of Kaisa Notes disposed of</b>	<b>Consideration (including unpaid interests accrued)</b>
Between 18 and 19 March 2021	ASH Group	US\$45.0 million (equivalent to approximately HK\$349.4 million)	approximately US\$44.6 million (equivalent to approximately HK\$346.3 million)
Between 22 and 23 March 2021	ASH Group	approximately US\$17.3 million (equivalent to approximately HK\$134.3 million)	approximately US\$17.2 million (equivalent to approximately HK\$133.6 million)
25 March 2021	ASH Group	US\$20.0 million (equivalent to approximately HK\$155.4 million)	approximately US\$19.9 million (equivalent to approximately HK\$154.6 million)
Between 22 and 23 April 2021	ASI Group	approximately US\$4.2 million (equivalent to approximately HK\$32.6 million)	approximately US\$4.2 million (equivalent to approximately HK\$32.6 million)
Between 22 and 23 April 2021	ASH Group	approximately US\$7.0 million (equivalent to approximately HK\$54.3 million)	approximately US\$7.0 million (equivalent to approximately HK\$54.3 million)
Between 27 and 29 April 2021	The Group	approximately US\$20.2 million (equivalent to approximately HK\$156.8 million)	approximately US\$20.6 million (equivalent to approximately HK\$159.9 million)
Between 27 and 29 April 2021	ASI Group	US\$83.0 million (equivalent to approximately HK\$644.2 million)	approximately US\$84.5 million (equivalent to approximately HK\$655.8 million)
On 4 and 5 May 2021	ASI Group	US\$15.0 million (equivalent to approximately HK\$116.5 million)	approximately US\$15.4 million (equivalent to approximately HK\$119.6 million)

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## LETTER FROM THE BOARD

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Given that none of the Shareholders has a material interest in the Exchange of Kaisa Notes, none of them would be required to abstain from voting if a general meeting of the Company were to be convened to approve the Exchange of Kaisa Notes. Pursuant to Rule 14.44 of the Listing Rules, the Company had obtained a written approval from the AO Closely Allied Group (which together held approximately 61.20% of the issued share capital of the Company as at the date of the Announcement) to approve the Exchange of Kaisa Notes. Therefore, no general meeting of the Company will be convened to approve the Exchange of Kaisa Notes. The AO Closely Allied Group comprises the following Shareholders:

<b>Name of the Shareholders</b>	<b>Number of Shares held</b>	<b>Approximate shareholding percentage in the Company</b> <i>(Note 3)</i>
Heston Holdings Limited <i>(Note 1)</i>	50,429,573	5.99%
Teddington Holdings Limited <i>(Note 1)</i>	60,624,439	7.20%
Full Speed Investments Limited <i>(Note 1)</i>	34,159,888	4.06%
Mr. Poon Jing	359,139,472	42.71%
Mr. Poon Hai <i>(Note 2)</i>	10,444,319	1.24%
<b>Total</b>	<b>514,797,691</b>	<b>61.20%</b>

*Notes:*

1. *Each of these companies is directly or indirectly wholly-owned by Mr. Poon Jing. He is an executive director of each of the Company, ASI and ASH.*
2. *Mr. Poon Hai is the son of Mr. Poon Jing. He is an executive director of each of the Company, ASI and ASH.*
3. *Certain percentage figures included in this table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.*

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## LETTER FROM THE BOARD

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### RECOMMENDATION

Having considered the terms of the Exchange of Kaisa Notes and the New Kaisa Notes, the Directors are of the view that the terms thereof are fair and reasonable, and the Exchange of Kaisa Notes is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders should vote in favour of the resolutions approving the Exchange of Kaisa Notes.

The above statement is for Shareholders' reference only given that the Company had already obtained the written approval from the AO Closely Allied Group for the Exchange of Kaisa Notes and hence pursuant to Rule 14.44 of the Listing Rules, no general meeting of the Company will be convened to approve the Exchange of Kaisa Notes.

### ADDITIONAL INFORMATION

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

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

**1. FINANCIAL INFORMATION ON THE GROUP FOR THE THREE YEARS ENDED 31 MARCH 2020 AND THE SIX MONTHS ENDED 30 SEPTEMBER 2020**

The audited consolidated financial statements of the Group:

- (i) for the year ended 31 March 2020 are set out from pages 57 to 148 in the annual report of the Company for the year ended 31 March 2020, which is published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0730/2020073000500.pdf>);
- (ii) for the year ended 31 March 2019 are set out from pages 61 to 164 in the annual report of the Company for the year ended 31 March 2019, which is published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0730/ltn20190730151.pdf>); and
- (iii) for the year ended 31 March 2018 are set out from pages 59 to 152 in the annual report of the Company for the year ended 31 March 2018, which is published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0730/ltn20180730561.pdf>).

The unaudited condensed consolidated interim financial information on the Group for the six months ended 30 September 2020 are set out from pages 11 to 42 in the interim report of the Company for the six months ended 30 September 2020, which is published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/1230/2020123000430.pdf>).

All of the abovementioned annual reports and interim report have also been published on the website of the Company (<http://www.asiaorient.com.hk/eng/>).

**2. INDEBTEDNESS STATEMENT**

As at the close of business on 30 April 2021, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had approximately HK\$18,148 million outstanding indebtedness comprising the following debts:

- (a) bank borrowings of approximately HK\$18,145 million were guaranteed of which:
  - (i) approximately HK\$13,009 million were secured by the Group's property, plant and equipment, investment properties, properties held/under development for sale, shares of associated companies and joint ventures, and financial investments; and
  - (ii) approximately HK\$5,136 million were unsecured; and
- (b) lease liabilities of approximately HK\$3 million relating to premises leased by the Group as lessee.

The carrying values of the Group's assets pledged amounted to approximately HK\$27,703 million as at 30 April 2021.



As at the close of business on 30 April 2021, the Group had contingent liabilities of approximately HK\$3,004 million in respect of financial guarantees given for the banking and loan 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 30 April 2021, the Group did not have any debt securities issued and outstanding, and authorised or otherwise created but unissued, or term loans, bank overdrafts, liabilities under acceptances (other than normal trade bills) or acceptance credits, hire purchase commitments or other borrowings, mortgages, charges, guarantees or contingent liabilities.

### **3. WORKING CAPITAL**

For the working capital sufficiency of the Group's present requirement for at least the next 12 months from the date of this circular, the Directors have made the assumptions that the loan balances of the Group of approximately HK\$1,729 million, which are due for repayment within the next 12 months from the date of this circular, will be duly renewed or otherwise replaced by new financing arrangements of equivalent or larger amounts.

As at the Latest Practicable Date, the above mentioned loan balances renewal have been committed. Written confirmation from a bank for HK\$210 million loan balances renewal has been obtained, while a letter from underwriting banks for a new HK\$3,000 million 5-years loan facility has also been obtained, part of which will be used to refinance the remaining HK\$1,519 million loan balance of an existing loan facility.

As at 31 March 2021, the Group has available unrestricted bank balances of HK\$2,088 million and unused banking facilities from various banks which are available for at least the next 12 months from the date of this circular of approximately HK\$2,950 million. In addition, the Group has various internal sources of finance (such as rescheduling the debt securities reinvestment plan or disposal of debt securities). Therefore, the Directors are of the opinion that the Company has sufficient financial capacity to meet the aforesaid renewal or new financing arrangement.

As such, the Directors are of the opinion that, after taking into account the effects of the Exchange of Kaisa Notes, in the absence of any unforeseen circumstances and after taking into account (i) the internal resources of the Group; and (ii) the Group's presently available banking facilities, 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.

#### 4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in developing and investing properties in prime locations in Hong Kong, first-tier cities in China and Vancouver, Canada, and has established a well diversified business model across four main operating segments, namely, property development, property leasing, hotel and travel, and financial investments.

The sales of our joint venture residential projects were promising. As at end of March 2021, all units of Queen's Gate in Shanghai was sold while that in Tongzhou Beijing has reached approximately RMB3 billion.

In Jardine's Lookout Hong Kong, the Group's joint venture development was met with encouraging enquiries and demand also. Up to end of March 2021, half of the units comprising one third of the saleable area was sold, with sales amounted to approximately HK\$1.5 billion.

In Hung Shui Kiu, Yuen Long, the land exchange for the residential and commercial development has been completed in October 2020, at a land premium of HK\$2.1 billion. The development will provide approximately 520,000 square feet of gross floor area, of which approximately 90% are of residential apartments for sale, with the remaining 10% being retail units all with street frontage.

Average occupancies of our office towers, YF Life Tower in Wanchai and Asia Standard Tower in Central decrease by approximately 9%. Leasing income from our 33% owned Goldmark in Causeway Bay decreased substantially with the lease expiry of a retail anchor tenant.

With the outbreak of COVID-19, the performance of hotel sector has been adversely affected by people's unwillingness to travel and the quarantine requirements towards incoming visitors instituted by local government to battle against the pandemic. During the year ended 31 March 2021, incoming visitors to Hong Kong has dropped by over 99%. Our hotel operation revenue declined by approximately 87% and with management's immediate remedial action to reduce operating costs, the segment still results in a loss before depreciation.

The financial investment portfolio recorded a mark-to-market valuation net gain during the year ended 31 March 2021. Income from this investment portfolio continue to be a strong pillar in providing a stable income stream and liquidity.

After a year's quarantine arrangements, social distancing measures and with the gradual stabilisation of the pandemic in Hong Kong, the government is considering various measures to promote in-bound travel, to revitalise the tourism-related sectors and at the same time rolling out the vaccination programme to contain the virus from community spreading. Our hotel operation is dependent on the successful roll out of the policy and the effect is yet to be seen. The leasing segment, especially the retail portion, which is experiencing a down-swing but with a much reduced magnitude, is also looking upon such measures. On the contrary, Hong Kong's residential property market remains very strong, as seen in the encouraging sales of our Jardine Lookout project, and new launches of first hand residential projects from other local developers lately.

China is among the first countries to re-open their economies after the pandemic lockdown. Sales of our Beijing and Shanghai joint venture projects is performing well upon the release of purchasing power piled up during the lockdown. The Shanghai project is fully sold and the Beijing project is maintaining its favourable sales momentum.

Financial markets continue to be volatile, the low interest rates and stimulus packages rolled out by United States of America and certain European countries to counteract the pandemic's negative economic impact helped to maintain the dynamic of securities market. The fixed income stream from debt securities investment continues to drive our growth and finance the investment and development opportunities as they arise.

Management will continue to exert tremendous caution and prudence to alleviate and mitigate any negative impact in this restless environment.

## **5. MATERIAL ADVERSE CHANGE**

As disclosed above, the Group's hotel operation in Hong Kong has been negatively impacted by the outbreak of COVID-19. Nevertheless, the increase in income from the Group's investments in fixed income securities offsets the negative impacts imposed on the Group's hotel operation. Overall, to the best knowledge of the Directors, as at the Latest Practicable Date, there was no material adverse change in the financial or trading position of the Group as a whole since 31 March 2020, being the date to which the latest published audited financial statements of the Group were made up.

## 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 chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be 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	359,139,472	145,213,900	5,318,799	509,672,171	60.61
Fung Siu To, Clement	15,440,225	-	-	15,440,225	1.83
Poon Hai	10,444,319	-	-	10,444,319	1.24

(b) *Associated corporations*

Director	Number of shares held			Total	Percentage of shares in issue (%)
	Associated corporation	Personal interest	Corporate interest		
Poon Jing	ASI	1,308,884	683,556,392	684,865,276	51.89
	ASH	152,490	1,346,158,049		
Fung Siu To, Clement	Mark Honour Limited	9	–	9	0.01

*Notes:*

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

**(II) Long positions in underlying shares***Interests in share options*(a) *The Company*

Director	Outstanding as at the Latest Practicable Date
Poon Hai	3,500,000
Poon Yeung, Roderick	3,500,000

*Note: Options were granted on 11 December 2015 under a share option scheme adopted by the Company on 29 August 2014 and exercisable during the period from 11 December 2015 to 10 December 2025 at an exercise price of HK\$1.42 per Share.*

(b) *Associated corporation – ASI*

Director	Outstanding as at the Latest Practicable Date
Poon Hai	3,500,000
Poon Yeung, Roderick	3,500,000

*Note: Options were granted on 11 December 2015 under a share option scheme adopted by ASI on 29 August 2014 and exercisable during the period from 11 December 2015 to 10 December 2025 at an exercise price of HK\$1.38 per share.*

*(c) Associated corporation – ASH*

<b>Director</b>	<b>Outstanding as at the Latest Practicable Date</b>
Poon Hai	14,400,000
Poon Yeung, Roderick	14,400,000

*Note: Options were granted on 11 December 2015 under a share option scheme adopted by ASH on 28 August 2006 and exercisable during the period from 11 December 2015 to 10 December 2025 at an exercise price of HK\$0.343 (as adjusted) per share.*

**(III) Long positions in underlying shares and debentures***Interests in convertible notes**Associated corporation – ASH*

<b>Director</b>	<b>Nature of interest</b>	<b>Amount of convertible note held (HK\$)</b>	<b>Number of underlying shares held</b>
Poon Jing	Corporate	1,219,619,192	2,692,316,098

*Note: By virtue of Mr. Poon Jing's controlling interest in the Company, he is deemed to be interested in the convertible notes (the "ASH Convertible Notes") held by the Company and its subsidiaries which are convertible into 2,692,316,098 shares of ASH. The ASH Convertible Notes are convertible during the period from 24 February 2017 and up to and including the date falling the 10th business day prior to 23 February 2047 at the conversion price/redeemable at the redemption value of HK\$0.453 per convertible note.*

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be 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.

**Substantial shareholders' and other persons' interests and short positions in the Shares and underlying Shares**

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 (other than the Directors or chief executive of the Company) 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 by the Company under Section 336 of the SFO (the "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 (the “**Voting Entitlement**”) (i.e. within the same meaning of “substantial shareholders” under the Listing Rules) were as follows:

*Long positions in Shares*

Shareholder	Capacity	Number of Shares held	Percentage of Shares in issue (%)
Heston Holdings Limited (“ <b>Heston</b> ”)	Beneficial owner	50,429,573	5.99
Teddington Holdings Limited (“ <b>Teddington</b> ”)	Beneficial owner	60,624,439	7.20
Daswani Rajkumar Murlidhar	Beneficial owner	53,910,548	6.41

*Note: Mr. Poon Jing, his family interest and the companies wholly owned by him, namely Teddington, Heston and Full Speed Investments Limited together held 509,672,171 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” above.*

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other corporation or individual (other than the Directors or chief executive of the Company) who had the Voting Entitlement 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 close 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 as 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 2020 (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 was no contract or arrangement subsisting in which any of the Directors was materially interested and which was significant to the business of the Group.

**7. MATERIAL CONTRACTS**

No contract (being contract entered into outside the ordinary course of business carried on by the Group) has been entered into by members of the Group within the two years immediately preceding the date of this circular.

**8. GENERAL**

- (a) The address of the registered office of the Company is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, 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) The head office and principal place of business of the Company in Hong Kong is 30th Floor, YF Life Tower, 33 Lockhart Road, Wanchai, Hong Kong.
- (e) In case of inconsistency, the English text of this circular shall prevail over the Chinese text.



**9. 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, YF Life Tower, 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 annual reports of the Company for the three financial years ended 31 March 2018, 2019 and 2020 respectively;
- (c) the interim report of the Company for the six months ended 30 September 2020; and
- (d) the circulars of the Company dated 22 May 2020, 29 January 2021, 11 February 2021 and this circular.