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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)

PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES

RENEWAL OF GENERAL MANDATE TO ISSUE SHARES

PLACING AGENT



TAI FOOK SECURITIES COMPANY LIMITED

On 2nd March, 2005, the Company entered into a placing and subscription agreement with the Vendors, and the Placing Agent pursuant to which the Placing Agent agreed to place 34.6 million Shares at the price of HK\$2.50 per Placing Share to no less than six Placees who are Independent Third Parties procured by the Placing Agent and the Vendors would subscribe for 34.6 million new Shares at the same price of HK\$2.50 per Subscription Share. The Subscription Shares represent approximately (i) 17.3% of the Company's existing issued share capital; and (ii) 14.8% of the Company's issued share capital as enlarged by the Subscription. The 34.6 million Subscription Shares under the Placing Agreement are to be issued by the Company under the General Mandate.

The Placing is fully underwritten by the Placing Agent. Completion of the Subscription is subject to the satisfaction of certain conditions (including the Executive granting a waiver to the Vendors from any obligation to make a general offer under Rule 26 of the Takeovers Code arising pursuant to the Vendors entering into the Placing Agreement.) as described below. If these conditions are not fulfilled, the Subscription will not proceed.

The Placing is subject to termination on the occurrence of certain events at any time before the completion of the Placing. Further information on such events are set out below. The estimated net proceeds from the Subscription is approximately HK\$84.3 million and the net price per Subscription Share (based on the estimated net proceeds from the Subscription) is approximately HK\$2.44 per Subscription Share.

PLACING AGREEMENT DATED 2ND MARCH, 2005

Pursuant to the Placing Agreement, the Placing Agent agreed to place on a fully underwritten basis, 34.6 million existing Shares at a price of HK\$2.50 per Placing Share on behalf of the Vendors and Vendors would subscribe for 34.6 million new Shares equivalent to the number of Placing Shares placed. The terms of the Placing Agreement are set out below:

A. In respect of the Placing

The Vendors:

Mr. Poon Jing and the Corporate Vendors.

As at the date of this announcement, the Vendors and parties acting in concert with the Vendors, in aggregate hold 71,122,611 Shares, representing approximately 35.6% of the existing issued share capital of the Company, which comprises 199,916,210 Shares.

Placing Agent:

Tai Fook , an Independent Third Party.

Number of Shares to be placed:

34.6 million existing Shares held by the Vendors representing (i) approximately 17.3% of the Company's existing issued share capital; and (ii) approximately 14.8% of the Company's issued share capital as enlarged by the Subscription.

The Placing is fully underwritten by the Placing Agent.

Placees:

Not less than six professional, institutional and/or individual investors procured by the Placing Agent under the Placing Agreement. Each of the placees and their respective ultimate beneficial owners will be an Independent Third Party. The board of the Company does not expect any placee will become a substantial shareholder of the Company (as defined in the Listing Rules) as a result of the Placing.

Placing Price:

HK\$2.50 per Placing Share. The Placing Price represents (i) a discount of approximately 9.9% to the closing price of HK\$2.775 per Share as quoted on the Stock Exchange on the Last Dealing Date (being the last day of trading in the Shares on the Stock Exchange prior to the release of this announcement); (ii) a discount of approximately 12.1% to the average closing price of HK\$2.845 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Dealing Date and (iii) a discount of approximately 12.9% to the average closing price of HK\$2.87 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Dealing Date. None of the Vendors and parties acting in concert with the Vendors have made any dealings in the Shares immediately before the Placing.

Completion of the Placing:

The Placing is unconditional and completion of the Placing is expected to take place on 7th March, 2005, subject to termination on the occurrence of certain events as described below.

Termination

The Placing is subject to termination on the occurrence of certain events prior to completion of the Placing, including:

- (a) any material breach of the warranties given by the Company and the Vendors under the Placing Agreement; or
- (b) the Shares being suspended for more than one trading day (other than in connection with the Placing); or
- (c) certain events of force majeure which in the opinion of the Placing Agent might adversely affect the Placing including (i) the introduction or amendment of any laws which may affect the Group; (ii) any event which might adversely affect political, economic or stock market conditions; (iii) imposition of any moratorium, suspension or material restriction on trading in securities on the Stock Exchange due to exceptional financial circumstances; (iv) a change or development in taxation in Hong Kong or the People's Republic of China or implementation of exchange control which shall or might materially and adversely affect the Company and its shareholders; or (v) any deterioration in the conditions of local or international securities markets.

The directors of the Company are not aware of the occurrence of any of such events as at the date of this announcement.

B. In respect of the Subscription**Subscriber:**

Mr. Poon Jing and the Corporate Vendors, which together owns 71,122,611 Shares as at the date of this announcement.

Number of new Shares to be subscribed for:

An aggregate of 34.6 million new Shares representing (i) approximately 17.3% of the Company's existing issued share capital; and (ii) approximately 14.8% of the Company's issued share capital as enlarged by the Subscription. An application will be made to the Stock Exchange for the listing of and permission to deal in the Subscription Shares.

Subscription price:

HK\$2.50 per Subscription Share, being the same as the Placing Price.

Conditions of the Subscription:

As the placing of the Placing Shares by the Vendors will result in the shareholding of the Vendors and parties acting in concert with the Vendors to fall below 30% and the subsequent Subscription will result in the shareholding of the Vendors and parties acting in concert with the Vendors to exceed 30% (thus triggering a mandatory general offer under the Takeovers Code), a waiver is required to be granted by the Executive to the Vendors from any obligation to make a general offer under Rule 26 of the Takeovers Code arising pursuant to the Vendors entering into the Placing Agreement.

The issue of Subscription Shares pursuant to the Placing Agreement is conditional upon:

- (i) the Listing Committee granting listing of and permission to deal in the Subscription Shares which fall to be issued under that agreement;
- (ii) completion of the placing of the Placing Shares under that agreement having taken place;
- (iii) the Executive granting a waiver to the Vendors from any obligation to make a general offer under Rule 26 of the Takeovers Code arising pursuant to the Vendors entering into the Placing Agreement.

None of the Vendors nor the Company will waive the condition referred to in (iii) above. Completion of the issue of Subscription Shares pursuant to the Placing Agreement will take place upon the fulfillment of all conditions of the Subscription as set out above. The Subscription must be completed on or before 16 March, 2005, being 14 days from the date of the Placing Agreement. If the Subscription under the Placing Agreement were to be completed thereafter, it would constitute a connected transaction of the Company under the Listing Rules which would require the approval of the Independent Shareholders.

AUTHORITY TO ISSUE THE SUBSCRIPTION SHARES

The 34.6 million Subscription Shares under the Placing Agreement are to be issued by the Company under the General Mandate (which has not been utilised yet and as at the date of this announcement, allows the Company to issue or deal with up to 34,698,618 new Shares).

RANKING OF SUBSCRIPTION SHARES

The Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Subscription Shares including the right to any dividends or distributions.

CHANGES IN SHAREHOLDING OF THE COMPANY AS A RESULT OF THE PLACING AND SUBSCRIPTION

The changes of the shareholding of the Vendors and parties acting in concert with the Vendors and the shareholding structure of the Company as a result of the Placing and the Subscription (and assuming that there are no other changes in shareholding from the date of this announcement and up to the completion of the Placing and the Subscription) are illustrated in the table as follows:

	No. of existing shares held as at the date of this announcement	%	No. of shares held after completion of the Placing but before completion of the Subscription	%	No. of shares held after completion of Placing and Subscription under the Placing Agreement	%
Vendors and parties acting in concert with the Vendors	71,122,611	35.6	36,522,611	18.3	71,122,611	30.3
Fung Siu To, Clement (<i>Note</i>)	3,949,400	2.0	3,949,400	2.0	3,949,400	1.7
Placees	—	—	34,600,000	17.3	34,600,000	14.8
Public	<u>124,844,199</u>	<u>62.4</u>	<u>124,844,199</u>	<u>62.4</u>	<u>124,844,199</u>	<u>53.2</u>
Total	<u>199,916,210</u>	<u>100</u>	<u>199,916,210</u>	<u>100</u>	<u>234,516,210</u>	<u>100</u>

Note: Mr. Fung Siu To, Clement is the Chairman of the Company and is the brother-in-law of Mr. Poon Jing.

The board of directors of the Company does not expect any placee will become a substantial shareholder of the Company (as defined in the Listing Rules) as a result of the Placing.

REASONS FOR THE PLACING AND THE SUBSCRIPTION AND USE OF PROCEEDS

The Company is an investment holding company. The Company holds 41.7% interest in Asia Standard International Group Limited which is a listing company on the main board of the Stock Exchange. The Company also holds a 32% interest in Q9 Technology Holdings Limited which is listed on the Growth Enterprise Market of the Stock Exchange. The Company also invests in companies with activities including the provision of information and content related to the Peoples Republic of China published on the internet, healthcare and environmental protection.

The Company intends that the net proceeds of the Subscription pursuant to the Placing Agreement (which would amount to approximately HK\$84.30 million) to be used by the Company as to HK\$70,000,000 for the repayment of bank borrowings of the Company and the remaining balance of approximately HK\$14.30 million for general working capital purposes. As at the date of this announcement, there are no concrete investment opportunities identified. In view of the current market conditions, the directors of the Company consider that the Placing and Subscription represents a good opportunity to raise further capital to broaden the shareholder and capital base of the Company while improving the financial position of the Company. The net price per Subscription Share (based on the estimate net

proceeds from the Subscription) is approximately HK\$2.44 per Subscription Share. The directors of the Company (including the independent non-executive directors of the Company) consider that the terms of the Placing and the Subscription to be fair and reasonable and in the interest of the Company.

The Company has not engaged in any fund raising by way of equity issues in the 12 months preceding the date of this announcement.

RENEWAL OF GENERAL MANDATE TO ISSUE SHARES

The board of directors of the Company also proposes to renew the general mandate granted to the Directors at the annual general meeting of the Company held on 27th August, 2004 to allot and issue Shares of the Company. The Board will seek approval from Independent Shareholders of the relevant resolutions to be proposed at a special general meeting of the Company. An independent financial adviser will also be appointed by the Company in respect of the proposed renewal of general mandate. Further details of such proposal and the opinion of the independent financial adviser on the proposed renewal of general mandate will be set out in a circular to the shareholders of the Company together with a notice of special general meeting of the Company to convene a special general meeting to approve such renewal of general mandate.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“associate(s)”	has the meaning as ascribed to it under the Listing Rules
“Company”	Asia Orient Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“Corporate Vendors”	Teddington Holdings Limited, Full Speed Investments Limited and Heston Holdings Limited, all being companies wholly owned by Mr. Poon Jing
“Executive”	the executive director of the Corporate Finance Division of the SFC and any of its delegates
“General Mandate”	the general mandate granted by shareholders of the Company at its annual general meeting held on 27th August, 2004 to issue or deal with up to 34,698,618 new Shares
“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 People’s Republic of China

“Independent Shareholders”	shareholders of the Company (other than the Vendors and their associates and parties acting in concert with them)
“Independent Third Parties”	a party who to the best of the knowledge, information and belief of directors of the Group having made all reasonable enquiry is a third party independent of the Group and connected persons (as defined in the Listing Rules) of the Group and not acting in concert with any of them
“Last Dealing Date”	2nd March, 2005, being the last trading day for the Shares prior the issue of this Announcement
“Listing Committee”	the listing sub-committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placees”	the placees procured by the Placing Agent under the Placing, all of which will be Independent Third Parties
“Placing”	the placement of 34.6 million existing Shares by the Placing Agent to the Placees at the Placing Price under the Placing Agreement
“Placing Agent” or “Tai Fook”	Tai Fook Securities Company Limited, a licensed corporation to carry on regulated activities 1, 3 and 4 for the purposes of the SFO
“Placing Agreement”	the placing and subscription agreement dated 2nd March, 2005 and entered into between the Company, the Vendors and the Placing Agent in relation to the Placing and the Subscription
“Placing Price”	the placing price of HK\$2.50 per Placing Share under the Placing, which is the same as the Subscription Price
“Placing Share(s)”	34.6 million existing Shares to be placed under the Placing
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of a nominal value of HK\$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of 34.6 million new Shares by the Vendors (or their nominees) under the Placing Agreement

“Subscription Price”	the subscription price of HK\$2.50 per Subscription Share under the Subscription, which is the same as the Placing Price
“Subscription Share(s)”	an aggregate of 34.6 million new Shares to be subscribed by the Vendors (or their nominees) under the Placing Agreement which is equivalent to the number of Placing Shares placed by the Placing Agent
“Takeovers Code”	the Hong Kong Code on Takeovers
“Vendors”	Mr. Poon Jing and the Corporate Vendors
“%”	per cent.

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

Hong Kong, 2nd March, 2005

As at the date of this announcement, the directors of the Company 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 and Mr. Hung Yat Ming.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement, have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

* *For identification purposes only*