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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
DISPOSAL OF NOTES**

A letter from the Board of Asia Orient Holdings Limited (the “**Company**”) is set out on pages 5 to 9 of this circular.

* *For identification purposes only*

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DEFINITIONS

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

“Announcement”	the joint announcement dated 31st October 2019 made by the Company, ASI and ASH
“AO Closely Allied Group”	a closely allied group of the Shareholders comprising Mr. Poon Jing and his associates, together holding 450,024,931 Shares (representing approximately 53.51% of the issued share capital 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 Director(s)”	the director(s) of ASH, including the independent non-executive director(s)
“ASH Disposal”	the disposal of ASH Disposed Notes by ASH Noteholder through open market
“ASH Disposed Notes”	the Note(s) disposed of by ASH Noteholder, in the aggregate principal amount of US\$30.096 million
“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 Disposal”	the disposal of ASI Disposed Notes by ASI Noteholder through open market
“ASI Disposed Notes”	the Note(s) disposed of by ASI Noteholder, in the principal amount of US\$10 million
“ASI Group”	ASI and its subsidiaries, including ASH

DEFINITIONS

“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
“CAD\$”	Canadian dollars, the lawful currency of Canada
“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
“consideration ratio”	has the same meaning ascribed to it under the Listing Rules
“controlling shareholder”	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)
“Disposal”	the ASH Disposal and/or the ASI Disposal
“Disposed Notes”	the ASH Disposed Notes and/or the ASI Disposed Notes
“GFA”	gross floor area
“Group”	the Company and its subsidiaries, including ASI Group and ASH Group
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Independent Third Party(ies)”	person(s) or company(ies) which is/are third party(ies) independent of the Company or ASI or ASH (as the case may be) and its connected persons
“Issuer”	Ronshine China Holdings Limited (stock code: 3301), a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board
“Latest Practicable Date”	10th December 2019, 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 Stock Exchange
“Note(s)”	the 11.25% senior note(s) due 2021 in an aggregate principal amount of US\$600 million issued by the Issuer, which are listed on Singapore Exchange Securities Trading Limited
“PRC”	the People’s Republic of China and for the purpose of this circular, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	RMB, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“sq. ft.”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholders”	has the same meaning ascribed to it under the Listing Rules

DEFINITIONS

“United States”	United States of America
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent

In this circular, amounts denominated in US\$ are converted into HK\$ at the rate of US\$1.00 = HK\$7.81. 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.

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*)
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. Hung Yat Ming
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

13th December 2019

To the Shareholders

Dear Sirs/Madams,

**MAJOR TRANSACTION
IN RELATION TO
DISPOSAL OF NOTES**

INTRODUCTION

Reference is made to the Announcement.

On 24th October 2019, 29th October 2019 and 30th October 2019, the Group, via ASI Noteholder and ASH Noteholder, disposed of the Notes in an aggregate principal amount of US\$40.096 million (equivalent to approximately HK\$313.15 million) on open market at a total consideration of US\$42.51 million (equivalent to approximately HK\$332.00 million).

* *For identification purposes only*

LETTER FROM THE BOARD

The Disposal constitutes 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 of the Disposal; and (ii) other information as required under the Listing Rules.

THE DISPOSAL

On 24th October 2019, 29th October 2019 and 30th October 2019, the Group, via ASI Noteholder and ASH Noteholder, disposed of the Notes in an aggregate principal amount of US\$40.096 million (equivalent to approximately HK\$313.15 million) on open market at a total consideration of US\$42.51 million (equivalent to approximately HK\$332.00 million), details of which are set out below:

Date	Principal amount of the Notes disposed	Consideration
<i>ASI Noteholder</i>		
24th October 2019	US\$10.000 million	US\$10.59 million
Sub-total	US\$10.000 million	US\$10.59 million
<i>ASH Noteholder</i>		
24th October 2019	US\$10.000 million	US\$10.59 million
29th October 2019	US\$10.000 million	US\$10.61 million
30th October 2019	US\$10.096 million	US\$10.72 million
Sub-total	<u>US\$30.096 million</u>	<u>US\$31.92 million</u>
Total	<u>US\$40.096 million</u>	<u>US\$42.51 million</u>

As the Disposal was conducted through open market, the Company is not aware of the identities of the purchasers of the Disposed Notes. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the purchasers of the Disposed Notes and their respective ultimate beneficial owners are Independent Third Parties.

INFORMATION OF THE NOTES

The Notes were issued by the Issuer on 22nd February 2019 with an aggregate principal amount of US\$600 million (equivalent to approximately HK\$4,686 million). The Notes are denominated in US\$, carry a fixed coupon rate of 11.25% per annum, payable semi-annually in arrears, and mature on 22nd August 2021.

The Issuer is a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board. As at the Latest Practicable Date, the Issuer is principally engaged in property development business in the PRC.

LETTER FROM THE BOARD

As at 31st March 2019, the carrying value of the Disposed Notes, according to the audited accounts of the Company for the financial year ended 31st March 2019, was HK\$332.10 million.

The net profits (both before and after taxation) attributable to the Disposed Notes to the Company for the financial year ended 31st March 2019 was HK\$2.08 million.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

It is expected that the Group will record gains of approximately HK\$18.90 million in the current financial year, as a result of the Disposal, subject to audit. The gains represent the difference between the consideration and the cost of the Disposed Notes, plus the written back of expected credit loss of the Disposed Notes provided in prior years as of 31st March 2019.

Having taken into account of the net proceeds from the Disposal and the total assets of the Group, it is estimated that, except the estimated gains as mentioned above, the Disposal would not have any significant impact on the overall financial position of the Group.

The ASI Directors and ASH Directors intend to use the proceeds from the Disposal for general working capital.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Disposal forms part of the investing activities of ASI Group and ASH Group (and accordingly the Group), which are in their ordinary and usual course of business. As part of their principal business, the Group, ASI Group and ASH Group monitor the performance of their respective securities portfolios and make adjustment to them (with regards to the types and/or amounts of the securities) from time to time. In general, the Group, ASI Group and ASH Group will consider a number of factors in respect of their investment decision of adjusting their respective securities portfolios, including, among others, the diversity, risk profile, return, yield, etc., of the securities held by them and in the market.

The Board considers that the Disposal provides the Group with a good opportunity to unlock the value in its investment in the Disposed Notes at fair market value, and free up some cash so that the Group may re-allocate resources for other reinvestment opportunities when they arise.

Given that the Disposal was conducted through open market, the Directors believe that the terms of the Disposal are fair and reasonable and the Disposal is in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE COMPANY, ASI, ASH, 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.

LETTER FROM THE BOARD

ASI is a limited liability company incorporated in Bermuda whose shares are listed on the Main Board. ASI Group is principally engaged in investment and development of commercial, retail and residential properties in Hong Kong and the PRC and securities investments. Through ASH, ASI Group is also involved in hotel operations.

ASH is a member of ASI Group and a limited liability company incorporated in Bermuda whose shares are listed on the Main Board. The principal activity of ASH is investment holding. The principal activities of the subsidiaries of ASH consist of holding and operating hotels, property development and securities investments.

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 is principally engaged in securities investment.

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 is principally engaged in securities investment.

LISTING RULES IMPLICATIONS

As the consideration ratio in respect of the Disposal is more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under the Listing Rules. Given that none of the Shareholders has a material interest in the Disposal, none of them would be required to abstain from voting if a general meeting of the Company were to be convened to approve the Disposal. Pursuant to Rule 14.44 of the Listing Rules, on 29th October 2019, the Company had obtained a written approval from the AO Closely Allied Group (together holding 450,024,931 Shares, representing approximately 53.51% of the issued share capital of the Company, as at the date of the Announcement) to approve the Disposal. Therefore, no general meeting of the Company will be convened to approve the Disposal. The AO 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>)	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	273,607,688	32.53%
Mr. Fung Siu To, Clement (<i>Note 2</i>)	15,440,225	1.83%
Mr. Poon Hai (<i>Note 3</i>)	10,444,319	1.24%
Ms. Wong Mei Ling, Suzanne (<i>Note 4</i>)	5,318,799	0.63%
Total	450,024,931	53.51%

LETTER FROM THE BOARD

Notes:

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

RECOMMENDATION

Given that the Disposal was conducted through open market, the Directors believe that the terms of the Disposal are fair and reasonable and the Disposal is in the interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders should vote in favour of the resolutions approving the Disposal.

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

ADDITIONAL INFORMATION

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

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

1. FINANCIAL INFORMATION OF THE GROUP FOR THE THREE YEARS ENDED 31ST MARCH 2019 AND THE SIX MONTHS ENDED 30TH SEPTEMBER 2019

The audited consolidated financial statements of the Group:

- (i) for the year ended 31st March 2019 is disclosed in the annual report of the Company for the year ended 31st March 2019 published on 30th July 2019, from pages 64 to 164 as published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0730/ltm20190730151.pdf>);
- (ii) for the year ended 31st March 2018 is disclosed in the annual report of the Company for the year ended 31st March 2018 published on 30th July 2018, from pages 59 to 152 as published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0730/ltm20180730561.pdf>); and
- (iii) for the year ended 31st March 2017 is disclosed in the annual report of the Company for the year ended 31st March 2017 published on 27th July 2017, from pages 68 to 164 as published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2017/0727/ltm20170727383.pdf>).

The unaudited condensed consolidated results of the Group for the six months ended 30th September 2019 is disclosed in the interim results announcement of the Company for the six months ended 30th September 2019, as published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/1128/2019112801247.pdf>).

All of the abovementioned annual reports and the interim results announcement 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 31st October 2019 being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had approximately HK\$16,411 million outstanding indebtedness comprising:–

- (a) medium term notes of approximately HK\$249 million which were unguaranteed and unsecured;
- (b) bank borrowings of approximately HK\$16,156 million of which:–
 - (1) HK\$180 million were unguaranteed and unsecured;
 - (2) HK\$15,976 million were guaranteed,

- (i) out of which HK\$10,282 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;
- (ii) while HK\$5,694 million were unsecured; and
- (c) lease liabilities of HK\$6 million relating to premises leased by the Group as lessee.

The carrying values of the Group's assets pledged to secure its borrowings amounted to HK\$22,844 million.

As at the close of business on 31st October 2019, the Group had contingent liabilities of HK\$2,843 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 31st October 2019, 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

The Directors are of the opinion that, after taking into account the effects of the Disposal, 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 location 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.

Property development

The Group's various development projects in Hong Kong, mainland China and Canada progressed satisfactorily during the six months ended 30th September 2019.

Mainland China

In Tongzhou Beijing, sub-structure works for the residential towers of the Group's 2.3 million sq. ft. GFA joint venture residential and commercial development has been completed shortly after 30th September 2019. Presale for phase I of the residential units commenced in mid-July 2019 and is well received, contracted more than RMB700 million sales up to the end of the interim period of 2019.

In Qingpu, Shanghai, sales of the last phase of Queen's Gate, a high-end joint venture villas and apartments development, also began in mid-July 2019. Up to the end of the interim period of 2019, close to 55% of the remaining units were sold, contracting about RMB550 million.

Hong Kong

In Jardine's Lookout, the Group continued sales and marketing efforts of its ultra-luxurious joint venture residential development. Dukes Place, comprising 16 elegantly designed units. Fitting out of various show flats and garden villa were completed, that of penthouse is under progress and scheduled to complete by first quarter 2020.

On Po Shan Road, foundation works of another luxurious joint venture residential development had completed and superstructure works will commence shortly.

In Hung Shui Kiu, Yuen Long, provisional basic terms of land exchange for the commercial and residential development were concluded, the process is now in the course of land premium negotiation. The development will provide approximately 520,000 sq. ft. of GFA. Another residential development at Lam Tei light-rail station nearby is in the early stage of land exchange application with the government and, the development when completed will provide about 67,000 sq. ft. of GFA.

In Kowloon Bay, the commercial building Octa Tower, of approximately 800,000 sq. ft. marketable GFA, is undergoing repositioning. Common areas are being renovated and completion is expected by mid-2020. Sizable corporations are being targeted as anchor tenant.

Canada (development through hotel subsidiary group)

Demolition of the Empire Landmark Hotel is substantially completed, shoring and excavation work will follow shortly, redeveloping the hotel into an approximately 400,000 sq. ft. GFA mixed-use development with two residential towers ("**Landmark on Robson**") upon completion. Since the launch of presale in January 2018, the development had achieved a contracted sales of CAD\$140 million up to 30th September 2019.

Approval for land re-zoning of joint venture redevelopment of another high-end residential complex of approximate 627,000 sq. ft. GFA in Alberni Street, downtown Vancouver was granted in September 2018 during a public hearing. Development permit

application was submitted in December 2018 with Urban Design Panel approving the application in April 2019. Prior to Letter was received from local city council in June 2019, and it is expecting the ultimate development and building permits from the local authority.

Another joint venture development that is also located at Alberni Street in downtown Vancouver is in the planning stage for development into premium residential units for sale. The rezoning resubmission package is scheduled to be submitted to the City in early 2020.

Property leasing

Leasing income of MassMutual Tower (renamed to YF Life Tower on 1st June 2019), 33 Lockhart Road in Wanchai and Asia Standard Tower in Queen's Road Central had slightly increased compared to the same period in 2018. Occupancies of both office tower remained high at above 95% for both periods

Overall leasing income attributable to Asia Standard International increased by 3% from HK\$117 million to HK\$120 million. Net revaluation gain (taking into account our share of revaluation loss (2018: gain) from the investment property owned by an associated company) of HK\$54 million (2018: HK\$669 million) was recorded.

Hotel

During the six months ended 30th September 2019, overnight stay visitors to Hong Kong decreased by 14% to approximately 12 million. Mainland visitors dominated this segment with 69% share, and their arrival decreased slightly by less than 1% from the same period in 2018. Total hotel rooms in Hong Kong are approximately 83,100 rooms, an increase of 4% over the same period in 2018. Revenue arising from the hotel and travel segment for the six months ended 30th September 2019 amounted to HK\$220 million (2018: HK\$260 million). Average occupancies for the Group's hotels in Hong Kong were approximately 80% (2018: 95%) while average room rates decreased 17%. Overall, contribution to segment results before depreciation decreased from HK\$82 million to HK\$44 million, being impacted by the local political event.

Financial investments

At 30th September 2019, the Group held financial investments of approximately HK\$16,629 million (31st March 2019: HK\$17,609 million), with HK\$14,679 million (31st March 2019: HK\$15,601 million) held by the two listed subsidiary groups. The investment portfolio comprised of 94% listed debt securities (mostly issued by PRC-based real estate companies), 4% by listed equity securities and 2% unlisted funds and securities. They are denominated in different currencies with 95% in United States dollar, 3% in Hong Kong dollar and 2% in other currencies.

The portfolio's decrease was due to net disposal of HK\$233 million and a mark-to-market valuation net loss of HK\$747 million, of which a net investment loss of HK\$88 million was charged to profit and loss while the remaining HK\$659 million were recognised in the

investment reserve account. The net investment loss comprised net fair value losses of listed equity securities, exchange losses and provisions for expected credit loss, compensated by realised gain upon partial disposal/redemption of the securities. The drop in market price is mainly due to a higher interest rate environment during the interim period of 2019, the market correction following uncertainties over the Sino-US trade conflict, and the increased yield of new issuance, and the various austerity measures over the PRC property market.

Income from these investment portfolio amounted to HK\$1,043 million (2018: HK\$761 million). The increase resulted from further investment in debt securities.

At 30th September 2019, an approximate value of HK\$2,910 million (31st March 2019: HK\$2,120 million) of these investments were pledged to banks as collateral for credit facilities granted to the Group.

FUTURE PROSPECT

Hong Kong's economy was suddenly adversely impacted by local political event since the second half of the interim period of 2019, technically, economic recession is declared following two consecutive seasons of negative growth. The impact is already evidenced in the Group's hotel operation performance and also in the retail segment. Local government instituted various measures to lessen the negative impact, including supporting towards the small and medium-sized enterprises, and tourism. At the same time, existing mortgage constraints on first time home purchasers is relaxed.

The property sales of the Group's Beijing and Shanghai joint venture projects is satisfactory and encouraging with the stabilisation of mainland property market, it is expected that the performance of the Group would be maintained for the remaining half of the financial year.

Financial markets continue to be volatile, especially amongst the environment of trade disputes between various territories with the United States and the political tension brought by the United States administration. The Sino-US trade negotiation has always been uncertain but is currently inclining towards reaching an agreement. The Group's investment in listed fixed income securities continues to be a strong pillar in providing a stable income stream and liquidity and enables the Group to capitalise on any other investment and development opportunities should they arise.

The Group have successfully repositioned its tenant mix and improved the rental performance following the upgrading and renovating of the Wanchai headquarter commercial asset. However, the leasing segment is exposing to the negative impact from the local political event, especially the retail portion.

Management exerts tremendous cautious and prudent to alleviate and mitigate any negative impact in this restless environment.

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 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	273,607,688	145,213,900	5,318,799	424,140,387	50.44
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	Associated corporations	Number of shares held			Percentage of shares in issue (%)
		Personal interest	Corporate interest	Total	
Poon Jing	ASI	1,308,884	683,556,392 <i>(Notes)</i>	684,865,276	51.89
	ASH	152,490	1,346,158,049 <i>(Notes)</i>	1,346,310,539	66.71
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 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 11th December 2015 under a share option scheme adopted by the Company on 29th August 2014 and exercisable during the period from 11th December 2015 to 10th 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 11th December 2015 under a share option scheme adopted by ASI on 29th August 2014 and exercisable during the period from 11th December 2015 to 10th December 2025 at an exercise price of HK\$1.38 per share.

(c) Associated corporation – ASH

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

Note: Options were granted on 11th December 2015 under a share option scheme adopted by ASH on 28th August 2006 and exercisable during the period from 11th December 2015 to 10th 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 corporations – ASH*

Director	Nature of interest	Amount of convertible note held (HK\$)	Number of underlying shares held
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 24th February 2017 and up to and including the date falling the 10th business day prior to 23rd 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 one being a Director or the 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 (“ Heston ”) (Note 1)	Beneficial owner	50,429,573	5.99
Teddington Holdings Limited (“ Teddington ”) (Note 1)	Beneficial owner	60,624,439	7.20
Dalton Investments LLC (“ Dalton ”) (Note 2)	Investment manager	165,906,485	19.73
Clearwater Insurance Company (“ Clearwater Insurance ”) (Note 2)	Trustee	48,341,035	5.74
Daswani Rajkumar Murlidhar	Beneficial owner	53,910,548	6.41

Notes:

- Mr. Poon Jing, his family interest and the companies wholly owned by him namely Teddington, Heston and Full Speed Investments Limited together hold 424,140,387 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 Shares, underlying Shares and debenture of the Company and its associated corporations”.
- Dalton is the investment manager for Clearwater Insurance. The interest of Clearwater Insurance in the Shares duplicates the interest of Dalton disclosed above.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other corporation or individual (other than a Director or the 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 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 31st March 2019 (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 31st March 2017, 2018 and 2019 respectively;
- (c) the announcement of the interim results of the Company for the six months ended 30th September 2019; and
- (d) this circular.