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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 Standard International Group 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 STANDARD INTERNATIONAL GROUP LIMITED**

**泛海國際集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 129)**

**MAJOR TRANSACTION  
IN RELATION TO  
THE EXCHANGE OF GOLDEN WHEEL NOTES**

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A letter from the Board of Asia Standard International Group Limited (the “**Company**”) is set out on pages 4 to 11 of this circular.

\* *For identification purposes only*

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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:*

“12.95% Golden Wheel Notes”	the 12.95% senior notes due 2022 issued by Golden Wheel in the notional amount of US\$200 million with a maturity date of 14 March 2022, further details of which are disclosed in the announcement of Golden Wheel dated 7 January 2020
“14.25% Golden Wheel Notes”	the 14.25% senior notes due 2023 in the aggregate notional amount of US\$85 million, which are to be consolidated and form a single class with the original 14.25% senior notes due 2023 in the aggregate notional amount of US\$170 million, issued by Golden Wheel with a maturity date of 9 January 2023, further details of which are disclosed in the announcement of Golden Wheel dated 6 January 2021
“Announcement”	the joint announcement made by the Company, AO and ASH dated 16 June 2021 in relation to the Exchange of Golden Wheel Notes
“AO”	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
“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 Noteholder”	Greatime Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of ASH
“ASI Closely Allied Group”	a closely allied group of Shareholders, comprising AO, Mr. Poon Jing and their respective associates who together held 684,865,276 Shares (representing approximately 51.892% of the issued share capital of the Company as at the date of the Announcement)
“ASI Noteholder”	Techfull Properties Corp., a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“close associate(s)”	has the same meaning ascribed to it under the Listing Rules

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## DEFINITIONS

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“Company”	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
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company, including the independent non-executive director(s)
“Exchange of Golden Wheel Notes”	the Existing Golden Wheel Notes validly tendered by ASI Noteholder and ASH Noteholder and accepted by Golden Wheel in exchange for the New Golden Wheel Notes under the Exchange Offer on 11 June 2021, details of which please refer to the paragraph headed “THE EXCHANGE OF GOLDEN WHEEL NOTES” of this circular
“Exchange Offer”	subject to the terms and conditions set forth in the Exchange Offer Memorandum, the exchange offer from Golden Wheel to the noteholders of the Existing Golden Wheel Notes, such that for each US\$1,000 in notional amount of the Existing Golden Wheel Notes validly tendered and accepted for exchange by Golden Wheel, each of the noteholders will receive on settlement: (a) US\$1,000 in notional amount of the New Golden Wheel Notes, (b) a cash amount representing the accrued and unpaid interest on the Existing Golden Wheel Notes validly tendered and accepted for exchange from (and including) the interest payment date for such Existing Golden Wheel Notes immediately preceding the settlement date to (but excluding) the settlement date (rounded to the nearest US\$0.01, with US\$0.005 rounded upwards), and (c) cash incentive of US\$40 (rounded to the nearest US\$0.01, with half a cent being rounded upwards)
“Exchange Offer Memorandum”	the exchange offer memorandum dated 31 May 2021 in relation to the Exchange Offer
“Existing Golden Wheel Notes”	the 12.95% Golden Wheel Notes and the 14.25% Golden Wheel Notes (as the case may be)

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## DEFINITIONS

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“Group”	the Company and its subsidiaries, including ASH Group
“Golden Wheel”	Golden Wheel Tiandi Holdings Company Limited (Stock Code: 1232), a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board
“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
“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
“New Golden Wheel Notes”	the 16% senior notes due 2023 in denominations of US\$200,000 each and integral multiples of US\$1,000 in excess thereof, issued by Golden Wheel in an aggregate notional amount of US\$144,999,000
“percentage ratios”	has the same meaning ascribed to it under the Listing Rules
“Previous Acquisitions”	the previous acquisitions and/or subscriptions of the Existing Golden Wheel Notes, by the Group and ASH Group over the 12-month period prior to the date of the Exchange of Golden Wheel Notes which shall be aggregated for the purpose of calculating the applicable percentage ratios pursuant to the 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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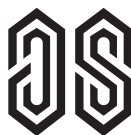
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“SGX-ST”	the Singapore Exchange Securities Trading Limited
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholders”	has the same meaning ascribed to it under the Listing Rules
“US\$”	United States Dollars
“%”	per cent

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

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## LETTER FROM THE BOARD

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### ASIA STANDARD INTERNATIONAL GROUP LIMITED

泛海國際集團有限公司\*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 129)**

*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. Koon Bok Ming, Alan  
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

23 July 2021

*To the Shareholders*

Dear Sirs/Madams,

### **MAJOR TRANSACTION IN RELATION TO THE EXCHANGE OF GOLDEN WHEEL NOTES**

#### **INTRODUCTION**

Reference is made to the Announcement.

On 15 June 2021, ASI Noteholder and ASH Noteholder received all the results in respect of their exchange of the Existing Golden Wheel Notes in the aggregate notional amount of approximately US\$36.7 million (equivalent to approximately HK\$284.8 million) and approximately US\$21.1 million (equivalent to approximately HK\$163.7 million) respectively for the New Golden Wheel Notes in the same notional amount pursuant to the terms of the Exchange Offer.

\* *For identification purposes only*

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## LETTER FROM THE BOARD

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The Exchange of Golden Wheel Notes, after aggregation with the Previous Acquisitions, constitutes 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 Exchange of Golden Wheel Notes; and (ii) other information as required under the Listing Rules.

### THE EXCHANGE OF GOLDEN WHEEL NOTES

On 15 June 2021, ASI Noteholder and ASH Noteholder received all the results in respect of their exchange of the Existing Golden Wheel Notes for the New Golden Wheel Notes in the same notional amount pursuant to the terms of the Exchange Offer. Details of the notional amount of the Existing Golden Wheel Notes under the Exchange of Golden Wheel Notes are as follows:

<b>Noteholder</b>	<b>12.95% Golden Wheel Notes</b>	<b>14.25% Golden Wheel Notes</b>
ASI Noteholder	approximately US\$25.7 million (equivalent to approximately HK\$199.4 million)	approximately US\$11.0 million (equivalent to approximately HK\$85.4 million)
ASH Noteholder	US\$10.0 million (equivalent to approximately HK\$77.6 million)	approximately US\$11.1 million (equivalent to approximately HK\$86.1 million)

Under the Exchange Offer, each of ASI Noteholder and ASH Noteholder, in addition to the New Golden Wheel Notes issued to it, received an aggregate cash consideration of approximately US\$1.5 million and US\$0.8 million respectively, and the accrued and unpaid interest on the Existing Golden Wheel Notes validly tendered and accepted under the Exchange Offer from (and including) the interest payment date for such Existing Golden Wheel Notes immediately preceding the settlement date to, but excluding, the settlement date. The Exchange of Golden Wheel Notes has already been completed.

### INFORMATION ON THE NEW GOLDEN WHEEL NOTES

The principal terms of the New Golden Wheel Notes are summarised as follows:

Interest rate, interest payment dates and maturity date	:	The New Golden Wheel Notes will bear interest at the rate of 16% per annum and the interest will be paid on 11 December 2021, 11 June 2022, 11 December 2022 and 11 July 2023. The New Golden Wheel Notes will mature on 11 July 2023.
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## LETTER FROM THE BOARD

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Ranking : The New Golden Wheel Notes will be (i) general obligations of Golden Wheel; (ii) senior in right of payment to obligations of Golden Wheel expressly subordinated in right of payment to the New Golden Wheel Notes; (iii) at least *pari passu* in right of payment with all unsecured, unsubordinated indebtedness of Golden Wheel (subject to any priority rights of such unsecured, unsubordinated indebtedness pursuant to applicable law); (iv) guaranteed by the subsidiary guarantors and the JV subsidiary guarantors on a senior basis, subject to the limitations described in the Exchange Offer Memorandum; (v) effectively subordinated to the other secured obligations, if any (other than permitted *pari passu* secured indebtedness), of Golden Wheel, the subsidiary guarantors and the JV subsidiary guarantors, to the extent of the value of the assets serving as security therefor (other than the collateral); and (vi) effectively subordinated to all existing and future obligations of the non-guarantor subsidiaries.

Optional redemption : At any time and from time to time prior to 11 July 2023, Golden Wheel may at its option redeem the New Golden Wheel Notes, in whole but not in part, at a redemption price equal to 100% of the notional amount of such New Golden Wheel Notes plus the applicable premium as of, plus accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time and from time to time prior to 11 July 2023, Golden Wheel may at its option redeem up to 35% of the aggregate notional amount of the New Golden Wheel Notes with the net cash proceeds of one or more sales of common stock of Golden Wheel in an equity offering at a redemption price of 116% of the notional amount of the New Golden Wheel Notes 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 New Golden Wheel Notes 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.

Not later than 30 days following a change of control triggering event, Golden Wheel will make an offer to purchase all outstanding New Golden Wheel Notes at a purchase price equal to 101% of their notional amount thereof plus accrued and unpaid interest, if any, to (but not including) the offer to purchase payment date.

Listing : The New Golden Wheel Notes are listed and quoted on the SGX-ST.

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## **LETTER FROM THE BOARD**

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### **INFORMATION ON THE EXISTING GOLDEN WHEEL NOTES EXCHANGED FOR THE NEW GOLDEN WHEEL NOTES UNDER THE EXCHANGE OFFER**

As at 30 September 2020, the carrying value of the Existing Golden Wheel Notes exchanged for the New Golden Wheel Notes by each of ASI Noteholder and ASH Noteholder under the Exchange Offer was approximately HK\$276.2 million and HK\$158.0 million respectively. The net profits (both before and after taxation) attributable to the Existing Golden Wheel Notes exchanged for the New Golden Wheel Notes by the Group and ASH Group under the Exchange Offer were approximately HK\$2.7 million and HK\$1.3 million, respectively, for the financial year ended 31 March 2020.

### **FINANCIAL EFFECTS OF THE EXCHANGE OF GOLDEN WHEEL NOTES**

As a result of the Exchange of Golden Wheel Notes, it is expected that the Group will record, on a consolidated basis, a gain before tax and before non-controlling interest of approximately HK\$37.7 million, in the current financial year. The gain represents the difference between the consideration of approximately HK\$466.3 million and the cost of the Existing Golden Wheel Notes exchanged for the New Golden Wheel Notes by the Group under the Exchange Offer of approximately HK\$414.3 million, less the incremental interest income from the difference between the yield and the coupon amortised to profit or loss in prior years of approximately HK\$16.5 million, plus the written back of expected credit loss of approximately HK\$2.6 million and less the reversal of unrealised exchange gain of approximately HK\$0.4 million recognised in prior years.

Having taken into account of the amount received from the Exchange of Golden Wheel Notes and the total assets of the Group, it is estimated that, except the estimated gains as mentioned above, the Exchange of Golden Wheel Notes would not have any significant impact on the overall financial position of the Group.

The Directors intend to apply the cash amount received from the Exchange of Golden Wheel Notes as general working capital.

### **REASONS FOR AND BENEFITS OF THE EXCHANGE OF GOLDEN WHEEL NOTES**

The Exchange of Golden Wheel Notes forms part of the investing activities of the Group, which were 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 make adjustments to it (with regard to the types and/or amounts of the securities held) from time to time.

Having considered the terms of the Exchange Offer and the New Golden Wheel Notes, the Directors are of the view that the terms thereof are fair and reasonable and the Exchange of Golden Wheel Notes is 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 NOTEHOLDER AND ASH NOTEHOLDER

The Company is a limited liability company incorporated in Bermuda whose Shares are listed on the Main Board. The Group is principally engaged in investment and development of commercial, retail and residential properties and securities investments. Through ASH, the Group is also involved in hotel operations.

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

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

### INFORMATION ON GOLDEN WHEEL

Golden Wheel is an investment holding company, and together with its subsidiaries are principally engaged in the property development, property leasing and hotel operation according to its annual report for the year ended 31 December 2020.

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

### IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios in respect of the Exchange of Golden Wheel Notes, when aggregated with the Previous Acquisitions (where applicable), exceeds 25% but is or are less than 100% for the Company, the Exchange of Golden Wheel Notes constitutes a major transaction for the Company, and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Previous Acquisitions were an acquisition and/or subscription of the Existing Golden Wheel Notes, on a non-consolidated and standalone basis, by (i) the Group and ASH Group in the notional amounts of US\$10.0 million (equivalent to HK\$77.5 million) and US\$10.0 million (equivalent to HK\$77.5 million) on 29 June 2020 respectively; (ii) the Group and ASH Group in the notional amounts of US\$10.0 million (equivalent to HK\$78.0 million) and US\$10.0 million (equivalent to HK\$78.0 million) on 7 January 2021 respectively; and (iii) the Group in the notional amount of US\$5.0 million (equivalent to approximately HK\$38.8 million) on 5 May 2021.

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## LETTER FROM THE BOARD

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Given that none of the Shareholders has a material interest in the Exchange of Golden Wheel Notes, none of them would be required to abstain from voting if a general meeting of the Company were to be convened to approve the Exchange of Golden Wheel Notes. Pursuant to Rule 14.44 of the Listing Rules, the Company had obtained a written approval from the ASI Closely Allied Group (which together held 684,865,276 Shares, representing approximately 51.892% of the issued share capital of the Company as at the date of the Announcement) to approve the Exchange of Golden Wheel Notes. Therefore, no general meeting of the Company will be convened to approve the Exchange of Golden Wheel Notes. The ASI Closely Allied Group comprised the following Shareholders:

Name of the Shareholders	Number of Shares held	Approximate shareholding percentage in the Company <i>(Note)</i>
AO	51,705,509	3.918%
<i>Direct or indirect subsidiaries of AO:</i>		
Asia Orient Company Limited	304,361,730	23.062%
Bassindale Limited	23,785,154	1.802%
Hitako Limited	4,888	0.0004%
Impetus Holdings Limited	2,454,265	0.186%
Ocean Hand Investments Limited	50,074,030	3.794%
Pan Bright Investment Limited	33,382,675	2.529%
Pan Harbour Investment Limited	53,671,301	4.067%
Pan Inn Investment Limited	33,382,681	2.529%
Pan Kite Investment Limited	33,382,691	2.529%
Pan Pearl Investment Limited	33,382,675	2.529%
Pan Spring Investment Limited	46,783,314	3.545%
Persian Limited	8,962,211	0.679%
Phatom Investment Limited	7,905,986	0.599%
Union Home Development Limited	317,282	0.024%
Mr. Poon Jing	1,308,884	0.099%
<b>Total</b>	<b>684,865,276</b>	<b>51.892%</b>

*Note:* 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

Having considered the terms of the Exchange of Golden Wheel Notes and the New Golden Wheel Notes, the Directors are of the view that the terms thereof are fair and reasonable and the Exchange of Golden Wheel Notes is 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 Exchange of Golden Wheel Notes.

The above statement is for Shareholders' reference only given that the Company had already obtained the written approval from the ASI Closely Allied Group for the Exchange of Golden Wheel Notes and hence pursuant to Rule 14.44 of the Listing Rules, no general meeting of the Company will be convened to approve the Exchange of Golden Wheel Notes.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices I to II to this circular.

Yours faithfully,  
For and on behalf of  
**Asia Standard International Group 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/2020/0730/2020073000614.pdf>);
- (ii) for the year ended 31 March 2019 are set out from pages 61 to 160 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/ltn20190730135.pdf>); and
- (iii) for the year ended 31 March 2018 are set out from pages 57 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/ltn20180730584.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/2020/1230/2020123000444.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/2021/0628/2021062801304.pdf>).

All of the abovementioned annual reports, interim report and consolidated results have also been published on the website of the Company (<http://www.asiastandard.com>).

**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\$17,285 million outstanding indebtedness comprising the following debts:

- (a) bank borrowings of approximately HK\$17,274 million of which:
  - (i) approximately HK\$12,778 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\$4,496 million were unsecured;

- (b) lease liabilities of approximately HK\$3 million relating to premises leased by the Group as lessee; and
- (c) convertible notes of approximately HK\$8 million which were unguaranteed and unsecured.

The carrying values of the Group's assets pledged amounted to approximately HK\$23,775 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 Exchange of Golden Wheel Notes, 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**

As disclosed above, the Group's hotel operation in Hong Kong has been negatively impacted by the outbreak of COVID-19. Nevertheless, the increase in income from the Group's investments in fixed income securities offsets the negative impacts imposed on the Group's hotel operation. Overall, to the best knowledge of the Directors, as at the Latest Practicable Date, there was no material adverse change in the financial or trading position of the Group as a whole since 31 March 2020, being the date to which the latest published audited financial statements of the Group were made up.



## 1. RESPONSIBILITY STATEMENT

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

## 2. DISCLOSURE OF INTERESTS

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

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

#### (I) Long positions in shares

- (a) The Company

Director	Number of Shares held			Percentage of Shares in issue (%)
	Personal interest	Corporate interest	Total	
Poon Jing	1,308,884	683,556,392	684,865,276	51.89

*Note: By virtue of Mr. Poon Jing's controlling interest (60.61%) in AO, he is deemed to be interested in the Shares held by AO as disclosed under the sub-paragraph headed "Substantial shareholders' and other persons' interests and short positions in the Shares and underlying Shares" below.*

## (b) Associated corporations

Director	Associated corporation	Number of shares held				Total	Percentage of shares in issue (%)
		Personal interest	Family interest	Corporate interest			
Poon Jing	AO	359,139,472	5,318,799	145,213,900	509,672,171	60.61	
	ASH	152,490	–	1,346,158,049	1,346,310,539	66.71	
Poon Hai	AO	10,444,319	–	–	10,444,319	1.24	
Fung Siu To, Clement	AO	15,440,225	–	–	15,440,225	1.83	
	Mark Honour Limited	9	–	–	9	0.01	

Notes:

1. By virtue of Mr. Poon Jing's controlling interest in AO, he is deemed to be interested in the shares of ASH held by AO and the Company.
2. By virtue of Mr. Poon Jing's controlling interest in the Company through AO, 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\$1.38 per Share.

## (b) Associated corporation – AO

<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 AO 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.*

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

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

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

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

#### *Long positions in Shares*

Shareholder	Capacity	Number of Shares held	Total	Percentage of Shares in issue (%)
AO (Note 1)	Beneficial owner	51,705,509	683,556,392	51.79
	Interests in controlled corporation	631,850,883		
Asia Orient Holdings (BVI) Limited (“ <b>Asia Orient BVI</b> ”) (Note 1)	Interests in controlled corporation	631,850,883	631,850,883	47.87
Asia Orient Company Limited (“ <b>AOCL</b> ”) (Note 2)	Beneficial owner	304,361,730	306,820,883	23.24
	Interests in controlled corporation	2,459,153		
Kingfisher Inc. and Lipton Investment Limited (“ <b>Kingfisher and Lipton</b> ”) (Note 2)	Interests in controlled corporation	284,376,649	284,376,649	21.54

*Notes:*

1. *Asia Orient BVI is a wholly-owned subsidiary of AO. Accordingly, AO is deemed to be interested in and duplicate the interest in the same 631,850,883 Shares held by Asia Orient BVI.*
2. *AOCL, companies controlled by AOCL, Kingfisher and Lipton are wholly-owned subsidiaries of Asia Orient BVI. Accordingly, Asia Orient BVI is deemed to be interested in and duplicate the interest in the Shares held by AOCL, Kingfisher and Lipton.*

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

### **3. DIRECTORS' SERVICE CONTRACTS**

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

### **4. LITIGATION**

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

### **5. COMPETING INTERESTS**

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

### **6. INTEREST IN ASSETS AND CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which have been, since 31 March 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. 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.

**9. 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 Memorandum of Association and Bye-Laws of the Company;
- (b) the annual reports of the Company for the three financial years ended 31 March 2018, 2019 and 2020 respectively;
- (c) the interim report of the Company for the six months ended 30 September 2020; and
- (d) the circulars of the Company dated 29 January 2021, 24 February 2021, 24 June 2021, 19 July 2021 and this circular.