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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)

**DISPOSAL OF SHARES IN  
ASIA STANDARD INTERNATIONAL GROUP LIMITED**

**Financial adviser**

**ANGLO CHINESE**  
CORPORATE FINANCE, LIMITED

The Company, through its wholly-owned subsidiaries, has disposed of 35,000,000 Asia Standard Shares, resulting in its interest decreasing from approximately 50.851% to approximately 49.999% in the existing issued share capital of Asia Standard.

As a result of the disposal, Asia Standard is no longer a subsidiary of the Company.

Reference is made to the announcement of the Company dated 29th November, 2004 and the circular of the Company dated 21st December, 2004 (“Circular”). Terms used in this announcement shall have the same meaning as defined in the Circular unless the context requires otherwise.

**Disposal of Asia Standard Shares**

The Disposal of approximately 40.0 million Asia Standard Shares, representing approximately 1.0% of the issued share capital of Asia Standard, has been approved by the Shareholders at the SGM held on 6th January, 2005. On 24th January, 2005, the Company, through its wholly-owned subsidiaries, has disposed of 35,000,000 Asia Standard Shares, representing approximately 0.852% of the issued share capital of Asia Standard, resulting in the Group’s interest in the existing issued share capital of Asia Standard decreasing from approximately 50.851% to approximately 49.999%. To the best of the Directors’ knowledge, information and belief, after having made all reasonable enquires, the 35,000,000 Asia Standard Shares were disposed of on market to parties who are independent of the Company and any director, chief executive or substantial shareholder of any member of the Group or any of their respective Associates or any connected person of the Company. The Asia Standard Shares were disposed of for a consideration of approximately HK\$13,982,000, representing an average sale price of approximately HK\$0.399 per share. The sale price exceeds 90% of the average closing price of the Asia Standard Shares for the ten preceding trading days immediately prior to the date of the disposal, being a condition of the Disposal approved by the Shareholders.

As a result of this disposal, the Group will record a loss of approximately HK\$8,799,000 based on the net asset value of Asia Standard and release of capital reserve related to this disposal to be recorded in the Group's accounts. It is intended that the net proceeds of the sale of approximately HK\$13,933,000 will be used to reduce the borrowings of the Group.

After this disposal, Asia Standard will be equity accounted for as an associated company of the Company and will no longer be its subsidiary.

### **Reasons for and the effects of the sale of Asia Standard Shares**

As set out in the Circular, the principal reason for proposing the Disposal is to reduce the Company's indirect interest in Asia Standard so that on the completion of the Disposal Asia Standard will cease to be a subsidiary of the Company. Asia Standard is a considerably larger company than Asia Orient in terms of net assets attributable to its ordinary shareholders and market capitalisation, and there is no group of closely associated Shareholders holding more than 50% of the ordinary shares in Asia Orient. Consequently, transactions which Asia Standard is permitted to conclude without the requirement under the Listing Rules to obtain its shareholders' approval or obtain such approval by the written consent of a majority of its shareholders may require, depending on their size and nature, the approval of shareholders of Asia Orient which can only be obtained in general meeting. This additional approval at the level of Asia Orient has been reducing the flexibility of Asia Standard in entering into and concluding transactions, particularly for transactions where the speed of execution is essential if assets are to be acquired or disposed of advantageously. This additional approval requirement can be dispensed with now that Asia Standard has ceased to be a subsidiary of Asia Orient.

By Order of the Board  
**ASIA ORIENT HOLDINGS LIMITED**  
**Fung Siu To, Clement**  
*Chairman*

Hong Kong, 26th January, 2005

*As at the date of this announcement, the directors of Asia Orient are: Mr. Fung Siu To, Clement, Mr. Lim Yin Cheng, Mr. Poon Jing, Mr. Lun Pui Kan, Mr. Kwan Po Lam, Phileas, Mr. Chan Sze Hung; and the independent non-executive directors are Mr. Cheung Kwok Wah, Ken, Mr. Wong Chi Keung, Mr. Hung Yat Ming.*

*\* For identification purposes only*