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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  
ACQUISITIONS OF CHINA EVERGRANDE NOTES**

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A letter from the Board of Asia Orient Holdings Limited (the “**Company**”) is set out on pages 7 to 20 of this circular.

\* *For identification purposes only*

19 July 2021

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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:*

“5.9% China Evergrande Notes Due 2023”	the 5.9% notes due 2023 in the aggregate notional amount of RMB4,000 million issued by Evergrande Real Estate, which will mature on 26 May 2023
“6.8% China Evergrande Notes Due 2024”	the 6.8% notes due 2024 in the aggregate notional amount of RMB5,000 million issued by Evergrande Real Estate, which will mature on 6 May 2024
“9.5% China Evergrande Notes Due 2024”	the 9.5% senior notes due 2024 in the aggregate notional amount of US\$1 billion issued by China Evergrande, which will mature on 29 March 2024
“10.5% China Evergrande Notes Due 2024”	the 10.5% senior notes due 2024 in the aggregate notional amount of US\$300 million issued by China Evergrande, which will mature on 11 April 2024
“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
“10 June 2021 Announcement”	the joint announcement of the Company, ASI and ASH dated 10 June 2021 in relation to the Acquisitions

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## DEFINITIONS

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“Acquisitions”	as the case may be, the acquisitions of the USD Securities on 8 and 9 June 2021 on the open market by ASI Acquirer at an aggregate consideration of approximately US\$41.1 million (equivalent to approximately HK\$320.6 million) and/or the investments in the RMB Securities by ASI Investor and/or ASH Investor at an aggregate consideration of approximately RMB3.3 million (equivalent to approximately HK\$4.1 million) and approximately RMB12.1 million (equivalent to approximately HK\$14.7 million) pursuant to the Note Purchase Agreements respectively, details of which please refer to the paragraph headed “THE ACQUISITIONS” of this circular
“AO Closely Allied Group”	a closely allied group of the Shareholders, comprising Mr. Poon Jing and his associates who together held 514,797,691 Shares (representing approximately 61.20% of the issued share capital of the Company as at the date of the 10 June 2021 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
“ASH Investor”	Master Style Global Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of ASH
“ASI”	Asia Standard International Group Limited (Stock Code: 129), an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board
“ASI 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
“ASI Investor”	Pinnacle Smart Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of ASI
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors

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## DEFINITIONS

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“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 Notes”	the notes issued by China Evergrande and/or its subsidiaries, including but not limited to the USD Securities and the RMB Securities
“China Merchants Bank”	China Merchants Bank Co., Ltd. (Stock Code: 3968), a joint stock company incorporated in the PRC with limited liability, the issued shares of which are listed on the Main Board
“close associate(s)”	has the same meaning ascribed to it under the Listing Rules
“CMBI”	CMB International Securities Limited, a company incorporated in Hong Kong with limited liability and is principally engaged in dealing in securities, which is a subsidiary of China Merchants Bank, and 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), which and the ultimate beneficial owners of which are Independent Third Parties
“CMBI Global”	CMBI Global Markets Limited, a subsidiary of China Merchants Bank and a fellow subsidiary of CMBI, being the swap counterparty under the TRS Transactions
“Company”	Asia Orient Holdings Limited (Stock Code: 214), an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company, including the independent non-executive director(s)
“Evergrande Real Estate”	Evergrande Real Estate Group Limited* (恒大地產集團有限公司), a company incorporated in the PRC with limited liability and a subsidiary of China Evergrande principally engaged in property development, and 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), which and the ultimate beneficial owners of which are Independent Third Parties

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## DEFINITIONS

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“Golden Sunflower”	Golden Sunflower Limited, the issuer under the TRS Transactions, which is an exempted company incorporated in the Cayman Islands, a special purpose vehicle incorporated for the purpose of issuing asset backed securities and is held under a trust, and 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), which and the shareholder of which (being the trustee) are Independent Third Parties
“Group”	the Company and its subsidiaries, including ASI Group and ASH Group
“HK\$”	Hong Kong Dollars
“Independent Third Party(ies)”	person(s) or company(ies) which is/are third party(ies) independent of the Company and its connected person(s)
“Latest Practicable Date”	15 July 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the Main Board of the Stock Exchange
“Note Purchase Agreements”	the note purchase agreements entered into between (i) ASI Investor and CMBI as dealer in June 2021 and (ii) ASH Investor and CMBI as dealer in January 2021 in relation to the investments in the RMB Securities by way of the TRS Transactions (as the case may be)
“percentage ratio(s)”	has the same meaning ascribed to it under the Listing Rules
“PRC” or “China”	the People’s Republic of China
“Previous Acquisitions”	the previous acquisitions of and investments in the China Evergrande Notes by the Group over the 12-month period prior to the date of Acquisitions which shall be aggregated for the purpose of calculating the applicable percentage ratios pursuant to Rule 14.22 of the Listing Rules, details of which please refer to the paragraph headed “IMPLICATIONS UNDER THE LISTING RULES” under the section “LETTER FROM THE BOARD” of this circular
“RMB”	Renminbi

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## DEFINITIONS

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“RMB Securities”	the 5.9% China Evergrande Notes Due 2023 and the 6.8% China Evergrande Notes Due 2024 invested by ASI Investor and ASH Investor under the Acquisitions
“Scenery Journey”	Scenery Journey Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect subsidiary of China Evergrande, and 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), which and the ultimate beneficial owners of which are Independent Third Parties
“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 shareholder(s)”	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 and the 13% China Evergrande Notes Due 2022
“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 and the 13% China Evergrande Notes Due 2022
“TRS Transactions”	the total return swap transactions between Golden Sunflower and CMBI Global in relation to investment in the RMB Securities arranged by CMBI pursuant to the Note Purchase Agreements
“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

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## DEFINITIONS

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“USD Securities”	the 11.5% China Evergrande Notes Due 2022, the 12% China Evergrande Notes Due 2023 and the 13% China Evergrande Notes Due 2022 acquired by ASI Acquirer under the Acquisitions
“US\$”	United States Dollars
“%”	per cent

*This circular contains translations of certain US\$ and RMB amounts into HK\$ at the approximate exchange rates at the time of the relevant transactions to which they apply. Such conversion rate is for illustration purpose only and should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate or at all.*



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## LETTER FROM THE BOARD

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### ASIA ORIENT HOLDINGS LIMITED

滙漢控股有限公司\*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 214)**

*Executive Directors:*

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

*Independent non-executive Directors:*

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

*Registered Office:*

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

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

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

19 July 2021

*To the Shareholders*

Dear Sirs/Madams,

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

#### INTRODUCTION

Reference is made to the 10 June 2021 Announcement.

On 8 and 9 June 2021, ASI Acquirer acquired the USD Securities on the open market at an aggregate consideration (including unpaid interests accrued) of approximately US\$41.1 million (equivalent to approximately HK\$320.6 million).

\* *For identification purposes only*

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## LETTER FROM THE BOARD

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On 8 and 9 June 2021, ASI Investor and ASH Investor invested in the RMB Securities at an aggregate consideration (including unpaid interests accrued) of approximately RMB3.3 million (equivalent to approximately HK\$4.1 million) and approximately RMB12.1 million (equivalent to approximately HK\$14.7 million) pursuant to the Note Purchase Agreements respectively.

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

On 8 and 9 June 2021, ASI Acquirer acquired the USD Securities on the open market at an aggregate consideration (including unpaid interests accrued) of approximately US\$41.1 million (equivalent to approximately HK\$320.6 million). Details of which are set out below:

<b>USD Securities acquired</b>	<b>Aggregate consideration (including unpaid interests accrued)</b>
11.5% China Evergrande Notes Due 2022 in the aggregate notional amount of US\$15.0 million	approximately US\$14.1 million (equivalent to approximately HK\$110.0 million)
13% China Evergrande Notes Due 2022 in the notional amount of US\$5.0 million	approximately US\$4.6 million (equivalent to approximately HK\$35.9 million)
12% China Evergrande Notes Due 2023 in the aggregate notional amount of US\$25.0 million	approximately US\$22.4 million (equivalent to approximately HK\$174.7 million)

The dates of settlement of the USD Securities acquired were on 10 or 11 June 2021 (as the case may be).

In view that the USD Securities acquired was conducted through the open market, the Company is not aware of the identities of the vendors of the USD Securities. 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), the vendors of the USD Securities and where applicable, their ultimate beneficial owners are Independent Third Parties.

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## LETTER FROM THE BOARD

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On 8 and 9 June 2021, ASI Investor and ASH Investor invested in the RMB Securities at an aggregate consideration (including unpaid interests accrued) of approximately RMB3.3 million (equivalent to approximately HK\$4.1 million) and approximately RMB12.1 million (equivalent to approximately HK\$14.7 million) pursuant to the Note Purchase Agreements respectively. Details of which are set out below:

<b>Investor</b>	<b>Investment</b>	<b>Aggregate consideration (including unpaid interests accrued)</b>
ASI Investor	5.9% China Evergrande Notes Due 2023 in the notional amount of approximately RMB1.5 million	approximately RMB1.2 million (equivalent to approximately HK\$1.5 million)
	6.8% China Evergrande Notes Due 2024 in the aggregate notional amount of approximately RMB2.5 million	approximately RMB2.1 million (equivalent to approximately HK\$2.5 million)
ASH Investor	5.9% China Evergrande Notes Due 2023 in the notional amount of RMB0.05 million	approximately RMB0.04 million (equivalent to approximately HK\$0.05 million)
	6.8% China Evergrande Notes Due 2024 in the aggregate notional amount of approximately RMB14.1 million	approximately RMB12.1 million (equivalent to approximately HK\$14.7 million)

### INFORMATION ON THE USD SECURITIES

Issuer: : Scenery Journey

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

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

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

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## LETTER FROM THE BOARD

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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

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 obligation of the non-guarantor subsidiaries

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## LETTER FROM THE BOARD

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### 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, including the existing Scenery Journey notes, (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

### 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

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

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## LETTER FROM THE BOARD

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### 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:

<b>Year</b>	<b>Redemption Price</b>
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

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## LETTER FROM THE BOARD

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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:

<b>Period</b>	<b>Redemption Price</b>
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

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

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

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## LETTER FROM THE BOARD

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### INFORMATION ON THE RMB SECURITIES AND DETAILS OF THE TRS TRANSACTIONS

The 6.8% China Evergrande Notes Due 2024 bear interest at a rate of 6.8% per annum, payable in arrears on each anniversary of the issue date until the maturity date. The said notes are subject to a put option exercisable on 6 May 2022 and will mature on 6 May 2024, and are listed and quoted on the Shanghai Stock Exchange.

The 5.9% China Evergrande Notes Due 2023 bear interest at a rate of 5.9% per annum, payable in arrears on each anniversary of the issue date until the maturity date. The said notes are subject to a put option exercisable on 26 May 2022 and will mature on 26 May 2023, and are listed and quoted on the Shenzhen Stock Exchange.

Given that the RMB Securities are the underlying reference notes of the TRS Transactions, ASI Investor and ASH Investor will not have actual ownership interest or any proprietary rights in such notes. Instead, ASI Investor and ASH Investor will hold the notes issued by Golden Sunflower under the TRS Transactions, the interest, interest payment dates and maturity dates of which are linked to that of the RMB Securities. Golden Sunflower shall, on the third business day following each total return payment date, pay interest to ASI Investor and ASH Investor. Pursuant to the Note Purchase Agreements, ASI Investor and ASH Investor shall not resell, transfer or otherwise dispose of the notes issued by Golden Sunflower unless the potential transferee has executed an agreement with CMBI in substantially the same form as the Note Purchase Agreements or such other form as may be specified by CMBI. ASI Investor and ASH Investor are also required to pay an annual management fee to CMBI pursuant to the Note Purchase Agreements.

Given that ASI Investor and ASH Investor will not have actual ownership interest or any proprietary rights in the RMB Securities, ASI Investor and ASH Investor have no direct claim to those notes or Evergrande Real Estate. ASI Investor and ASH Investor have no direct claim to CMBI Global either and will need to rely on the trustee of the notes issued by Golden Sunflower to enforce Golden Sunflower's rights against CMBI Global should CMBI Global fail to perform its obligations under the TRS Transactions. Besides, any default of CMBI Global's obligations under the TRS Transactions may adversely affect the payment under the notes issued by Golden Sunflower and cause significant loss to ASI Investor and ASH Investor. Nevertheless, taking into account that (i) the notes issued by Golden Sunflower are secured by a charge over the bank account maintained with the custodian bank as well as Golden Sunflower's rights, title and interest in and to the TRS Transactions, and (ii) CMBI Global is a subsidiary of China Merchants Bank, the Directors are of the view that the credit risks with Golden Sunflower and CMBI Global arising from the TRS Transactions are not high.



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## LETTER FROM THE BOARD

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### FINANCIAL EFFECTS OF THE ACQUISITIONS

As at the Latest Practicable Date, the Group held notes issued by China Evergrande and/or its subsidiaries in the notional amounts of US\$996 million (equivalent to approximately HK\$7,772 million) and RMB99 million (equivalent to approximately HK\$120 million).

As a result of the Acquisitions, the total assets of the Group increased by approximately HK\$324.6 million and the total liabilities of the Group increased by approximately HK\$324.6 million.

Assuming that the Group (including ASI Group and ASH Group) will not dispose of any China Evergrande Notes acquired/invested under the Acquisitions, it is expected that the Acquisitions will generate annual earnings of approximately HK\$64.7 million before any expected credit loss, finance costs and non-controlling interests.

Save as the aforesaid, it is estimated that the Acquisitions would not have any significant impact on the overall financial position of the Group.

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 consolidated balance sheet of the Group as at 31 March 2021 and the notes set out therein to illustrate the impact of the Acquisitions on the financial position of the Group as at 31 March 2021 as if the Acquisitions had taken place on 31 March 2021.

### REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Acquisitions form part of the investing activities of the Group, which was conducted in its ordinary and usual course of business. The Group funded the consideration for the USD Securities and the RMB Securities by its internal cash resources and banking facilities.

Further, given that the RMB Securities are issued and listed in the PRC, they are only available for purchase by qualified foreign institutional investors approved by the China Securities Regulatory Commission. Therefore, the Group acquired interest in such notes through the institutions which have the quotas.

Having considered the respective terms of the Acquisitions (including the relevant acquisition prices, consideration (which includes unpaid interests accrued on the relevant notes), interest rates and maturity dates of the relevant notes, etc.) and the fact that the Acquisitions were conducted through the open market, the Directors are of the view that the terms of the USD Securities and the RMB Securities are fair and reasonable and the Acquisitions are in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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

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 and securities investments. Through ASH, ASI Group is also involved in hotel operations.

ASH is 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 was principally engaged in securities investments.

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

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

### INFORMATION ON 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 152th in the Fortune Global 500 in 2020.

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

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## LETTER FROM THE BOARD

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### IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios in respect of the Acquisitions, when aggregated with the Previous Acquisitions, exceeds 25% but is or are less than 100% for the Company, 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. Details of the Previous Acquisitions are as set out below:

China Evergrande Notes	Acquisition / investment period	Notional amount acquired / invested in	Consideration (including unpaid interests accrued)
6.8% China Evergrande Notes Due 2024	10 February 2021	RMB20.0 million (equivalent to approximately HK\$24.3 million)	approximately RMB18.4 million (equivalent to approximately HK\$22.3 million)
9.5% China Evergrande Notes Due 2024	24 and 29 June 2020	US\$4.0 million (equivalent to approximately HK\$31.2 million)	approximately US\$3.4 million (equivalent to approximately HK\$26.5 million)
10.5% China Evergrande Notes Due 2024	5 October 2020	US\$2.0 million (equivalent to HK\$15.6 million)	approximately US\$1.7 million (equivalent to approximately HK\$13.3 million)
11.5% China Evergrande Notes Due 2022	(i) 28, 29 and 30 September 2020; and	US\$32.0 million (equivalent to HK\$249.6 million)	approximately US\$27.9 million (equivalent to approximately HK\$217.6 million)
	(ii) 5 October 2020		
11.5% China Evergrande Notes Due 2023	25, 28, 29 and 30 September 2020	US\$48.0 million (equivalent to approximately HK\$374.4 million)	approximately US\$39.7 million (equivalent to approximately HK\$309.7 million)
12% China Evergrande Notes Due 2023	(i) 9, 10, 15 and 18 June 2020;	US\$53.6 million (equivalent to approximately HK\$418.1 million)	approximately US\$39.4 million (equivalent to approximately HK\$307.3 million)
	(ii) 9, 10 and 16 July 2020;		
	(iii) 28, 29 and 30 September 2020;		
	(iv) 5 October 2020; and		
	(v) 11 and 12 March 2021		

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## LETTER FROM THE BOARD

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China Evergrande Notes	Acquisition / investment period	Notional amount acquired / invested in	Consideration (including unpaid interests accrued)
12% China Evergrande Notes Due 2024	(i) 22, 23, 24 and 29 June 2020;	US\$96.8 million (equivalent to approximately HK\$755.0 million)	approximately US\$87.8 million (equivalent to approximately HK\$684.8 million)
	(ii) 3 and 6 July 2020;		
	(iii) 2, 3, 4, 24, 25, 28, 29 and 30 September 2020; and		
	(iv) 5 October 2020		
13% China Evergrande Notes Due 2022	28 and 29 September 2020	US\$15.0 million (equivalent to HK\$117.0 million)	approximately US\$12.7 million (equivalent to approximately HK\$99.1 million)
13.75% China Evergrande Notes Due 2023	(i) 28 and 29 September 2020; and	US\$16.0 million (equivalent to approximately HK\$124.8 million)	approximately US\$13.9 million (equivalent to approximately HK\$108.4 million)
	(ii) 14 October 2020		

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## LETTER FROM THE BOARD

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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 approximately 61.20% of the issued share capital of the Company as at the date of the 10 June 2021 Announcement) to approve the Acquisitions. Therefore, no general meeting of the Company will be convened to approve the Acquisitions. The AO Closely Allied Group comprised the following Shareholders:

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

*Notes:*

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

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## LETTER FROM THE BOARD

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### RECOMMENDATION

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 the 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 2020, THE SIX MONTHS ENDED 30 SEPTEMBER 2020 AND THE YEAR ENDED 31 MARCH 2021**

The audited consolidated financial statements of the Group:

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

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

The consolidated results of the Group for the year ended 31 March 2021 is published on the website of the Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0628/2021062801334.pdf>).

All of the abovementioned annual reports, interim report and consolidated results 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 May 2021, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had approximately HK\$18,036 million outstanding indebtedness comprising the following debts:

- (a) bank borrowings of approximately HK\$18,033 million were guaranteed of which:
  - (i) approximately HK\$12,897 million were secured by the Group's property, plant and equipment, investment properties, properties held/under development for sale, shares of associated companies and joint ventures, and financial investments; and
  - (ii) approximately HK\$5,136 million were unsecured; and
- (b) lease liabilities of approximately HK\$3 million relating to premises leased by the Group as lessee.

The carrying values of the Group's assets pledged amounted to approximately HK\$27,561 million as at 31 May 2021.

As at the close of business on 31 May 2021, the Group had contingent liabilities of approximately HK\$3,037 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 May 2021, the Group did not have any debt securities issued and outstanding, and authorised or otherwise created but unissued, or term loans, bank overdrafts, liabilities under acceptances (other than normal trade bills) or acceptance credits, hire purchase commitments or other borrowings, mortgages, charges, guarantees or contingent liabilities.

### **3. WORKING CAPITAL**

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.

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

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

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

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

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



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

After a year's non-stop efforts in researches of the corona virus, vaccines for emergency application were finally rolled out. Resources are being deployed by all countries for vaccination of their citizens. Though quarantine policies and social distancing measures are still in place before the pandemic is conquered, countries are planning for the recovery and revitalization of their economies.

Rebound of our hotel operation is dependent on the successful removal of in-bound travel restrictions and the effect is yet to be seen. The leasing segment, especially the retail portion, is also looking upon such measures. On the residential sector, Hong Kong market remains resilient, evidenced by the encouraging sales of Dukes Place, our Jardine Lookout luxury residential project, and other first-hand sales from local developers.

Sales of our Beijing and Shanghai joint venture projects are performing well upon the release of purchasing power piled up during the lockdown. The Shanghai project is fully sold and the Beijing project is maintaining its favourable sales momentum.

Management will continue to be financially cautious and prudent to alleviate and mitigate any negative impact in this uncertain economic environment.

## **5. MATERIAL ADVERSE CHANGE**

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 2021.

## 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 consolidated balance sheet of the Group as at 31 March 2021 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 31 March 2021, 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 Acquisitions actually occurred on 31 March 2021 or any future dates. Furthermore, the Unaudited Pro Forma Financial Information does not purport to predict the Group’s future financial position.

	<b>Statement of assets and liabilities of the Group as at 31 March 2021</b> <i>HK\$'000</i> <i>(Note 1)</i>	<b>Pro forma adjustments</b> <i>HK\$'000</i>	<i>Note</i>	<b>Unaudited pro forma statement of assets and liabilities of the Group after the Acquisitions</b> <i>HK\$'000</i>
<b>Non-current assets</b>				
Investment properties	9,454,087			9,454,087
Property, plant and equipment	8,013,671			8,013,671
Investment in joint ventures and associated companies	4,791,881			4,791,881
Amount due from joint ventures and associated companies	2,126,982			2,126,982
Loan receivables	1,052			1,052
Financial investments	5,175,585	18,700	(2)	5,194,285
Derivative financial instruments	26,965			26,965
Deferred income tax assets	<u>127,894</u>			<u>127,894</u>
	----- 29,718,117			----- 29,736,817
<b>Current assets</b>				
Properties under development for sale	3,623,391			3,623,391
Completed properties held for sale	3,680			3,680
Hotel and restaurant inventories	18,546			18,546
Trade and other receivables	698,696	(600)		698,096
Income tax recoverable	855			855
Financial investments	12,326,746	306,500	(2)	12,633,246
Bank balances and cash	<u>2,174,641</u>			<u>2,174,641</u>
	----- 18,846,555			----- 19,152,455

**APPENDIX II**
**UNAUDITED PRO FORMA  
FINANCIAL INFORMATION ON THE GROUP**

	Statement of assets and liabilities of the Group as at 31 March 2021 <i>HK\$'000</i> <i>(Note 1)</i>	Pro forma adjustments <i>HK\$'000</i>	<i>Note</i>	Unaudited pro forma statement of assets and liabilities of the Group after the Acquisitions <i>HK\$'000</i>
<b>Current liabilities</b>				
Trade and other payables	1,274,840	324,600	(3)	1,599,440
Contract liabilities	224,843			224,843
Amount due to joint ventures	337,775			337,775
Amount due to an associated company	219,450			219,450
Amount due to non-controlling interests	46,640			46,640
Income tax payable	174,798			174,798
Borrowings	<u>4,817,052</u>			<u>4,817,052</u>
	<u>7,095,398</u>			<u>7,419,998</u>
<b>Net current assets</b>	<u>11,751,157</u>			<u>11,732,457</u>
<b>Non-current liabilities</b>				
Long term borrowings	13,176,979			13,176,979
Lease liabilities	843			843
Derivative financial instruments	106,631			106,631
Deferred income tax liabilities	<u>737,201</u>			<u>737,201</u>
	<u>14,021,654</u>			<u>14,021,654</u>
<b>Net assets</b>	<u>27,447,620</u>			<u>27,447,620</u>

*Notes:*

- The figures are extracted from the published consolidated balance sheet of the Group as at 31 March 2021, as set out in the results announcement of the Company for the year ended 31 March 2021.
- The adjustment reflects the recognition of the Acquisitions as financial assets at fair value through other comprehensive income of approximately US\$39.3 million (equivalent to approximately HK\$306.5 million) and approximately RMB15.4 million (equivalent to approximately HK\$18.7 million) and accrued interest of approximately US\$1.8 million (equivalent to approximately HK\$14.1 million) and approximately RMB0.1 million (equivalent to approximately HK\$0.1 million) respectively. For the purpose of this Unaudited Pro Forma Financial Information, the fair value of the Acquisitions is assumed to be the cost of acquisition on the open market which approximated to the fair value of the relevant China Evergrande Notes on 31 March 2021.
- Acquisitions were subsequently settled through the Group's internal cash resources and banking facilities.
- Save as note 2 and note 3 above, no adjustment has been made to reflect any operating results or other transactions of the Group entered into subsequent to 31 March 2021.

**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 of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of assets and liabilities as at 31 March 2021 and related notes (the “**Unaudited Pro Forma Financial Information**”) as set out on pages 24 to 25 of the Company’s circular dated 19 July 2021 (the “**Circular**”), in connection with the acquisitions of the US\$-denominated senior notes<sup>1</sup> issued by Scenery Journey Limited, an indirect subsidiary of China Evergrande Group and RMB-denominated notes<sup>2</sup> issued by Evergrande Real Estate Group Limited, a subsidiary of China Evergrande Group under total return swap arrangements arranged by CMB International Securities 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 24 to 25 of the Circular.

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 31 March 2021 as if the Transaction had taken place at 31 March 2021. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s financial information for the year ended 31 March 2021 set out in the preliminary annual results announcement, on which no audit report has been published.

<sup>1</sup> 11.5% notes due 2022 in aggregate notional amount of approximately US\$15.0 million, 13% notes due 2022 in aggregate notional amount of approximately US\$5.0 million and 12% notes due 2023 in aggregate notional amount of approximately US\$25.0 million

<sup>2</sup> 6.8% notes due 2024 in aggregate notional amount of approximately RMB16.6 million and 5.9% notes due 2023 in aggregate notional amount of approximately RMB1.55 million

**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 31 March 2021 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 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, 19 July 2021

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### Directors' and chief executive's interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules were as follows:

#### (I) Long positions in shares

##### (a) The Company

Director	Number of Shares held			Total	Percentage of Shares in issue (%)
	Personal interest	Corporate interest	Family interest		
Poon Jing	359,139,472	145,213,900	5,318,799	509,672,171	60.61
Fung Siu To, Clement	15,440,225	-	-	15,440,225	1.83
Poon Hai	10,444,319	-	-	10,444,319	1.24

*(b) Associated corporations*

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

*Notes:*

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

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

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

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



*(b) Associated corporation – ASI*

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

*(c) Associated corporation – ASH*

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

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

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

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

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

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

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

As at the Latest Practicable Date, so far as was known by or otherwise notified to the Directors and chief executive of the Company, the particulars of the corporations or individuals (other than the Directors or chief executive of the Company) who had 5% or more interests in the following long and short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO (the “**Register of Shareholders**”) or were entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the Company (the “**Voting Entitlement**”) (i.e. within the same meaning of “substantial shareholders” under the Listing Rules) were as follows:

#### *Long positions in Shares*

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

*Note: Mr. Poon Jing, his family interest and the companies wholly owned by him, namely Teddington, Heston and Full Speed Investments Limited together held 509,672,171 Shares. The interest of Teddington and Heston duplicate the interest of Mr. Poon Jing disclosed under the heading “Directors’ and chief executive’s interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations” above.*

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other corporation or individual (other than the Directors or chief executive of the Company) who had the Voting Entitlement or 5% or more interests or short positions in the Shares or underlying Shares as recorded in the Register of Shareholders.

### 3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which will not expire or be determinable by the relevant member of the Group within one year without payment of compensation (other than statutory compensation).

### 4. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against the members of the Group.

### 5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective close associates had any interest in a business which competes or may compete with the businesses of the Group (which would be required to be disclosed under Rule 8.10 of the Listing Rules as if each of them was a controlling shareholder of the Company).

### 6. INTEREST IN ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which have been, since 31 March 2020 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any of the Directors was materially interested and which was significant to the business of the Group.

### 7. MATERIAL CONTRACTS

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

### 8. 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 31 March 2020 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

## **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) PwC's report on the Unaudited Pro Forma Financial Information, 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 2018, 2019 and 2020 respectively;
- (e) the interim report of the Company for the six months ended 30 September 2020; and
- (f) the circulars of the Company dated 29 January 2021, 11 February 2021, 24 June 2021 and this circular.