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ASIA ORIENT HOLDINGS LIMITED

滙漢控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 214)

DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSALS OF THE KWG SECURITIES

THE DISPOSALS

On 2 and 7 April 2020, the Seller, an indirect non-wholly owned subsidiary of the Company, on the open market, disposed of the KWG Securities at an aggregate consideration of US\$4.726 million (equivalent to approximately HK\$36.86 million).

LISTING RULES IMPLICATIONS

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

THE DISPOSALS

On 2 and 7 April 2020, the Seller, an indirect non-wholly owned subsidiary of the Company, on the open market, disposed of the KWG Securities at an aggregate consideration of US\$4.726 million (equivalent to approximately HK\$36.86 million).

In view that the Disposals were conducted through the open market, the Company is not aware of the identities of the purchasers of the KWG Securities. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the purchasers of the KWG Securities and their respective ultimate beneficial owners are Independent Third Parties.

INFORMATION ON THE KWG SECURITIES

The KWG Securities comprise the KWG Senior Notes Due 2023 in the notional amount of US\$5 million (equivalent to approximately HK\$39 million), which were acquired by the Seller on 19 March 2020 and which are listed and quoted on the Stock Exchange.

The carrying value of the KWG Securities as at 31 March 2020 was approximately HK\$34.57 million and the net profits attributable thereto for the financial year ended 31 March 2020 were approximately HK\$151,000 (before taxation) and HK\$126,000 (after taxation) respectively.

REASONS FOR AND BENEFITS OF THE DISPOSALS

The Disposals form part of the investing activities of the Group, which are conducted in its ordinary and usual course of business. As part of its principal business, the Group monitors the performance of its securities portfolios and makes adjustments to them (with regard to the types and/or amounts of the securities held) from time to time.

The Disposals will provide the Group with an opportunity to realise its investments in the KWG Securities, and to re-allocate resources for other reinvestment opportunities when they arise.

Having considered the terms of the Disposals (including but not limited to the disposal prices), the Directors are of the view that such terms are fair and reasonable and the Disposals are in the interests of the Company and its shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSALS AND USE OF PROCEEDS

As a result of the Disposals, it is expected that the Group will record gain before tax and before non-controlling interest of approximately HK\$12.56 million in the current financial year. The gain represents the difference between the consideration and the cost of the KWG Securities.

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

INFORMATION ON THE COMPANY AND THE SELLER

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.

The Seller is a company incorporated in Hong Kong with limited liability and an indirect non-wholly owned subsidiary of the Company.

INFORMATION ON KWG

KWG (together with its subsidiaries) is a large-scale property developer in the PRC with a leadership position in Guangzhou and an established presence in various major cities in the PRC and Hong Kong.

LISTING RULES IMPLICATIONS

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

DEFINITIONS

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

“Company”	Asia Orient Holdings Limited (Stock Code: 214), an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company, including the independent non-executive director(s)
“Disposals”	the disposals of the KWG Securities by the Seller
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“KWG”	KWG Group Holdings Limited (Stock Code: 1813), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board
“KWG Securities”	the KWG Senior Notes Due 2023 in the notional amount of US\$5 million (equivalent to approximately HK\$39 million) and which have been disposed of by the Seller under the Disposals
“KWG Senior Notes Due 2023”	the 7.875% senior notes due 2023 issued by KWG, details of which are disclosed in the announcements of KWG dated 22 February 2019 and 19 March 2019 respectively
“Independent Third Party(ies)”	person(s) or company(ies) which is/are third party(ies) independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the main board of the Stock Exchange
“percentage ratio(s)”	has the same meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan

“Seller”	Cheer Selection Limited, a company incorporated in Hong Kong with limited liability and an indirect non-wholly owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States Dollars, the lawful currency of the United States of America
“%”	per cent

In this announcement, amounts denominated in US\$ are converted into HK\$ at the rate of US\$1.00 = HK\$7.80. Such conversion rate is for illustration purpose only and should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate or at all.

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

Hong Kong, 8 April 2020

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

* *for identification purpose only*