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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)

DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSAL OF JIAYUAN SECURITIES

THE DISPOSALS

Pursuant to the Offer to Purchase, Jiayuan offered to purchase the 13.75% Jiayuan Notes and AO Group, via ASI Seller and ASH Seller, tendered their 13.75% Jiayuan Notes in the notional amounts of approximately US\$2.7 million (equivalent to approximately HK\$21.1 million) and approximately US\$12.2 million (equivalent to approximately HK\$95.2 million) for purchase by Jiayuan respectively. ASI Seller and ASH Seller were notified that part of the 13.75% Jiayuan Notes tendered by ASI Seller and ASH Seller, in the notional amounts of approximately US\$0.6 million (equivalent to approximately HK\$4.7 million) and approximately US\$2.5 million (equivalent to approximately HK\$19.5 million), were accepted for purchase by Jiayuan at the consideration (including unpaid interests accrued) of approximately US\$0.6 million (equivalent to approximately HK\$4.7 million) and approximately US\$2.6 million (equivalent to approximately HK\$20.3 million) respectively. AO Group, via AO Seller, also disposed of the 12% Jiayuan Notes in the notional amount of US\$1.0 million (equivalent to HK\$7.8 million) at a consideration (including unpaid interests accrued) of approximately US\$1.0 million (equivalent to approximately HK\$7.8 million) on the open market.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Disposals, when aggregated with the Previous Disposals, exceeds 5% but is or are less than 25% for the Company, the Disposals constitute a discloseable transaction for the Company, and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE DISPOSALS

Pursuant to the Offer to Purchase, Jiayuan offered to purchase the 13.75% Jiayuan Notes and AO Group, via ASI Seller and ASH Seller, tendered their 13.75% Jiayuan Notes in the notional amounts of approximately US\$2.7 million (equivalent to approximately HK\$21.1 million) and approximately US\$12.2 million (equivalent to approximately HK\$95.2 million) for purchase by Jiayuan respectively. On 18 August 2021, ASI Seller and ASH Seller were notified that part of the 13.75% Jiayuan Notes tendered by ASI Seller and ASH Seller, in the notional amounts of approximately US\$0.6 million (equivalent to approximately HK\$4.7 million) and approximately US\$2.5 million (equivalent to approximately HK\$19.5 million), were accepted for purchase by Jiayuan at the consideration (including unpaid interests accrued) of approximately US\$0.6 million (equivalent to approximately HK\$4.7 million) and approximately US\$2.6 million (equivalent to approximately HK\$20.3 million) respectively.

In addition, AO Group, via AO Seller, disposed of the 12% Jiayuan Notes in the notional amount of US\$1.0 million (equivalent to HK\$7.8 million) at a consideration (including unpaid interests accrued) of approximately US\$1.0 million (equivalent to approximately HK\$7.8 million) on the open market on 12 August 2021. In view that the said Disposal was conducted through the open market, the Company is not aware of the identity of the purchaser of the 12% Jiayuan Notes disposed of thereunder. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the purchaser of those 12% Jiayuan Notes and its ultimate beneficial owner(s) are Independent Third Parties.

INFORMATION ON THE JIAYUAN SECURITIES

The 12% Jiayuan Notes and the 13.75% Jiayuan Notes are listed and quoted on the SGX-ST and the Stock Exchange respectively.

As at 31 March 2021, the carrying value of the 12% Jiayuan Notes as disposed of by AO Seller under the Disposal on the open market was approximately HK\$7.7 million. The net profits (both before and after taxation) attributable to those 12% Jiayuan Notes were approximately HK\$0.4 million for the financial year ended 31 March 2021.

As at 31 March 2021, the carrying values of the 13.75% Jiayuan Notes as disposed of by ASI Seller and ASH Seller under the Disposals pursuant to the Offer to Purchase were approximately HK\$4.5 million and approximately HK\$19.5 million respectively. The net profits (both before and after taxation) attributable to those 13.75% Jiayuan Notes were approximately HK\$0.4 million and approximately HK\$1.8 million respectively for the financial year ended 31 March 2020, and approximately HK\$0.6 million and approximately HK\$2.9 million respectively for the financial year ended 31 March 2021.

FINANCIAL EFFECTS OF THE DISPOSALS AND USE OF PROCEEDS

As a result of the Disposals, it is expected that AO Group will record a loss before tax and before non-controlling interest of approximately HK\$0.1 million in the current financial year. The loss represents the difference between the consideration and the cost of the Jiayuan Securities as disposed of by AO Seller, ASI Seller and ASH Seller under the Disposals, plus the written back of expected credit loss and the reversal of unrealised exchange loss recognised in prior years.

The Directors intend to apply the proceeds from the Disposals as general working capital of AO Group and/or for other reinvestment opportunities when they arise.

REASONS FOR AND BENEFITS OF THE DISPOSALS

The Disposals form part of the investing activities of AO Group and were conducted in its ordinary and usual course of business. As part of its principal business, AO Group monitors the performance of its securities portfolio and makes adjustment to it (with regard to the types and/or amounts of the securities held) from time to time.

The Disposals provided AO Group with an opportunity to realise its investment in the Jiayuan Securities, and to re-allocate resources for other reinvestment opportunities when they arise.

Having considered the terms of the Disposals (including the disposal prices), the Directors are of the view that the terms of the Disposals are fair and reasonable and the Disposals are in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE COMPANY, AO SELLER, ASI SELLER AND ASH SELLER

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

AO Seller is a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company. As at the date hereof, it is principally engaged in securities investments.

ASI Seller is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of ASI. As at the date hereof, it is principally engaged in securities investments.

ASH Seller is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of ASH. As at the date hereof, it is principally engaged in securities investments.

INFORMATION ON JIAYUAN

Jiayuan is engaged in investment holding and its subsidiaries are principally engaged in the property development, property investment and provision of property management services. Further information on Jiayuan is disclosed in the 2020 annual report of Jiayuan.

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), Jiayuan and its ultimate beneficial owners are Independent Third Parties.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Disposals, when aggregated with the Previous Disposals, exceeds 5% but is or are less than 25% for the Company, the Disposals constitute a discloseable transaction for the Company, and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless the context otherwise requires, the following terms have the following meanings in this announcement:

“11.375% Jiayuan Notes”	the 11.375% senior secured notes due 2022 issued by Jiayuan on 2 May 2019 and 29 August 2019 with the maturity date on 2 May 2022
“12% Jiayuan Notes”	the 12% senior notes due 2022 issued by Jiayuan on 30 October 2020 with the maturity date on 30 October 2022
“13.75% Jiayuan Notes”	the 13.75% senior notes due 2022 issued by Jiayuan on 11 July 2019, 3 December 2019 and 24 February 2020 with the maturity date on 11 March 2022
“AO Group”	the Company and its subsidiaries, including ASI Group and ASH Group
“AO Seller”	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 Seller”	Empire Hotel International Company Limited, a company incorporated in Hong Kong 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 Seller”	Cheer Selection Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of ASI
“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
“Director(s)”	the director(s) of the Company, including the independent non-executive director(s)

“Disposal(s)”	the disposal(s) of the 12% Jiayuan Notes by AO Seller on the open market and/or the 13.75% Jiayuan Notes by ASI Seller and/or ASH Seller under the Tender Offer, details of which please refer to the paragraph headed “THE DISPOSALS” of this announcement
“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
“Jiayuan”	Jiayuan International Group Limited (Stock Code: 2768), an exempted company incorporated under the laws of the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board
“Jiayuan Securities”	the 12% Jiayuan Notes and the 13.75% Jiayuan Notes disposed of by AO Seller, ASI Seller and/or ASH Seller under the Disposals
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the Main Board of the Stock Exchange
“Offer to Purchase”	the offer to purchase dated 29 July 2021 issued to the eligible holders of the 13.75% Jiayuan Notes in relation to the Tender Offer
“percentage ratio(s)”	has the same meaning ascribed to it under the Listing Rules
“Previous Disposals”	the previous disposals of, on a non-consolidated and standalone basis, (i) the 11.375% Jiayuan Notes by AO Group, ASI Group and ASH Group in the notional amounts of US\$28.0 million (equivalent to HK\$218.4 million), US\$24.0 million (equivalent to HK\$187.2 million) and US\$22.0 million (equivalent to HK\$171.6 million) at par value on 27 October 2020, and (ii) the 12% Jiayuan Notes by AO Group in the aggregate notional amount of US\$2.5 million (equivalent to HK\$19.5 million) between 6 and 10 August 2021, details of which were disclosed in the announcements of the Company dated 30 October 2020 and 11 August 2021
“SGX-ST”	the Singapore Exchange Securities Trading Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tender Offer”	the offer to purchase for cash by Jiayuan of its outstanding 13.75% Jiayuan Notes up to the maximum acceptance amount (on the terms and subject to the conditions set out in the Offer to Purchase), details of which were disclosed in the announcements of Jiayuan dated 29 July 2021 and 16 August 2021

“US\$” United States Dollars

“%” per cent

In this announcement 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.

By Order of the Board of
Asia Orient Holdings Limited
Fung Siu To, Clement
Chairman

Hong Kong, 19 August 2021

As at the date of this announcement, the executive Directors are Mr. Fung Siu To, Clement, Mr. Poon Jing, Mr. Poon Hai, Mr. Poon Yeung, Roderick, Mr. Lun Pui Kan and Mr. Kwan Po Lam, Phileas and the independent non-executive Directors are Mr. Cheung Kwok Wah, Mr. Leung Wai Keung and Mr. Wong Chi Keung.

* *For identification purpose only*