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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
ACQUISITIONS OF CHINA EVERGRANDE NOTES**

A letter from the Board of Asia Orient Holdings Limited (the “**Company**”) is set out on pages 6 to 19 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:

“11.5% China Evergrande Notes Due 2022”	the 11.5% senior notes due 2022 in the aggregate notional amount of US\$2,000 million issued by Scenery Journey, which will mature on 24 October 2022
“11.5% China Evergrande Notes Due 2023”	the 11.5% senior notes due 2023 in the aggregate notional amount of US\$1,000 million issued by China Evergrande, which will mature on 22 January 2023
“12% China Evergrande Notes Due 2023”	the 12% senior notes due 2023 in the aggregate notional amount of US\$2,000 million issued by Scenery Journey, which will mature on 24 October 2023
“12% China Evergrande Notes Due 2024”	the 12% senior notes due 2024 in the aggregate notional amount of US\$1,000 million issued by China Evergrande, which will mature on 22 January 2024
“13% China Evergrande Notes Due 2022”	the 13% senior notes due 2022 in the aggregate notional amount of US\$645 million issued by Scenery Journey, which will mature on 6 November 2022
“13.75% China Evergrande Notes Due 2023”	the 13.75% senior notes due 2023 in the aggregate notional amount of US\$590 million issued by Scenery Journey, which will mature on 6 November 2023
“26 March 2020 Announcement”	the joint announcement of the Company, ASI and ASH dated 26 March 2020 in relation to the Acquisitions
“Acquisitions”	the acquisitions of the China Evergrande Notes between 24 and 25 March 2020 by (i) ASI Acquirer in the aggregate notional amount of US\$40 million, at the aggregate consideration of US\$25.975 million on the open market; and (ii) ASH Acquirer in the aggregate notional amount of US\$44.5 million, at the aggregate consideration of approximately US\$31.23 million on the open market, as the case may be
“AO Closely Allied Group”	a closely allied group of the Shareholders comprising Mr. Poon Jing and his associates who together hold 444,706,132 Shares (representing approximately 52.88% of the issued share capital of the Company, as at the date of the 26 March 2020 Announcement)

DEFINITIONS

“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 Acquirer”	Greatime Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of ASH
“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
“China Evergrande”	China Evergrande Group (Stock Code: 3333), an exempted company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board
“China Evergrande JV Subsidiary Guarantor(s)”	certain subsidiary(ies) of China Evergrande, other than the China Evergrande Subsidiary Guarantors, that guarantee China Evergrande’s obligations under, among others, the 12% China Evergrande Notes Due 2024
“China Evergrande Notes”	the 11.5% China Evergrande Notes Due 2022, the 12% China Evergrande Notes Due 2023, the 12% China Evergrande Notes Due 2024, the 13% China Evergrande Notes Due 2022 and/or the 13.75% China Evergrande Notes Due 2023, as the case may be

DEFINITIONS

“China Evergrande Subsidiary Guarantor(s)”	the subsidiaries of China Evergrande which guarantee, among others, the 12% China Evergrande Notes Due 2024, other than the China Evergrande JV Subsidiary Guarantors
“close associates”	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 persons”	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)
“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
“Independent Third Party(ies)”	person(s) or company(ies) which is/are third party(ies) independent of the Company and its connected persons
“Latest Practicable Date”	18 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
“percentage ratios”	has the same meaning ascribed to it under the Listing Rules

DEFINITIONS

“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
“Previous Acquisitions”	as the case may be, the previous subscriptions and/or acquisitions, on a non-consolidated and standalone basis (A) in January 2020 of (i) the 12% China Evergrande Notes Due 2024 by the Group, ASI Group and ASH Group in the notional amounts of US\$10 million, US\$22 million and US\$18 million, respectively; and (ii) the 12% China Evergrande Notes Due 2023 by ASI Group and ASH Group in the notional amounts of US\$50 million and US\$50 million, respectively; (B) on 9 March 2020 of the 12% China Evergrande Notes Due 2024 by ASI Group and ASH Group in the notional amounts of US\$10 million and US\$10 million, respectively; (C) on 12 March 2020 of the 12% China Evergrande Notes Due 2024 by ASI Group in the notional amount of US\$10 million; (D) on 13 March 2020 of the 12% China Evergrande Notes Due 2024 and the 11.5% China Evergrande Notes Due 2023 by ASI Group in the notional amounts of US\$12.4 million and US\$10 million, respectively; (E) on 16 March 2020 of the 12% China Evergrande Notes Due 2024 by ASI Group in the notional amount of US\$5 million; (F) on 18 March 2020 of the 12% China Evergrande Notes Due 2023 by ASI Group in the notional amount of US\$10 million; (G) on 19 March 2020 of the 11.5% China Evergrande Notes Due 2023 by ASI Group in the notional amount of US\$10 million; and (H) on 20 March 2020 of the 12% China Evergrande Notes Due 2023, the 12% China Evergrande Notes Due 2024 and the 13.75% China Evergrande Notes Due 2023 by ASI Group in the notional amounts of US\$4 million, US\$3 million and US\$5 million, respectively
“Scenery Journey”	Scenery Journey Limited, a company incorporated with limited liability in the British Virgin Islands, an indirect subsidiary of China Evergrande and the issuer of, among others, the 11.5% China Evergrande Notes Due 2022, the 12% China Evergrande Notes Due 2023, the 13% China Evergrande Notes Due 2022 and the 13.75% China Evergrande Notes Due 2023

DEFINITIONS

“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
“Tianji Holding”	Tianji Holding Limited, a company incorporated in Hong Kong with limited liability and a subsidiary of China Evergrande
“Tianji Holding JV Subsidiary Guarantor(s)”	subsidiaries of Tianji Holding that provide limited-recourse guarantee(s) for, among others, the 11.5% China Evergrande Notes Due 2022, the 12% China Evergrande Notes Due 2023, the 13% China Evergrande Notes Due 2022 and the 13.75% China Evergrande Notes Due 2023
“Tianji Holding Subsidiary Guarantors”	the subsidiaries of Tianji Holding which guarantee, among others, the 11.5% China Evergrande Notes Due 2022, the 12% China Evergrande Notes Due 2023, the 13% China Evergrande Notes Due 2022 and the 13.75% China Evergrande Notes Due 2023
“Trustee”	Citicorp International Limited, as the trustee of, among others, the 11.5% China Evergrande Notes Due 2022 and the 12% China Evergrande Notes Due 2023
“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.

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

Registered Office:

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

Independent non-executive Directors:

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

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

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

22 May 2020

To the Shareholders

Dear Sirs/Madams,

**MAJOR TRANSACTION
IN RELATION TO
ACQUISITIONS OF CHINA EVERGRANDE NOTES**

INTRODUCTION

Reference is made to the 26 March 2020 Announcement.

Between 24 and 25 March 2020, ASI Acquirer acquired the China Evergrande Notes on the open market at an aggregate consideration of US\$25.975 million (equivalent to approximately HK\$202.6 million) and ASH Acquirer acquired the China Evergrande Notes on the open market at an aggregate consideration of approximately US\$31.23 million (equivalent to approximately HK\$243.59 million).

* *For identification purposes only*

LETTER FROM THE BOARD

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

THE ACQUISITIONS

Between 24 and 25 March 2020, ASI Acquirer acquired the China Evergrande Notes on the open market at an aggregate consideration of US\$25.975 million (equivalent to approximately HK\$202.6 million) and ASH Acquirer acquired the China Evergrande Notes on the open market at an aggregate consideration of approximately US\$31.23 million (equivalent to approximately HK\$243.59 million).

In view that the Acquisitions were conducted through the open market, the Company is not aware of the identities of the vendors of the relevant China Evergrande Notes sold to ASI Acquirer and ASH Acquirer. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the vendors of the China Evergrande Notes and where applicable, their ultimate beneficial owners are Independent Third Parties.

Terms of the Acquisitions are set out below:

Notional amount : ASI Acquirer:
of the
Acquisitions, 11.5% China Evergrande Notes Due 2022 in the notional amount of
Acquisition US\$40 million (equivalent to approximately HK\$312 million):
price and date aggregate consideration was US\$25.975 million (equivalent to
of settlement approximately HK\$202.6 million)

ASH Acquirer:

11.5% China Evergrande Notes Due 2022 in the notional amount of
US\$23 million (equivalent to approximately HK\$179.4 million):
aggregate consideration was approximately US\$16.41 million
(equivalent to approximately HK\$128 million)

12% China Evergrande Notes Due 2023 in the notional amount of
US\$5 million (equivalent to approximately HK\$39 million):
aggregate consideration was approximately US\$3.5 million
(equivalent to approximately HK\$27.3 million)

12% China Evergrande Notes Due 2024 in the notional amount of
US\$3 million (equivalent to approximately HK\$23.4 million):
consideration was approximately US\$2.1 million (equivalent to
approximately HK\$16.38 million)

LETTER FROM THE BOARD

13% China Evergrande Notes Due 2022 in the notional amount of US\$5 million (equivalent to approximately HK\$39 million): consideration was approximately US\$3.43 million (equivalent to approximately HK\$26.75 million)

13.75% China Evergrande Notes Due 2023 in the notional amount of US\$8.5 million (equivalent to approximately HK\$66.3 million): aggregate consideration was approximately US\$5.79 million (equivalent to approximately HK\$45.16 million)

The date of settlement of the Acquisitions were between 26 and 27 March 2020

INFORMATION ON THE CHINA EVERGRANDE NOTES

The 11.5% China Evergrande Notes Due 2022, the 12% China Evergrande Notes Due 2023, the 12% China Evergrande Notes Due 2024, the 13% China Evergrande Notes Due 2022 and the 13.75% China Evergrande Notes Due 2023:

Issuer : 11.5% China Evergrande Notes Due 2022, 12% China Evergrande Notes Due 2023, 13% China Evergrande Notes Due 2022 and 13.75% China Evergrande Notes Due 2023: Scenery Journey

12% China Evergrande Notes Due 2024: China Evergrande

Interest rate and payment : 11.5% China Evergrande Notes Due 2022: will bear interest from and including 24 January 2020 at the rate of 11.5% per annum. Interest will be payable semi-annually in arrears on 24 January and 24 July of each year, beginning on 24 July 2020 except that the last interest period will be from and including 24 July 2022 to but excluding 24 October 2022

12% China Evergrande Notes Due 2023: will bear interest at the rate of 12% per annum. Interest will be payable semi-annually in arrears on 24 January and 24 July of each year, beginning on 24 July 2020 except that the last interest period will be from and including 24 July 2023 to but excluding 24 October 2023

12% China Evergrande Notes Due 2024: will bear interest at the rate of 12% per annum. Interest will be payable semi-annually in arrears on 22 January and 22 July of each year, beginning on 22 July 2020

LETTER FROM THE BOARD

13% China Evergrande Notes Due 2022: will bear interest at the rate of 13% per annum. Interest will be payable semi-annually in arrears on 6 May and 6 November of each year, beginning on 6 May 2019

13.75% China Evergrande Notes Due 2023: will bear interest at the rate of 13.75% per annum. Interest will be payable semi-annually in arrears on 6 May and 6 November of each year, beginning on 6 May 2019

Ranking : 11.5% China Evergrande Notes Due 2022:

The 11.5% China Evergrande Notes Due 2022 are (1) general obligations of Scenery Journey, (2) senior in right of payment to any existing and future obligations of Scenery Journey expressly subordinated in right of payment to the 11.5% China Evergrande Notes Due 2022, (3) at least *pari passu* in right of payment with all the unsecured, unsubordinated indebtedness of Scenery Journey, (4) guaranteed by Tianji Holding, the Tianji Holding Subsidiary Guarantors and the Tianji Holding JV Subsidiary Guarantors (if any) on a senior basis, subject to certain limitations, (5) effectively subordinated to the secured obligations of Tianji Holding, Scenery Journey, the Tianji Holding Subsidiary Guarantors and the Tianji Holding JV Subsidiary Guarantors, to the extent of the value of the assets serving as security therefor, and (6) effectively subordinated to all existing and future obligations of the non-guarantor subsidiaries

12% China Evergrande Notes Due 2023:

The 12% China Evergrande Notes Due 2023 are (1) general obligations of Scenery Journey, (2) senior in right of payment to any existing and future obligations of Scenery Journey expressly subordinated in right of payment to the 12% China Evergrande Notes Due 2023, (3) at least *pari passu* in right of payment with all the unsecured, unsubordinated indebtedness of Scenery Journey, (4) guaranteed by Tianji Holding, the Tianji Holding Subsidiary Guarantors and the Tianji Holding JV Subsidiary Guarantors (if any) on a senior basis, subject to certain limitations, (5) effectively subordinated to the secured obligations of Tianji Holding, Scenery Journey, the Tianji Holding Subsidiary Guarantors and the Tianji Holding JV Subsidiary Guarantors, to the extent of the value of the assets serving as security therefor, and (6) effectively subordinated to all existing and future obligations of the non-guarantor subsidiaries

LETTER FROM THE BOARD

12% China Evergrande Notes Due 2024:

The 12% China Evergrande Notes Due 2024 are (1) general obligations of China Evergrande, (2) at least *pari passu* in right of payment against China Evergrande with the existing *pari passu* secured indebtedness and all other unsecured, unsubordinated indebtedness of China Evergrande (subject to any priority rights of such unsecured, unsubordinated indebtedness pursuant to applicable law), (3) senior in right of payment to any existing and future obligations of China Evergrande expressly subordinated in right of payment to the 12% China Evergrande Notes Due 2024, (4) guaranteed by the China Evergrande Subsidiary Guarantors and the China Evergrande JV Subsidiary Guarantors (if any) on a senior basis, subject to certain limitations, (5) effectively subordinated to the other secured obligations of China Evergrande, the China Evergrande Subsidiary Guarantors and the China Evergrande JV Subsidiary Guarantors, to the extent of the value of the assets serving as security therefor (other than the collateral securing the 12% China Evergrande Notes Due 2024), and (6) effectively subordinated to all existing and future obligations of the non-guarantor subsidiaries

13% China Evergrande Notes Due 2022:

The 13% China Evergrande Notes Due 2022 are (1) general obligations of Scenery Journey, (2) senior in right of payment to any existing and future obligations of Scenery Journey expressly subordinated in right of payment to the 13% China Evergrande Notes Due 2022, (3) at least *pari passu* in right of payment with all the unsecured, unsubordinated indebtedness of Scenery Journey, (4) guaranteed by Tianji Holding, the Tianji Holding Subsidiary Guarantors and the Tianji Holding JV Subsidiary Guarantors (if any) on a senior basis, subject to certain limitations, (5) effectively subordinated to the secured obligations of Tianji Holding, Scenery Journey, China Evergrande, the Tianji Holding Subsidiary Guarantors and the Tianji Holding JV Subsidiary Guarantors, to the extent of the value of the assets serving as security therefor, and (6) effectively subordinated to all existing and future obligations of the non-guarantor subsidiaries

LETTER FROM THE BOARD

13.75% China Evergrande Notes Due 2023:

The 13.75% China Evergrande Notes Due 2023 are (1) general obligations of Scenery Journey, (2) senior in right of payment to any existing and future obligations of Scenery Journey expressly subordinated in right of payment to the 13.75% China Evergrande Notes Due 2023, (3) at least *pari passu* in right of payment with all the unsecured, unsubordinated indebtedness of Scenery Journey, (4) guaranteed by Tianji Holding, the Tianji Holding Subsidiary Guarantors and the Tianji Holding JV Subsidiary Guarantors (if any) on a senior basis, subject to certain limitations, (5) effectively subordinated to the secured obligations of Tianji Holding, Scenery Journey, China Evergrande, the Tianji Holding Subsidiary Guarantors and the Tianji Holding JV Subsidiary Guarantors, to the extent of the value of the assets serving as security therefor, and (6) effectively subordinated to all existing and future obligations of the non-guarantor subsidiaries

Optional redemption : 11.5% China Evergrande Notes Due 2022:

At any time prior to 24 July 2022, Scenery Journey may, upon giving not less than 30 days' nor more than 60 days' notice to the holders and the Trustee, at its option redeem the 11.5% China Evergrande Notes Due 2022, in whole but not in part, at a redemption price equal to 100% of the notional amount of the 11.5% China Evergrande Notes Due 2022 redeemed plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date

At any time and from time to time prior to 24 July 2022, Scenery Journey may, upon giving not less than 30 days' nor more than 60 days' notice to the holders and the Trustee, redeem up to 35% of the aggregate notional amount of the 11.5% China Evergrande Notes Due 2022 at a redemption price of 111.5% of the notional amount of the 11.5% China Evergrande Notes Due 2022 redeemed, plus accrued and unpaid interest, if any, with the proceeds from sales of certain kinds of its capital stock, subject to certain conditions

LETTER FROM THE BOARD

At any time from and including 24 July 2022 to but excluding 24 October 2022, Scenery Journey may, upon giving not less than 15 days' nor more than 30 days' notice to the holders and the Trustee, at its option redeem the 11.5% China Evergrande Notes Due 2022, in whole but not in part, at a redemption price equal to 100% of the notional amount of the 11.5% China Evergrande Notes Due 2022 redeemed plus accrued and unpaid interest, if any, to (but not including) the redemption date

12% China Evergrande Notes Due 2023:

On or after 24 October 2021, Scenery Journey may on any one or more occasions redeem all or any part of the 12% China Evergrande Notes Due 2023, at the redemption prices (expressed as percentages of notional amount) set forth below, plus accrued and unpaid interest, if any, on the 12% China Evergrande Notes Due 2023 redeemed, to (but not including) the applicable date of redemption, if redeemed during the respective period indicated below:

Period	Redemption Price
From (and including) 24 October 2021 to (excluding) 24 October 2022	106%
From (and including) 24 October 2022 to (excluding) 24 July 2023	103%

At any time prior to 24 October 2021, Scenery Journey may, upon giving not less than 30 days' nor more than 60 days' notice to the holders and the Trustee, at its option redeem the 12% China Evergrande Notes Due 2023, in whole but not in part, at a redemption price equal to 100% of the notional amount of the 12% China Evergrande Notes Due 2023 redeemed plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date

At any time and from time to time prior to 24 October 2021, Scenery Journey may, upon giving not less than 30 days' nor more than 60 days' notice to the holders and the Trustee, redeem up to 35% of the aggregate notional amount of the 12% China Evergrande Notes Due 2023 at a redemption price of 112% of the notional amount of the 12% China Evergrande Notes Due 2023 redeemed, plus accrued and unpaid interest, if any, with the proceeds from sales of certain kinds of its capital stock, subject to certain conditions

LETTER FROM THE BOARD

At any time from and including 24 July 2023 to but excluding 24 October 2023, Scenery Journey may, upon giving not less than 15 days' nor more than 30 days' notice to the holders and the Trustee, at its option redeem the 12% China Evergrande Notes Due 2023, in whole but not in part, at a redemption price equal to 100% of the notional amount of the 12% China Evergrande Notes Due 2023 redeemed plus accrued and unpaid interest, if any, to (but not including) the redemption date

12% China Evergrande Notes Due 2024:

On or after 22 January 2022, China Evergrande may on any one or more occasions redeem all or any part of the 12% China Evergrande Notes Due 2024, at the redemption prices (expressed as percentages of notional amount) set forth below, plus accrued and unpaid interest, if any, on the 12% China Evergrande Notes Due 2024 redeemed, to (but not including) the applicable date of redemption, if redeemed during the twelve-month period beginning on 22 January of the years indicated below:

Year	Redemption Price
2022	106%
2023 and thereafter	103%

At any time prior to 22 January 2022, China Evergrande may at its option redeem the 12% China Evergrande Notes Due 2024, in whole but not in part, at a redemption price equal to 100% of the notional amount of the 12% China Evergrande Notes Due 2024 redeemed plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date

At any time and from time to time prior to 22 January 2022, China Evergrande may redeem up to 35% of the aggregate notional amount of the 12% China Evergrande Notes Due 2024 at a redemption price of 112% of the notional amount of the 12% China Evergrande Notes Due 2024 redeemed, plus accrued and unpaid interest, if any, with the proceeds from sales of certain kinds of its capital stock, subject to certain conditions

LETTER FROM THE BOARD

13% China Evergrande Notes Due 2022:

On or after 6 November 2020, Scenery Journey may on any one or more occasions redeem all or any part of the 13% China Evergrande Notes Due 2022, at the redemption prices (expressed as percentages of notional amount) set forth below, plus accrued and unpaid interest, if any, on the 13% China Evergrande Notes Due 2022 redeemed, to (but not including) the applicable date of redemption, if redeemed during the twelve-month period beginning on 6 November of the years indicated below:

Year	Redemption Price
2020	106.5%
2021 and thereafter	103.25%

At any time prior to 6 November 2020, Scenery Journey may at its option redeem the 13% China Evergrande Notes Due 2022, in whole but not in part, at a redemption price equal to 100% of the notional amount of the 13% China Evergrande Notes Due 2022, plus the applicable premium, and accrued and unpaid interest, if any, to (but not including) the redemption date

At any time and from time to time prior to 6 November 2020, Scenery Journey may redeem up to 35% of the aggregate notional amount of the 13% China Evergrande Notes Due 2022 with the net cash proceeds of one or more sales of common stock of Hengda Real Estate Group Co., Ltd (a wholly-owned subsidiary of China Evergrande) in an equity offering at a redemption price of 113% of the notional amount of the 13% China Evergrande Notes Due 2022 redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate notional amount of the 13% China Evergrande Notes Due 2022 originally issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering

LETTER FROM THE BOARD

13.75% China Evergrande Notes Due 2023:

On or after 6 November 2021, Scenery Journey may on any one or more occasions redeem all or any part of the 13.75% China Evergrande Notes Due 2023, at the redemption prices (expressed as percentages of notional amount) set forth below, plus accrued and unpaid interest, if any, on the 13.75% China Evergrande Notes Due 2023 redeemed, to (but not including) the applicable date of redemption, if redeemed during the twelve-month period beginning on 6 November of the years indicated below:

Year	Redemption Price
2021	106.875%
2022 and thereafter	103.4375%

At any time prior to 6 November 2021, Scenery Journey may at its option redeem the 13.75% China Evergrande Notes Due 2023, in whole but not in part, at a redemption price equal to 100% of the notional amount of the 13.75% China Evergrande Notes Due 2023, plus the applicable premium, and accrued and unpaid interest, if any, to (but not including) the redemption date

At any time and from time to time prior to 6 November 2021, Scenery Journey may redeem up to 35% of the aggregate notional amount of the 13.75% China Evergrande Notes Due 2023 with the net cash proceeds of one or more sales of common stock of Hengda Real Estate Group Co., Ltd (a wholly-owned subsidiary of China Evergrande) in an equity offering at a redemption price of 113.75% of the notional amount of the 13.75% China Evergrande Notes Due 2023 redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate notional amount of the 13.75% China Evergrande Notes Due 2023 originally issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering

Listing : The 11.5% China Evergrande Notes Due 2022, the 12% China Evergrande Notes Due 2023, the 12% China Evergrande Notes Due 2024, the 13% China Evergrande Notes Due 2022 and the 13.75% China Evergrande Notes Due 2023 are listed and quoted on the SGX-ST

LETTER FROM THE BOARD

FINANCIAL EFFECT OF THE ACQUISITIONS

As at the Latest Practicable Date, the Group holds notes issued by China Evergrande and/or its subsidiaries in the notional amount of US\$612 million (equivalent to approximately HK\$4,773.6 million).

As a result of the Acquisitions, the total assets of the Group increased by approximately HK\$242.1 million and the total liabilities of the Group increased by approximately HK\$242.9 million.

Assuming that the Group will not dispose of any China Evergrande Notes acquired under the Acquisitions, it is expected that the Acquisitions will generate annual earnings of approximately HK\$133.7 million before any expected credit loss, finance costs and non-controlling interests.

For further details, please refer to the unaudited pro forma statement of assets and liabilities 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 30 September 2019 and the notes set out therein to illustrate the impact of the Acquisitions on the financial position of the Group as at 30 September 2019 as if the Acquisitions had taken place on 30 September 2019.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Acquisitions form part of the investing activities of ASI Group and ASH Group and were conducted in their ordinary and usual course of business. The acquisition prices of the China Evergrande Notes were funded by each of ASI Group and ASH Group's internal cash resources and banking facilities.

Having considered the terms of the China Evergrande Notes (including the relevant acquisition prices, interest rates and maturity dates) and the fact that the Acquisitions were conducted through the open market, the Directors are of the view that the terms of the China Evergrande Notes and the Acquisitions are fair and reasonable and the Acquisitions are in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE COMPANY, ASI, ASH, ASI ACQUIRER AND ASH 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.

LETTER FROM THE BOARD

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 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.

ASH Acquirer 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 investments.

INFORMATION ON CHINA EVERGRANDE

China Evergrande was founded in 1996 in Guangzhou City, Guangdong Province, the PRC and together with its subsidiaries, has established an overall industry layout leveraging in real estate development as its foundation, developing cultural tourism and health and wellbeing management industries as complementary pillars, and focusing in new energy vehicles as a lead growth driver. It is ranked 138th in the Fortune Global 500 in 2019.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios in respect of the Acquisitions, after aggregation with the Previous Acquisitions, exceeds 25% but is or are less than 100%, the Acquisitions constitute a major transaction for the Company and are therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Given that none of the Shareholders has a material interest in the Acquisitions, none of them would be required to abstain from voting if a general meeting of the Company were to be convened to approve the Acquisitions. 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 26 March 2020 Announcement) to approve the Acquisitions. Therefore, no general meeting of the Company will be convened to approve the Acquisitions. The AO Closely Allied Group comprises the following Shareholders:

LETTER FROM THE BOARD

Name of the Shareholders	Number of Shares held	Approximate shareholding percentage in the Company <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%
Total	444,706,132	52.88%

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.

LETTER FROM THE BOARD

RECOMMENDATION

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

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

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 ON THE GROUP FOR THE THREE YEARS ENDED 31 MARCH 2019 AND THE SIX MONTHS ENDED 30 SEPTEMBER 2019

The audited consolidated financial statements of the Group:

- (i) for the year ended 31 March 2019 are set out from pages 61 to 164 in the annual report of the Company for the year ended 31 March 2019, which is published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0730/ltn20190730151.pdf>);
- (ii) for the year ended 31 March 2018 are set out from pages 59 to 152 in the annual report of the Company for the year ended 31 March 2018, which is published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0730/ltn20180730561.pdf>); and
- (iii) for the year ended 31 March 2017 are set out from pages 68 to 164 in the annual report of the Company for the year ended 31 March 2017, which is 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 on the Group for the six months ended 30 September 2019 are set out from pages 11 to 42 in the interim report of the Company for the six months ended 30 September 2019, which is 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 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 31 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) HK\$171 million were unguaranteed and unsecured;
 - (2) HK\$18,618 million were guaranteed,

- (i) out of which 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) 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 31 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 31 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 Acquisitions, 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 30 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 30 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 31 March 2020 and since the COVID-19 pandemic was still evolving, it is unable to ascertain the actual impact of the 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 investments in fixed income securities offsets the negative impacts imposed on the Group's hotel operation. Overall, to the best knowledge of the Directors, as at the Latest Practicable Date, there was no material adverse change in the financial or trading position of the Group as a whole since 31 March 2019, being the date to which the latest published audited financial statements of the Group were made up.

A. UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF THE GROUP

The unaudited pro forma statement of assets and liabilities of the Group has been prepared based on the published unaudited condensed consolidated balance sheet of the Group as at 30 September 2019 and adjusted for the effects of the Acquisitions to illustrate how the Acquisitions might have affected the financial position of the Group as if the Acquisitions took place on 30 September 2019, which is provided for illustrative purposes only. Due to its hypothetical nature, it may not give a true picture of the financial position of the Group that would have been attained had the Acquisitions actually took place on 30 September 2019 or thereafter. Furthermore, the unaudited pro forma statement of assets and liabilities of the Group does not purport to predict the Group's future financial position.

	Unaudited statement of assets and liabilities of the Group as at 30 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 Acquisitions <i>HK\$'000</i>
Non-current assets				
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
Current assets				
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	16,653	(2)	664,027
Income tax recoverable	5,015			5,015
Financial investments	16,083,257	446,199	(2)	16,529,456
Bank balances and cash	951,331	(220,740)	(3)	730,591
	19,460,697			19,702,809
	19,460,697			19,702,809

	Unaudited statement of assets and liabilities of the Group as at 30 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 Acquisitions <i>HK\$'000</i>
Current liabilities				
Trade and other payables	237,682	798	(4)	238,480
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	242,112	(3)	3,650,234
	<u>4,728,467</u>			<u>4,971,377</u>
Net current assets	<u>14,732,230</u>			<u>14,731,432</u>
Non-current liabilities				
Long term borrowings	12,866,517			12,866,517
Lease liabilities	3,349			3,349
Deferred income tax liabilities	728,012			728,012
	<u>13,597,878</u>			<u>13,597,878</u>
Net assets	<u>24,734,050</u>			<u>24,733,252</u>

Notes:

- The figures are extracted from the published unaudited condensed consolidated balance sheet of the Group as at 30 September 2019, as set out in the published interim report of the Company for the six months ended 30 September 2019.
- The adjustment reflects the recognition of the acquisitions of the China Evergrande Notes as financial assets at fair value through other comprehensive income of US\$57.21 million (equivalent to approximately HK\$446.19 million) and accrued interest of US\$2.14 million (equivalent to approximately HK\$16.65 million). For the purpose of this Unaudited Pro Forma Financial Information on the Group, the fair value of the China Evergrande Notes is assumed to be the cost of acquisition on the open market which approximated to the fair value of the China Evergrande Notes on 30 September 2019.
- Acquisitions will be financed by the Group's internal cash resources and banking facilities.
- The estimated transaction costs of the Acquisitions.
- No other adjustment has been made to reflect any operating results or other transactions of the Group entered into subsequent to 30 September 2019.

B. REPORT ON UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES 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 30 September 2019, and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages 23 to 24 of the Company's circular dated 22 May 2020, in connection with the acquisition of the 11.5% senior notes due 2022, the 12% senior notes due 2023, the 13% senior notes due 2022 and the 13.75% senior notes due 2023 in the aggregate notional amount of US\$81.5 million issued by Scenery Journey Limited, an indirect subsidiary of China Evergrande Group and the 12% senior notes due 2024 in the aggregate notional amount of US\$3 million issued by China Evergrande Group (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 23 to 24.

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 30 September 2019 as if the Transaction had taken place at 30 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 30 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 30 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, 22 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 11 December 2015 under a share option scheme adopted by the Company on 29 August 2014 and exercisable during the period from 11 December 2015 to 10 December 2025 at an exercise price of HK\$1.42 per share.

(b) Associated corporation – ASI

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

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

(c) Associated corporations – 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 11 December 2015 under a share option scheme adopted by ASH on 28 August 2006 and exercisable during the period from 11 December 2015 to 10 December 2025 at an exercise price of HK\$0.343 (as adjusted) per share.

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

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 24 February 2017 and up to and including the date falling the 10th business day prior to 23 February 2047 at the conversion price/redeemable at the redemption value of HK\$0.453 per convertible note.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at the Latest Practicable Date, so far as was known by or otherwise notified to the Directors and chief executive of the Company, the particulars of the corporations or individuals (other than 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:

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" above.
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 31 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:

Name	Qualification
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 31 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 statement of assets and liabilities 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 31 March 2017, 2018 and 2019 respectively;
- (e) the interim report of the Company for the six months ended 30 September 2019; and
- (f) the circulars of the Company dated 13 December 2019 and 22 May 2020 and this circular.