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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  
ACQUISITION OF FANTASIA NOTES DUE 2022**

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A letter from the Board of Asia Orient Holdings Limited (the “**Company**”) is set out on pages 5 to 10 of this circular.

\* *For identification purposes only*

22nd May 2020



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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:*

“Acquisition”	the acquisition of the Fantasia Notes in the notional amount of US\$15.3 million (equivalent to approximately HK\$119 million) at the consideration of approximately US\$11.781 million (equivalent to approximately HK\$92 million) by ASI Acquirer on the open market on 18th March 2020
“Announcement”	the joint announcement dated 20th March 2020 made by the Company and ASI in relation to the Acquisition
“AO Closely Allied Group”	a closely allied group of the Shareholders comprising Mr. Poon Jing and his associates, together holding 444,706,132 Shares (representing approximately 52.88% of the issued share capital of the Company as at the date of the Announcement)
“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
“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 Acquirer”	Techfull Properties Corp., a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of ASI
“ASI Group”	ASI and its subsidiaries, including ASH Group
“associates”	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 associates”	has the same meaning ascribed to it under the Listing Rules
“Collateral”	the collateral of the Fantasia Notes, details of which are disclosed in the sub-paragraph headed “Collateral” in the letter from the Board of this circular
“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 persons”	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)
“Fantasia Holdings”	Fantasia Holdings Group Co., Limited (Stock Code: 1777), an exempted company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board, the issuer of the Fantasia Notes
“Fantasia Notes”	the 12.25% senior notes due 2022 in the aggregate notional amount of US\$150 million issued by Fantasia Holdings, which are consolidated and forms a single series with the US\$200,000,000 notes issued by Fantasia Holdings on 18th July 2019
“Group”	the Company and its subsidiaries, including ASI Group and ASH Group

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## DEFINITIONS

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“Guarantors”	certain subsidiaries of Fantasia Holdings (other than those organised under the laws of the PRC and certain other subsidiaries specified in the Offering Memorandum) which guarantee the payment of the Fantasia Notes pursuant to the Fantasia Notes and indenture, and the initial guarantors are Fantastic Victory Limited, Wisdom Regal Limited, Fantasia Financial Community Group Co., Ltd., Fantasia Investment Holdings Company Limited, Joytime Investment Limited, Fantasia Financial Community Group (Hong Kong) Co., Limited and Hong Kong Huawanli Trading Co., Ltd.
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or company(ies) which is/are third party(ies) independent of the Company or ASI (as the case may be) and its connected persons
“Latest Practicable Date”	18th May 2020, 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
“Offering Memorandum”	the offering memorandum of the Fantasia Notes
“percentage ratios”	has the same meaning ascribed to it under the Listing Rules
“PRC” or “China”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan

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## DEFINITIONS

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“Previous Subscription”	the previous subscription of the Fantasia Notes on 13th November 2019 by the Company, ASI and ASH via their respective wholly-owned subsidiaries, on a non-consolidated and standalone basis, in the notional amounts of US\$5 million, US\$12.5 million and US\$12.5 million, respectively, details of which were disclosed in the joint announcement of the Company, ASI and ASH dated 14th November 2019
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“SGX-ST”	the Singapore Exchange Securities Trading Limited
“Share(s)”	the 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
“substantial shareholders”	has the same meaning ascribed to it under the Listing Rules
“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 = HK\$7.8. 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. 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

22nd May 2020

*To the Shareholders*

Dear Sirs/Madams,

**MAJOR TRANSACTION  
IN RELATION TO  
ACQUISITION OF FANTASIA NOTES DUE 2022**

**INTRODUCTION**

Reference is made to the Announcement.

On 18th March 2020, ASI Acquirer acquired the Fantasia Notes on the open market in the notional amount of US\$15.3 million (equivalent to approximately HK\$119 million) at the consideration of approximately US\$11.781 million (equivalent to approximately HK\$92 million).

\* *For identification purposes only*

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## LETTER FROM THE BOARD

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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, among other things, (i) information of the Acquisition; and (ii) other information as required under the Listing Rules.

### THE ACQUISITION

On 18th March 2020, ASI Acquirer acquired the Fantasia Notes on the open market in the notional amount of US\$15.3 million (equivalent to approximately HK\$119 million) at the consideration of approximately US\$11.781 million (equivalent to approximately HK\$92 million).

In view that the Acquisition was conducted through the open market, the Company is not aware of the identity of the vendor of the relevant Fantasia Notes sold to ASI Acquirer. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the vendor of the Fantasia Notes and where applicable, its ultimate beneficial owner(s) are Independent Third Parties.

### INFORMATION OF THE FANTASIA NOTES

Issuer	:	Fantasia Holdings
Total issue size	:	US\$150 million in aggregate
Interest rate and payment	:	The Fantasia Notes will bear interest at the rate of 12.25% per annum, payable on 18th April and 18th October each year.
Maturity date	:	18th October 2022
Status of the Fantasia Notes	:	The Fantasia Notes constitutes general obligations of Fantasia Holdings, and are (i) senior in right of payment to any existing and future obligations of Fantasia Holdings expressly subordinated in right of payment to the Fantasia Notes, (ii) at least rank <i>pari passu</i> in right of payment with all other unsecured and unsubordinated indebtedness of Fantasia Holdings, subject to any priority rights pursuant to applicable law, (iii) effectively subordinated to the secured obligations (if any) of Fantasia Holdings and the Guarantors, to the extent of the value of the assets serving as security therefor (other than the Collateral), and (iv) effectively subordinated to all existing and future obligations of Fantasia Holdings' subsidiaries which are not the Guarantors.



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## LETTER FROM THE BOARD

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- Guarantee** : The Fantasia Notes are guaranteed by the Guarantors, jointly and severally and on a senior basis, subject to certain limitations stipulated in the Offering Memorandum. The guarantee is effectively subordinated to the secured obligations (if any) of Fantasia Holdings and the Guarantors to the extent of the value of the assets serving as security therefor (other than the Collateral) and to all existing and future obligations of Fantasia Holdings' subsidiaries which are not the Guarantors.
- Collateral** : Fantasia Holdings has agreed, for the benefit of the holders of the Fantasia Notes, to pledge, or cause the initial Guarantors to pledge, as the case may be, the capital stock of such Guarantors in order to secure the obligations of Fantasia Holdings under the Fantasia Notes and the indenture and of such initial Guarantor.
- Redemption and repurchase** : The Fantasia Notes may be redeemed by Fantasia Holdings (in whole but not in part) for taxation reasons at a redemption price equal to 100% of their notional amount plus accrued and unpaid interest, if any, to the redemption date. Besides, Fantasia Holdings may, at its option, redeem in whole or in part the Fantasia Notes prior to the maturity date at the redemption price set forth in the Offering Memorandum.
- Further, upon the occurrence of any change of control event, Fantasia Holdings will make an offer to repurchase all outstanding Fantasia Notes at the purchase price equal to 101% of their notional amount plus accrued and unpaid interest, if any, to but excluding the repurchase date.
- Listing** : The Fantasia Notes are listed and quoted on the SGX-ST.

### FINANCIAL EFFECT OF THE ACQUISITION

As a result of the Acquisition, the total assets of the Group will be increased by approximately HK\$94.56 million and the total liabilities of the Group will be increased by approximately HK\$94.83 million.

Assuming that the Group (including ASI Group and ASH Group) will not dispose of any Fantasia Notes, it is expected that the Acquisition will generate annual earnings of approximately HK\$22.8 million before any expected credit loss, finance costs and non-controlling interests.

For further details, please refer to the unaudited pro forma financial information of the Group as set out in the appendix II to this circular, prepared based on the published unaudited condensed consolidated balance sheet of the Group as at 30th September 2019 and the notes set out therein to illustrate the impact of the Acquisition on the financial position of the Group as at 30th September 2019 as if the Acquisition had taken place on 30th September 2019.

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## LETTER FROM THE BOARD

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### REASONS FOR AND BENEFITS OF THE ACQUISITION

The Acquisition forms part of the investing activities of ASI Group and was conducted in its ordinary and usual course of business. The Acquisition price of the Fantasia Notes was funded by ASI Group's internal cash resources and banking facilities.

Having considered the terms of the Fantasia Notes (including the interest rate and the maturity date) and the fact that the Acquisition was conducted through the open market, the Directors are of the view that the terms of the Fantasia Notes and the Acquisition are fair and reasonable and the Acquisition is in the interests of the Company and its Shareholders as a whole.

### INFORMATION ON THE COMPANY, ASI AND ASI ACQUIRER

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.

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.

ASI Acquirer 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 investments.

### INFORMATION ON FANTASIA HOLDINGS

Fantasia Holdings is a company incorporated in the Cayman Islands as an exempted company with limited liability. As at the Latest Practicable Date, it is principally engaged in property development and provision of property related services such as property operation services, property agency services and hotel services in the PRC.

### IMPLICATIONS UNDER THE LISTING RULES

As the consideration ratio in respect of the Acquisition, after aggregation with the Previous Subscription, exceeds 25% but all other applicable percentage ratios are less than 100%, the Acquisition 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.

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## LETTER FROM THE BOARD

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Given that none of the Shareholders has a material interest in the Acquisition, 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, the Company had obtained a written approval from the AO Closely Allied Group (which together held 444,706,132 Shares, representing approximately 52.88% of the issued share capital of the Company, as at the date of the Announcement) to approve the Acquisition. Therefore, no general meeting of the Company will be convened to approve the Acquisition. 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 4)</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	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%
<b>Total</b>	<b>444,706,132</b>	<b>52.88%</b>

*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. 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.

### RECOMMENDATION

Given that the Acquisition was conducted through the open market, the Directors believe that the terms of the Acquisition are fair and reasonable and the Acquisition 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 Acquisition.

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## LETTER FROM THE BOARD

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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 Acquisition and hence pursuant to Rule 14.44 of the Listing Rules, no general meeting of the Company will be convened to approve the Acquisition.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices I to III 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 61 to 164 as published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0730/ltn20190730151.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/ltn20180730561.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/ltn20170727383.pdf>).

The unaudited condensed consolidated interim financial information of the Group for the six months ended 30th September 2019 is disclosed in the interim report of the Company for the six months ended 30th September 2019 published on 30th December 2019, from pages 11 to 42 as published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/1230/2019123000476.pdf>).

All of the abovementioned annual reports and the 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 31st March 2020, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had approximately HK\$19,043 million outstanding indebtedness comprising:-

- (a) medium term notes of approximately HK\$250 million which were unguaranteed and unsecured;
- (b) bank borrowings of approximately HK\$18,789 million of which:-
  - (1) approximately HK\$171 million were unguaranteed and unsecured;
  - (2) approximately HK\$18,618 million were guaranteed,

- (i) out of which approximately HK\$12,180 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\$6,438 million were unsecured; and
- (c) lease liabilities of approximately HK\$4 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 approximately HK\$24,276 million.

As at the close of business on 31st March 2020, the Group had contingent liabilities of approximately HK\$2,977 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 March 2020, 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 Acquisition, 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.

Hong Kong's economy was adversely impacted by local political events since the second half 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. As disclosed in the Company's interim report for the six months ended 30th September 2019, during the period, overnight stay visitors to Hong Kong decreased by 14% to approximately 12 million and the overall contribution to the hotel

segment before depreciation decreased from HK\$82 million to HK\$44 million. Local government instituted various measures to lessen the negative impact, including support towards the small and medium-sized enterprises, and tourism. With the outbreak of COVID-19, the situation has worsened and the effect is immediately notable. The effect could probably linger for months before the crisis is over and recovery is seen.

The property sales of the Group's Beijing and Shanghai joint venture projects had been satisfactory and encouraging before the activities shutdown in February 2020 due to the outbreak of COVID-19 in January 2020. With the easing of the COVID-19 pandemic in mainland China, it is expected that the performance would pick up gradually.

The Group has successfully repositioned its tenant mix and improved the rental performance following the upgrading and renovating of the Wanchai headquarter commercial asset. During the six months ended 30th September 2019, occupancies of both of YF Life Tower and Asia Standard Tower remained high at above 95%. However, the leasing segment has been exposed to the negative impacts from the local political environment since the second half of 2019 and the outbreak of COVID-19 recently.

The Group's investment in fixed income securities continues to be a strong pillar in providing a stable income stream and liquidity. During this period of COVID-19 pandemic when financial markets become more volatile, it is the Group's strategy to capitalise on suitable investment opportunities when they arise.

As at the Latest Practicable Date, the Company was in the process of preparing its consolidated financial statements for the year ended 31st March 2020 and since the COVID-19 pandemic was still evolving, it is unable to ascertain the actual impact of the COVID-19 pandemic on the Group's financial position and trading prospects.

Management exerts 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 local political events and the outbreak of COVID-19. Nevertheless, the increase in income from the Group's investment in fixed income securities offset 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 31st March 2019, being the date to which the latest published audited financial statements of the Group were made up.

## A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The unaudited pro forma statement of assets and liabilities of the Group (the “**Unaudited Pro Forma Financial Information**”) has been prepared based on the published unaudited condensed consolidated balance sheet of the Group as at 30th September 2019 and adjusted for the effects of the Acquisition to illustrate how the Acquisition might have affected the financial position of the Group as if the Acquisition took place on 30th September 2019, which is provided for illustrative purpose only. Because of its hypothetical nature, it may not give a true picture of the financial position of the Group that would have been attained had the Acquisition actually occurred on 30th September 2019 or any future dates. Furthermore, the Unaudited Pro Forma Financial Information does not purport to predict the Group’s future financial position.

	Unaudited statement of assets and liabilities of the Group as at 30th September 2019 <i>HK\$'000</i> <i>(Note 1)</i>	Pro forma adjustments <i>HK\$'000</i>	<i>Notes</i>	Unaudited pro forma statement of assets and liabilities of the Group after the Acquisition <i>HK\$'000</i>
<b>Non-current assets</b>				
Investment properties	9,892,764			9,892,764
Property, plant and equipment	7,534,519			7,534,519
Joint ventures and associated companies	5,552,482			5,552,482
Loan receivables	1,327			1,327
Financial investments	545,410			545,410
Deferred income tax assets	73,196			73,196
	23,599,698			23,599,698
	23,599,698			23,599,698



	Unaudited statement of assets and liabilities of the Group as at 30th September 2019 <i>HK\$'000</i> (Note 1)	Pro forma adjustments <i>HK\$'000</i>	<i>Notes</i>	Unaudited pro forma statement of assets and liabilities of the Group after the Acquisition <i>HK\$'000</i>
<b>Current assets</b>				
Properties under development for sale	1,749,322			1,749,322
Completed properties held for sale	3,680			3,680
Hotel and restaurant inventories	20,718			20,718
Trade and other receivables	647,374	9,828	(2)	657,202
Income tax recoverable	5,015			5,015
Financial investments	16,083,257	91,892	(2)	16,175,149
Bank balances and cash	951,331	(7,160)	(3)	944,171
	19,460,697			19,555,257
	19,460,697			19,555,257
<b>Current liabilities</b>				
Trade and other payables	237,682	266	(4)	237,948
Contract liabilities	198,712			198,712
Amount due to joint ventures	277,472			277,472
Amount due to an associated company	224,400			224,400
Amount due to non- controlling interests	43,764			43,764
Medium term notes	249,488			249,488
Income tax payable	88,827			88,827
Borrowings	3,408,122	94,560	(3)	3,502,682
	4,728,467			4,823,293
	4,728,467			4,823,293
<b>Net current assets</b>	14,732,230			14,731,964

	Unaudited statement of assets and liabilities of the Group as at 30th September 2019 <i>HK\$'000</i> <i>(Note 1)</i>	Pro forma adjustments <i>HK\$'000</i>	<i>Notes</i>	Unaudited pro forma statement of assets and liabilities of the Group after the Acquisition <i>HK\$'000</i>
<b>Non-current liabilities</b>				
Long term borrowings	12,866,517			12,866,517
Lease liabilities	3,349			3,349
Deferred income tax liabilities	728,012			728,012
	13,597,878			13,597,878
	13,597,878			13,597,878
<b>Net assets</b>	24,734,050			24,733,784

*Notes:*

1. The figures are extracted from the published unaudited condensed consolidated balance sheet of the Group as at 30th September 2019, as set out in the published interim report of the Company for the year ended 30th September 2019.
2. The adjustment reflects the recognition of the acquisition of the Fantasia Notes as financial assets at fair value through other comprehensive income of US\$11.78 million (equivalent to approximately HK\$91.89 million) and accrued interest of US\$1.26 million (equivalent to approximately HK\$9.83 million). For the purpose of this Unaudited Pro Forma Financial Information, the fair value of the Fantasia Notes is assumed to be the cost of acquisition on the open market which approximated to the fair value of the Fantasia Notes on 30th September 2019.
3. Acquisition will be financed by the Group's internal cash resources and banking facilities.
4. The estimated transaction cost of the Acquisition.
5. Save as note 2 above, no other adjustment has been made to reflect any operating results or other transactions of the Group entered into subsequent to 30th September 2019.

**B. REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP**

*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***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**”) 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 30th September 2019, and related notes (the “**Unaudited Pro Forma Financial Information**”) as set out on pages 14 to 16 of the Company’s circular dated 22 May 2020, in connection with the acquisition of the 12.25% senior notes due 2022 in the notional amount of US\$15.3 million issued by Fantasia Holdings Group Co., Limited (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 pages 14 to 16.

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 at 30th September 2019 as if the Transaction had taken place at 30th September 2019. As part of this process, information about the Group’s financial position has been extracted by the directors from the Group’s unaudited interim financial information for the period ended 30th September 2019, on which a review 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**”).

*Our Independence and Quality Control*

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

*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 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 30th September 2019 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, 22nd May 2020

## 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	684,865,276	51.89
	ASH	152,490	1,346,158,049	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 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 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*

<b>Director</b>	<b>Outstanding as at the Latest Practicable Date</b>
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*

<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 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*

<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 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 (“ <b>Heston</b> ”) (Note 1)	Beneficial owner	50,429,573	5.99
Teddington Holdings Limited (“ <b>Teddington</b> ”) (Note 1)	Beneficial owner	60,624,439	7.20
Dalton Investments LLC (“ <b>Dalton</b> ”) (Note 2)	Investment manager	165,906,485	19.73
Clearwater Insurance Company (“ <b>Clearwater Insurance</b> ”) (Note 2)	Trustee	48,341,035	5.74
Daswani Rajkumar Murlidhar	Beneficial owner	53,910,548	6.41

*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 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 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 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 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 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. QUALIFICATION AND CONSENT OF EXPERT

The following sets out the qualification of the expert who has given opinion or advice which is contained or referred to in this circular:

<b>Name</b>	<b>Qualification</b>
PricewaterhouseCoopers (“PwC”)	Certified public accountants

PwC has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its report and references to its name and its report in the form and context in which it appears.

As at the Latest Practicable Date, PwC had no shareholding in any member of the Group or right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, PwC had no 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.

## 9. 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.

**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, YF Life Tower, 33 Lockhart Road, Wanchai, Hong Kong for 14 days from the date of this circular:

- (a) the written consent of PwC;
- (b) the report on the Unaudited Pro Forma Financial Information of the Group, the text of which is set out in the appendix II to this circular;
- (c) the Memorandum of Association and Bye-Laws of the Company;
- (d) the annual reports of the Company for the three financial years ended 31st March 2017, 2018 and 2019 respectively;
- (e) the interim report of the Company for the six months ended 30th September 2019;  
and
- (f) the circulars of the Company dated 13th December 2019 and 22nd May 2020 and this circular.