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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
INVESTMENT IN THE GUANGZHOU R&F NOTES**

THE INVESTMENT

Between 8 and 10 February 2021, the Investor invested in the 6.7% Guangzhou R&F Notes at an aggregate consideration (including unpaid interests accrued) of approximately RMB42.7 million (equivalent to approximately HK\$51.2 million) pursuant to the Note Purchase Agreement and via the TRS Transaction arranged by CMBI.

LISTING RULES IMPLICATIONS

As all of the applicable percentage ratios in respect of the Investment, after aggregation with the Previous Investments, would still be classified as a major transaction for the Company under Chapter 14 of the Listing Rules, and since the Company has complied with the major transaction requirements in respect of the Major Transaction as set out in the Announcement, the Company is not required to reclassify the Investment by aggregating it with the previous acquisition of and investments in the Guangzhou R&F Notes by the Group before and including 21 December 2020.

As one or more of the applicable percentage ratios in respect of the Investment, after aggregation with the previous investments in the Guangzhou R&F Notes by the Group after 21 December 2020, exceeds 5% but is or are less than 25%, the Investment constitutes a discloseable transaction for the Company, and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE INVESTMENT

Between 8 and 10 February 2021, the Investor invested in the 6.7% Guangzhou R&F Notes in an aggregate notional amount of RMB45.3 million (equivalent to approximately HK\$54.4 million) at an aggregate consideration (including unpaid interests accrued) of approximately RMB42.7 million (equivalent to approximately HK\$51.2 million) pursuant to the Note Purchase Agreement and via the TRS Transaction arranged by CMBI.

INFORMATION ON THE 6.7% GUANGZHOU R&F NOTES AND DETAILS OF THE TRS TRANSACTION

The 6.7% Guangzhou R&F Notes bear interest at a rate of 6.7% per annum, payable in arrears on each anniversary of the issue date until the maturity date of 7 April 2022, and are listed and quoted on the Shanghai Stock Exchange.

Guangzhou R&F and its subsidiaries are principally engaged in the development and sale of properties, property investment, hotel operations and other property development related services in the PRC.

Given that the 6.7% Guangzhou R&F Notes are the underlying reference notes of the TRS Transaction, the Investor will not have actual ownership interest or any proprietary rights in such notes. Instead, the Investor will hold the notes issued by Golden Sunflower under the TRS Transaction, the interest, interest payment date and maturity date of which are linked to that of the 6.7% Guangzhou R&F Notes. Golden Sunflower shall, on the third business day following each total return payment date, pay interest to the Investor.

Pursuant to the Note Purchase Agreement, the 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 Agreement or such other form as may be specified by CMBI. The Investor is also required to pay an annual management fee to CMBI pursuant to the Note Purchase Agreement.

Given that the Investor will not have actual ownership interest or any proprietary rights in the 6.7% Guangzhou R&F Notes, the Investor has no direct claim to those notes or Guangzhou R&F. The Investor has 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 Transaction. Besides, any default of CMBI Global's obligations under the TRS Transaction may adversely affect the payment under the notes issued by Golden Sunflower and cause significant loss to the Investor. Nevertheless, taking into account that (i) the notes issued by Golden Sunflower are secured by collaterals over the bank account held by Golden Sunflower as well as Golden Sunflower's rights, title and interest in and to the TRS Transaction, 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 Transaction are not high.

REASONS FOR AND BENEFITS OF THE INVESTMENT

The Investment forms part of the investing activities of the Group, which is conducted in its ordinary and usual course of business. As part of its principal business, the Group monitors the performance of its securities portfolio and makes adjustments to it (with regard to the types and/or amounts of the securities held) from time to time. The Group intends to fund the Investment by its internal cash resources.

Given that the 6.7% Guangzhou R&F Notes 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 terms of the Investment (including the consideration (which includes unpaid interests accrued on the 6.7% Guangzhou R&F Notes), interest rate and maturity date, etc.), the Directors are of the view that such terms are fair and reasonable and the Investment is in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE COMPANY AND THE 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.

The Investor is a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of ASI. As at the date hereof, it is principally engaged in securities investment.

LISTING RULES IMPLICATIONS

As all of the applicable percentage ratios in respect of the Investment, after aggregation with the Previous Investments, would still be classified as a major transaction for the Company under Chapter 14 of the Listing Rules, and since the Company has complied with the major transaction requirements in respect of the Major Transaction as set out in the Announcement, the Company is not required to reclassify the Investment by aggregating it with the previous acquisition of and investments in the Guangzhou R&F Notes by the Group before and including 21 December 2020.

As one or more of the applicable percentage ratios in respect of the Investment, after aggregation with the previous investments in the Guangzhou R&F Notes by the Group after 21 December 2020, exceeds 5% but is or are less than 25%, the Investment constitutes a discloseable transaction for the Company, and is 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:

“6.7% Guangzhou R&F Notes”	the 6.7% notes due 2022 in the aggregate notional amount of RMB1,950.0 million issued by Guangzhou R&F on 7 April 2016 with a maturity date of 7 April 2022
“Announcement”	the joint announcement of the Company, ASI and ASH dated 23 December 2020 in relation to the investments in the Guangzhou R&F Notes
“ASH”	Asia Standard Hotel Group Limited (Stock Code: 292), an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board
“ASH Group”	ASH and its subsidiaries
“ASI”	Asia Standard International Group Limited (Stock Code: 129), an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board
“ASI Group”	ASI and its subsidiaries, including ASH Group
“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
“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, 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 Transaction
“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)
“Golden Sunflower”	Golden Sunflower Limited, the issuer under the TRS Transaction, 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, 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
“Guangzhou R&F”	Guangzhou R&F Properties Co., Ltd.* (廣州富力地產股份有限公司) (Stock Code: 2777), a joint stock limited company incorporated in the PRC with limited liability, the shares of which are listed on the Main Board
“Guangzhou R&F Notes”	the notes issued by Guangzhou R&F and/or its subsidiaries, including but not limited to the 6.7% Guangzhou R&F Notes
“HK\$”	Hong Kong Dollars
“Independent Third Party(ies)”	person(s) or company(ies) which is/are third party(ies) independent of the Company and its connected persons
“Investment”	the investment in the 6.7% Guangzhou R&F Notes by the Investor between 8 and 10 February 2021 pursuant to the Note Purchase Agreement, details of which please refer to the paragraph headed “THE INVESTMENT” of this announcement
“Investor”	Pinnacle Smart Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of ASI
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Major Transaction”	the investments in the Guangzhou R&F Notes by the Group on 21 December 2020, which, after aggregating with the previous acquisition of and investments in the Guangzhou R&F Notes by the Group between September and up to immediately preceding 21 December 2020, constituted a major transaction for the Company under Chapter 14 of the Listing Rules, details of which were disclosed on the Announcement
“Main Board”	the main board of the Stock Exchange
“Note Purchase Agreement”	the note purchase agreement entered into between the Investor and CMBI as dealer dated 13 January 2021 in relation to the investment in the 6.7% Guangzhou R&F Notes by way of the TRS Transaction
“percentage ratio(s)”	has the same meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China
“Previous Investments”	on a non-consolidated and standalone basis, (i) the acquisition of the Guangzhou R&F Notes in the notional amount of US\$5.0 million (equivalent to HK\$39.0 million) by the Group in September 2020 on the open market, (ii) the investments in the Guangzhou R&F Notes in the aggregate notional amounts of RMB630.0 million (equivalent to approximately HK\$748.4 million), RMB625.0 million (equivalent to approximately HK\$742.5 million) and RMB520.0 million (equivalent to approximately HK\$617.8 million) by the Group, ASI Group and ASH Group respectively between November 2020 and January 2021 by way of total return swap arrangements arranged by a dealer, and (iii) the investments in the 6.7% Guangzhou R&F Notes in the aggregate notional amount of RMB73.5 million (equivalent to approximately HK\$87.3 million) by ASI Group between November and December 2020 pursuant to the Note Purchase Agreement
“RMB”	Renminbi
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TRS Transaction”	the total return swap transaction between Golden Sunflower and CMBI Global in relation to the 6.7% Guangzhou R&F Notes arranged by CMBI pursuant to the Note Purchase Agreement
“US\$”	United States Dollars

“0%”

per cent

In this announcement, amounts denominated in US\$ and RMB are converted into HK\$ at the rates of US\$1.00 = HK\$7.80 and RMB1.00 = HK\$1.172 to HK\$1.200 respectively. Such conversion rates are 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, 11 February 2021

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. Leung Wai Keung and Mr. Wong Chi Keung.

* *For identification purpose only*