
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of 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 ORIENT HOLDINGS LIMITED, you should at once hand this circular with the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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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)

REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES

**Independent financial adviser to
the independent board committee and the independent shareholders of
Asia Orient Holdings Limited**



VC CAPITAL LIMITED

滙盈融資有限公司

(A Member of Melco Group)

VC Capital Limited

A notice convening the special general meeting of Asia Orient Holdings Limited to be held on Tuesday, 19th April, 2005 at Basement 2, Empire Hotel, 33 Hennessy Road, Wanchai, Hong Kong at 10:00 a.m. is set out on pages 15 to 18 of this circular.

Whether or not you are able to attend such meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's principal office in Hong Kong at 30th Floor, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of such meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so desire.

* For identification purposes only

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DEFINITIONS

In this circular, unless the content otherwise requires, the following expressions have the following meanings:

“AGM”	the last annual general meeting of the Company held on 27th August, 2004
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bye-Laws”	the bye-laws of the Company
“Company”	Asia Orient Holdings Limited
“Controlling Shareholders”	Mr. Poon Jing and his associates
“Current Share Issue Mandate”	the mandate to allot and issue Shares granted to the Directors pursuant to a resolution of the Shareholders adopted at the AGM
“Directors”	the directors of the Company
“Group”	the Company and the Subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising Mr. Cheung Kwok Wah, Ken, Mr. Wong Chi Keung and Mr. Hung Yat Ming, each being an independent non-executive Director
“Independent Financial Adviser” or “VC Capital”	VC Capital Limited, a licensed corporation to carry out types 1 and 6 regulated activities under the SFO
“Independent Shareholders”	Shareholders other than the Controlling Shareholders
“Latest Practicable Date”	29th March, 2005, 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

DEFINITIONS

“New Share Issue Mandate”	the new mandate proposed to be granted to the Directors to allot and issue Shares representing 20% of the issued share capital of the Company at the date of the SGM, pursuant to a resolution to be adopted at the SGM
“Notice of SGM”	the notice convening the SGM as set out on pages 15 to 18 of this circular
“PRC”	the People’s Republic of China
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be held at Basement 2, Empire Hotel, 33 Hennessy Road, Wanchai, Hong Kong on Tuesday, 19th April, 2005 at 10:00 a.m.
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription by the Vendors of 34,600,000 new Shares as announced on 2nd March, 2005
“Subsidiary”	a company which is for the time being and from time to time a subsidiary of the Company (within the meaning of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and Section 86 of the Companies Act 1981 of Bermuda (as amended)), whether incorporated in Hong Kong or elsewhere, and “Subsidiaries” shall be construed accordingly
“Vendors”	Mr. Poon Jing and certain companies wholly owned by Mr. Poon Jing
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



ASIA ORIENT HOLDINGS LIMITED (滙漢控股有限公司) *

(incorporated in Bermuda with limited liability)

(Stock Code: 214)

Directors:

Mr. Fung Siu To, Clement (*Chairman*)
Mr. Lim Yin Cheng
Mr. Poon Jing
Mr. Lun Pui Kan
Mr. Kwan Po Lam, Phileas
Mr. Chan Sze Hung

Independent non-executive Directors:

Mr. Cheung Kwok Wah, Ken
Mr. Wong Chi Keung
Mr. Hung Yat Ming

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Principal office in Hong Kong:

30th Floor
Asia Orient Tower
Town Place
33 Lockhart Road
Wanchai
Hong Kong

1st April, 2005

To the Shareholders

Dear Sirs,

REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES

INTRODUCTION

On 2nd March, 2005, the Company entered into a placing and subscription agreement with the Vendors pursuant to which, *inter alia*, the Vendors have agreed to subscribe for 34,600,000 new Shares to be issued by the Company under the Current Share Issue Mandate. As at the Latest Practicable Date, the Subscription was completed.

* *For identification purposes only*

LETTER FROM THE BOARD

Following completion of the Subscription, the Current Share Issue Mandate is substantially utilized and the Company proposes to refresh the Current Share Issue Mandate by the grant of the New Share Issue Mandate.

The purpose of this circular is (a) to provide you with further information on the refreshment of the Current Share Issue Mandate; (b) to set out the recommendation of the Independent Board Committee and the advice of the Independent Financial Adviser in relation to the refreshment of the Current Share Issue Mandate; and (c) to give you the Notice of SGM at which resolution will be proposed to consider and, if thought fit, approve the refreshment of the Current Share Issue Mandate by the grant of the New Share Issue Mandate.

REFRESHMENT OF THE CURRENT SHARE ISSUE MANDATE

A Background

The Current Share Issue Mandate granted to the Directors at the AGM to allot, issue and deal with a maximum of 34,698,618 new Shares pursuant to the resolution passed at the AGM, being 20% of the total amount of issued share capital of the Company as at 27th August, 2004, has been substantially utilized by the issue of 34,600,000 new Shares for the Subscription. The Directors will seek the approval of the Independent Shareholders by a resolution at the SGM for refreshment of the Current Share Issue Mandate by the grant of the New Share Issue Mandate to the Directors to exercise the powers of the Company to allot and issue securities not exceeding 20% of the issued share capital of the Company at the date of the SGM, being a maximum of 46,903,242 new Shares, assuming that no Shares will be repurchased and that no new Shares will be issued from the Latest Practicable Date to the date of the SGM (both dates inclusive).

B Usage of the Current Share Issue Mandate since the AGM

Since the date of the AGM and up to the Latest Practicable Date, the Company has utilized 34,600,000 Shares under the Current Share Issue Mandate to issue Shares for the Subscription. The net proceeds from the Subscription are approximately HK\$84,300,000, of which approximately HK\$70,000,000 will be used for repayment of bank borrowings of the Company and the remaining balance of approximately HK\$14,300,000 for general working capital purposes.

C Fund raising activities of the Company in the past 12 months

Save for the Subscription, the Company has not carried out any fund raising exercises in the 12 months immediately prior to the Latest Practicable Date.

LETTER FROM THE BOARD

D Refreshment of the Current Share Issue Mandate since the AGM

There was no refreshment of the Current Share Issue Mandate since the date of the AGM and up to the Latest Practicable Date.

E Reasons for, and benefits of, refreshment of the Current Share Issue Mandate by the grant of the New Share Issue Mandate

The Directors believe that it is in the interests of the Company and its Shareholders as a whole if the Current Share Issue Mandate is refreshed by the grant of the New Share Issue Mandate at the SGM, as it can provide the Directors with the powers to issue new securities under the limit granted pursuant to the New Share Issue Mandate speedily as and when necessary, and without seeking further Shareholders' approval. Save for the Subscription, the Directors as at the Latest Practicable Date have no intention or plan for raising capital by issuing new securities. In the event there is any such issue, the Company will comply with the relevant requirements of the Listing Rules.

F Approval of the New Share Issue Mandate

Pursuant to the Listing Rules, any refreshment of the Current Share Issue Mandate before the next annual general meeting requires the controlling Shareholders (as defined in the Listing Rules) and their associates or, where there are no controlling Shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates to abstain from voting in favour. Mr. Poon Jing and his associates, the Controlling Shareholders holding in aggregate 31.5% of the total issued share capital of the Company, have advised the Board that they will abstain from voting in favour of, and have no intention to vote against, the resolution to be proposed at the SGM for approval of refreshment of the Current Share Issue Mandate by the grant of the New Share Issue Mandate. Further, pursuant to Rule 13.39(4)(b) of the Listing Rules, any vote of the Shareholders (other than the Controlling Shareholders who will abstain from voting) will be taken by poll.

G Period during which the New Share Issue Mandate will remain effective

The New Share Issue Mandate will, if granted, remain effective until the earliest of (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws or any applicable law to be held and (c) the revocation or variation of such Mandate by an ordinary resolution of the Shareholders in a general meeting.

LETTER FROM THE BOARD

SGM

Approval from the Shareholders will be sought at the SGM for the approval of the refreshment of the Current Share Issue Mandate by the grant of the New Share Issue Mandate. Pursuant to the Listing Rules, the New Share Issue Mandate has to be approved by the Independent Shareholders on poll.

The SGM will be held on Tuesday, 19th April, 2005 at Basement 2, Empire Hotel, 33 Hennessy Road, Wanchai, Hong Kong at 10:00 a.m.. The Notice of SGM (as appearing on pages 15 to 18 of this circular) sets out the proposed resolution for the approval of the refreshment of the Current Share Issue Mandate by the grant of the New Share Issue Mandate.

A form of proxy is enclosed for use at the SGM. Whether or not you are able to attend the SGM in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's principal office in Hong Kong at 30th Floor, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time fixed for holding the SGM. Completion and deposit of the form of proxy will not preclude you from attending and voting at the SGM or any adjourned meeting if you so wish.

RECOMMENDATION

The Independent Board Committee recommends that the Independent Shareholders vote in favour of the ordinary resolution to approve the refreshment of the Current Share Issue Mandate by the grant of the New Share Issue Mandate. The Directors believe that the proposed resolution as set out in the Notice of SGM is in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends that the Independent Shareholders vote in favour of the ordinary resolution to approve the refreshment of the Current Share Issue Mandate by the grant of the New Share Issue Mandate.

QUALIFICATION OF THE EXPERT

The following is the qualification of the expert who has been named in this circular or has given an opinion or advice which is contained in this circular:

Name	Qualification
VC Capital	a licensed corporation to carry out types 1 and 6 regulated activities under the SFO

VC Capital had given and has not withdrawn its written consent to the issue of the circular with the inclusion herein of its letter or references to its name in the form and context in which they respectively appear. VC Capital had no shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

LETTER FROM THE BOARD

PROCEDURE FOR DEMANDING A POLL BY SHAREHOLDERS

Pursuant to the Bye-Laws, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (a) by the Chairman of the meeting; or
- (b) by at least three Shareholders present in person or by a duly authorised corporate representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by any Shareholder or Shareholders present in person or by a duly authorised corporate representative or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (d) by any Shareholder or Shareholders present in person or by a duly authorised corporate representative or by proxy holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

If a poll is demanded, it shall (subject to any poll duly demanded on the election of a Chairman of a meeting, or on any question of adjournment, which shall be taken at the meeting and without adjournment) be taken in such manner and at such time and place, not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was demanded, as the Chairman directs. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn, with the consent of the Chairman, at any time before the close of the meeting or the taking of the poll, whichever is the earlier.

ADDITIONAL INFORMATION

Your attention is drawn to (i) the letter from VC Capital set out on pages 9 to 14 of this circular setting out its advice to the Independent Board Committee and the Independent Shareholders in relation to the grant of the New Share Issue Mandate and (ii) the letter from the Independent Board Committee set out on page 8 of this circular containing its recommendations to Independent Shareholders with regard to the grant of the New Share Issue Mandate.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Yours faithfully,
For and on behalf of
ASIA ORIENT HOLDINGS LIMITED
Fung Siu To, Clement
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



ASIA ORIENT HOLDINGS LIMITED (滙漢控股有限公司) *

(incorporated in Bermuda with limited liability)

(Stock Code: 214)

1st April, 2005

TO THE INDEPENDENT SHAREHOLDERS

Dear Sirs,

We have been appointed as the Independent Board Committee to advise you in connection with the proposed refreshment of the Current Share Issue Mandate by the grant of the New Share Issue Mandate, the details of which are set out in the letter from the Board contained in the circular to the Shareholders dated 1st April, 2005 (the “Circular”), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

Having considered the refreshment of the Current Share Issue Mandate by the grant of the New Share Issue Mandate and the advice of VC Capital in relation thereto as set out on pages 9 to 14 of the Circular, we take the view that the refreshment of the Current Share Issue Mandate by the grant of the New Share Issue Mandate is in the interests of the Company and its Shareholders as a whole and the terms and conditions of the New Share Issue Mandate are fair and reasonable so far as the Shareholders other than the Controlling Shareholders are concerned.

Accordingly, we recommend that the Independent Shareholders vote in favour of the resolution to be proposed at the SGM to approve the refreshment of the Current Share Issue Mandate by the grant of the New Share Issue Mandate.

Yours faithfully,

For and on behalf of the Independent Board Committee

Cheung Kwok Wah, Ken

Independent

non-executive Director

Hung Yat Ming

Independent

non-executive Director

Wong Chi Keung

Independent

non-executive Director

* *For identification purposes only*

LETTER FROM VC CAPITAL

The following is the full text of the letter from VC Capital dated 1st April, 2005 setting out their advice to the Independent Board Committee and the Independent Shareholders.



1st April, 2005

*The Independent Board Committee and
the Independent Shareholders of*

Asia Orient Holdings Limited
30/F Asia Orient Tower
Town Place
33 Lockhart Road
Wanchai, Hong Kong

Dear Sirs and Madams,

REFRESHMENT OF THE CURRENT SHARE ISSUE MANDATE

INTRODUCTION

We refer to the circular dated 1st April, 2005 (the “Circular”) issued by the Company to the Shareholders of which this letter forms part and to our appointment as independent financial adviser to the Independent Board Committee and the Independent Shareholders with respect to the refreshment of the Current Share Issue Mandate, details of which are set out in the letter from the Board contain in the Circular. Capitalised terms used in this letter without definitions shall have the same meaning set out in the Circular unless the context otherwise requires.

Pursuant to the Rule 13.36(4) of the Listing Rules, the refreshment of the Current Share Issue Mandate is subject to the approval of the Independent Shareholders at the SGM by way of poll. Accordingly, the Independent Board Committee has been established to advise the Independent Shareholders whether the refreshment of the Current Share Issue Mandate is in the interests of the Company and its Independent Shareholders as a whole. The members of the Independent Board Committee comprised Mr. Cheung Kwok Wah, Mr. Wong Chi Keung and Mr. Hung Yat Ming, all being the independent non-executive Directors.

LETTER FROM VC CAPITAL

BASIS OF OUR ADVICE

In arriving at our opinion and recommendation, we have relied on the information supplied and the opinion expressed by the executive Directors and the management of the Company. We have assumed that the information contained and representations made to us or referred to in the Circular are true, accurate and complete at the time they were made and continue to be so at the date of the Circular. We consider that we have been provided with sufficient information to reach an informed view, to justify relying on the accuracy of the information contained in the Circular and to provide a reasonable basis for our opinion. We have no reason to suspect that any material facts have been omitted or withheld from the information contained or opinions expressed in the Circular nor do we doubt the truth, accuracy and completeness of the information and representations provided to us by the Company. We have not, however, conducted an independent verification of the information provided by the executive Directors and management of the Company nor have we carried out any independent investigation into the business and affairs of the Company or any of its respective subsidiaries or associates.

PRINCIPAL FACTORS CONSIDERED

Background

The Company is an investment holding company listed on the main board of the Stock Exchange. The Company holds approximately 40.5% equity interest in Asia Standard International Group Limited whose shares are listed on the Main Board of the Stock Exchange. The Company also holds approximately 32% interest in Q9 Technology Holdings Limited whose shares are listed on the Growth Enterprise Market of the Stock Exchange. The Company also invests in companies whose activities include the provision of information and content related to the PRC published on the internet, healthcare and environment protection.

At the AGM, the Directors were granted the Current Share Issue Mandate by the Shareholders to allot, issue and deal with new Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company as at the date of the passing of the ordinary resolution.

On 2nd March, 2005, the Company announced that Mr. Poon Jing, Teddington Holdings Limited, Full Speed Investments Limited and Heston Holdings Limited (collectively as “Corporate Vendors”) entered into a placing agreement (the “Placing Agreement”) with a placing agent on 2nd March, 2005 to place 34,600,000 Shares (the “Placing”) to not less than six independent third parties, representing approximately 17.3% of the issued share capital of the Company prior to the Placing. Pursuant to the Placing Agreement, Mr. Poon Jing and the Corporate Vendors would subscribe for 34,600,000 new Shares (the “Subscription”), representing approximately 14.8% of the Company’s issued share capital as enlarged by the Subscription. The Subscription was completed

LETTER FROM VC CAPITAL

on 16th March, 2005. The executive Directors confirmed that the net proceeds raised from the Subscription of approximately HK\$84.3 million will be applied for the following purposes: (i) repayment of bank borrowings of the Company of approximately HK\$70 million and (ii) general working capital of the Group of approximately HK\$14.3 million. As a result of the Placing and the Subscription, the Company has utilised approximately 19.9% out of 20% of the Current Share Issue Mandate granted by the Shareholders at the AGM.

Reasons for the refreshment of the Current Share Issue Mandate

Given the Directors consider that the refreshment of the Current Share Issue Mandate will provide the Company a source of fund with the maximum flexibility without outflow of interest payment for future investment and/or acquisition when new prospective investment opportunities arise, the Directors will seek for the approval of the Independent Shareholders at the SGM for the refreshment of the Current Share Issue Mandate by the grant of the New Share Issue Mandate to the Directors to exercise the power of the Company to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company as at the date of the SGM.

The Controlling Shareholders shall abstain from voting of in favour of the resolution to be proposed at the SGM for the refreshment of the Current Share Issue Mandate by the grant of the New Share Issue Mandate. The resolution for the refreshment of the Current Share Issue Mandate by the grant of the New Share Issue Mandate will be voted by way of poll.

In arriving at our opinion in respect of the fairness and reasonableness of the New Share Issue Mandate, we have considered the following principal factors:

Financial flexibility in terms of capital-raising amount

Pursuant to the Current Share Issue Mandate, 34,698,618 Shares could be allotted and issued. During the period from the grant of the Current Share Issue Mandate to the Latest Practicable Date, the Current Share Issue Mandate had been utilised as to 34,600,000 Shares and leaving 98,618 Shares can be allotted and issued. If the New Share Issue Mandate has been granted and assume no additional Shares shall be issued between the Latest Practicable Date and the date of the SGM, a total of 46,903,242 additional Shares, representing 20% of the issued share capital of the Company as at the date of the SGM could be allotted and issued pursuant to the New Share Issue Mandate. The Directors consider that investment decision may have to be made within a timely manner when such opportunities arise, the New Share Issue Mandate would then provide the Company with the maximum flexibility to raise additional capital for any future investment or as working capital of the Group. As at the Latest Practicable Date, the Company has no intended use of the New Share Issue Mandate.

LETTER FROM VC CAPITAL

In the event that the Company intends to exercise the New Share Issue Mandate in an investment decision and that such investment decision constitutes a notifiable transaction which requires Shareholders' approval pursuant to the Listing Rules, Shareholders will be given the opportunities to vote on such investment decision.

We consider that the increased amount of capital which may be raised under the New Share Issue Mandate will provide flexibility for raising capital for the Group in order to capture any future business development and/or investment. Moreover, the New Share Issue Mandate can also strengthen the capital base of the Group.

Financial flexibility in terms of time required for raising capital

Despite the fact that the Company has no concluded agreement of any transaction which requires using the proposed New Share Issue Mandate, the Directors believe that such New Share Issue Mandate would give the flexibility to the Group to make the investment decision within a short period of time when such opportunities may arise at any time. When such opportunities arise that would lead to the issuance of the consideration shares and whereas the Company may seek specific mandate in such circumstances, the Directors are uncertain whether the Company is able to obtain the Independent Shareholders' approval for the refreshment of the Current Share Issue Mandate in a timely manner. In addition, the New Share Issue Mandate provides an opportunity for the Directors to capture a favorable equity market condition to raise funds by issuing new Shares. In view of the above, we are of the opinion that the New Share Issue Mandate provides financial flexibility to the Company in terms of time required for raising capital and would give the flexibility to the Group to make the investment decision within a short period of time when such opportunities may arise at any time. Therefore, the Directors believe it is in the interest of the Company to refresh the Current Share Issue Mandate by the grant of the New Share Issue Mandate as soon as practicable.

In this regard, we concur with the view of the Directors that the refreshment of the Current Share Issue Mandate by the grant of the New Share Issue Mandate will benefit the Company and the Shareholders as a whole, which enable the Company to grasp such investment opportunities in a timely manner.

Other financing alternative

Other than raising fund by way of issuing equity capital, the Directors have also considered other financing methods such as bank financing, debt financing and funding through internal resources in order to meet its financing requirements arising from the future development of the Group. As the Company may be required to pay interest for debt financing, the Directors consider it commercially sensible to explore other financing source like capital fund raising. Depending on the financial structure of the Company and the market condition in general, the Directors believe that the New Share Issue Mandate provides another alternative to finance the Group's business

LETTER FROM VC CAPITAL

without incurring any additional debt for the Group. We consider that it is a sensible consideration to make reference to the then financial position of the Company and the prevailing market condition in order to decide on the source of financing to finance the Group's business. The New Share Issue Mandate would just have flexibility to the Group for its financing alternative.

Potential dilution to shareholding of the Independent Shareholders

We set out below a table illustrating the effect of the dilution of shareholding if the Company has utilized the New Share Issue Mandate:

	No. of existing Shares prior to the Placing and the Subscription		No. of issued Shares immediately after the Placing and the Subscription		No. of issued Shares upon the full utilization of the New Share Issue Mandate	
		%		%		%
Mr. Poon Jing and the Corporate Vendors	71,122,611	35.6	71,122,611	30.3	73,760,611	26.2
Fung Siu To, Clement	3,949,400	2.0	3,949,400	1.7	3,949,400	1.4
Independent Places	-	-	34,600,000	14.8	34,600,000	12.3
Public	124,844,199	62.4	124,844,199	53.2	122,206,199	43.4
Shares to be issued under the New Share Issue Mandate	-	-	-	-	46,903,242	16.7
Total	199,916,210	100	234,516,210	100	281,419,452	100

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

Shareholders should be aware that the Current Share Issue Mandate will be revoked upon approval of the New Share Issue Mandate at the SGM which will be in force until the earliest of (i) the conclusion of the Company's next annual general meeting; (ii) the expiration of period within which the next general meeting of the Company is required by the Company's memorandum and Bye-Laws or any applicable law to be held; and (iii) revocation or variation by ordinary resolution to be proposed by the Shareholders at the special general meeting of the Company, whichever occurs first. Such duration is in compliance with Rule 13.36 (3) of the Listing Rules.

Assuming no Shares will be issued from the period of the Latest Practicable Date to the date of the SGM, the aggregate shareholding of the existing public Shareholders will decrease from approximately 62.4% before the Placing and the Subscription to approximately 43.4% upon the full utilization of the New Share Issue Mandate. There will be a potential maximum dilution of

LETTER FROM VC CAPITAL

approximately 19% upon the full utilization of the New Share Issue Mandate of which approximately 9.2% of the dilution of public interest from approximately 62.4% to approximately 53.2% was attributable to the Placing and the Subscription through which approximately 99.7% of the Current Share Issue Mandate was utilized. Full utilization of the New Share Issue Mandate will lead to the dilution of public interest of approximately 9.8% from approximately 53.2% to approximately 43.4%. Taking into account that the utilization of the New Share Issue Mandate will increase the amount of capital which can be used for future development of its business and other potential investment as and when such opportunities arise, although there will be a dilution effect on the shareholding of the Company, we consider the dilution or potential dilution of shareholding of the Independent Shareholders acceptable.

RECOMMENDATION

Having considered the factors and reasons stated above, in particular, that the New Share Issue Mandate will:

- (i) provide the flexibility in terms of fund raising amount for the Directors to raise funds for business operation and development of the Group;
- (ii) enable the Directors to raise capital in a short period of time;
- (iii) provide an additional financing alternative for the Directors to raise funds for business operation and development of the Group; and
- (iv) impose an acceptable dilution effect on the shareholding in the interests of the Company, when utilize.

We are of the opinion that the New Share Issue Mandate is in the interest of the Independent Shareholders and the Company as a whole and we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favor of the ordinary resolution in relation to the refreshment of the Current Share Issue Mandate by the grant of the New Share Issue Mandate to be proposed at the SGM.

Yours faithfully,
For and on behalf of
VC Capital Limited
Keith Lou
Director

NOTICE OF SPECIAL GENERAL MEETING



ASIA ORIENT HOLDINGS LIMITED (滙 漢 控 股 有 限 公 司) *

(incorporated in Bermuda with limited liability)

(Stock Code: 214)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of the shareholders of Asia Orient Holdings Limited (the “**Company**”) will be held at Basement 2, Empire Hotel, 33 Hennessy Road, Wanchai, Hong Kong on Tuesday, 19th April, 2005 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution as an Ordinary Resolution of the Company:

ORDINARY RESOLUTION

“**THAT**

- (a) the general mandate granted to the directors of the Company (the “**Directors**”) to exercise the powers of the Company to allot, issue and deal with securities of the Company as approved by the shareholders of the Company at the annual general meeting of the Company held on 27th August, 2004 be and is hereby revoked (without prejudice to the valid exercise of such general mandate, if any, prior to the passing of this resolution);
- (b) subject to paragraph (d), the Directors be and are generally and unconditionally authorised to exercise during the Relevant Period (as defined in paragraph (e)) all the powers of the Company to allot, issue or otherwise deal with shares of HK\$0.10 each in the capital of the Company (“**Shares**”) and securities convertible into Shares or warrants or similar rights to subscribe for Shares and to make or grant offers, agreements and options which might require the exercise of such powers;
- (c) the approval in paragraph (b) shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;

* *For identification purposes only*

NOTICE OF SPECIAL GENERAL MEETING

- (d) the aggregate nominal amount of share capital allotted or agreed conditionally, or unconditionally, to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraphs (b) and (c), otherwise than pursuant to:—
- (i) a Rights Issue (as defined in paragraph (e));
 - (ii) the exercise of rights of subscription or conversion attaching to any warrants issued by the Company or any securities which are convertible into Shares;
 - (iii) the exercise of subscription or conversion right under the terms of any warrants of the Company or any option granted under any share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of options to subscribe for or rights to acquire Shares; and
 - (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Bye-Laws of the Company;

shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution and the said approval shall be limited accordingly;

- (e) for the purpose of this Resolution:—

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:—

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws of the Company or any applicable laws to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by way of ordinary resolution of the shareholders of the Company in general meeting.

NOTICE OF SPECIAL GENERAL MEETING

“Rights Issue” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the board of Directors of the Company made to holders of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the board of Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, or in any territory outside, Hong Kong).”

By Order of the Board
Chiu Yuk Ching
Secretary

Hong Kong, 1st April, 2005

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Principal Office in Hong Kong:

30th Floor
Asia Orient Tower
Town Place
33 Lockhart Road
Wanchai
Hong Kong

NOTICE OF SPECIAL GENERAL MEETING

Notes:

1. Every member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. A form of proxy for use at the above meeting is enclosed herewith.
3. Where there are joint holders of any Shares, any one of such persons may vote at the meeting, personally or by proxy or by a duly authorized corporate representative (as defined in the Bye-Laws of the Company), in respect of such Shares as if he was solely entitled thereto, provided that if more than one of such joint holders be present at the meeting personally or by proxy or by a duly authorized corporate representative, the person whose name stands first on the register of members in respect of such Shares shall alone be entitled to vote in respect thereof.
4. To be valid, a form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the Company's principal office in Hong Kong at 30th Floor, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting (or any adjournment thereof).
5. Members are recommended to read the circular of the Company containing information concerning the Resolutions proposed in this notice.

As at the date hereof, the board of Directors of the Company comprises Mr. Fung Siu To, Clement, Mr. Lim Yin Cheng, Mr. Poon Jing, Mr. Lun Pui Kan, Mr. Kwan Po Lam, Phileas and 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.



ASIA ORIENT HOLDINGS LIMITED

(滙漢控股有限公司) *

(incorporated in Bermuda with limited liability)

(Stock Code: 214)

Form of proxy for use at the special general meeting to be held on Tuesday, 19th April, 2005 at 10:00 a.m.

I/We¹ _____
of _____
being holder(s) of _____² shares of HK\$0.10 each in the capital
of Asia Orient Holdings Limited (the "Company") HEREBY APPOINT the Chairman of the meeting³ or
_____ of _____
as my/our proxy to act for me/us at the special general meeting (or at any adjournment thereof) (the
"Meeting") of the Company, to be held at Basement 2, Empire Hotel, 33 Hennessy Road, Wanchai, Hong
Kong on Tuesday, 19th April, 2005 at 10:00 a.m. on the same date or any adjournment thereof, and in
particular (but without limitation) at the Meeting to vote for me/us and in my/our name(s) in respect of the
resolution set out in the notice convening the Meeting as indicated below, or, if no such indication is given,
as my/our proxy thinks fit.

	FOR ⁴	AGAINST ⁴
ORDINARY RESOLUTION		

Date this _____ day of _____

Signed: _____

Notes:

1. Full name(s) and address(es) to be inserted in **BLOCK CAPITALS**.
2. Please insert the number of shares registered in your name(s) to which the proxy relates. If no number is inserted, this form of proxy will be deemed to relate to all those shares in the Company registered in your name(s).
3. If any proxy other than the Chairman of the Meeting is preferred, strike out the words "the Chairman of the meeting" and insert the name and address of the proxy desired in the space provided. **ANY ALTERATION MADE TO THIS FORM OF PROXY MUST BE INITIALLED BY THE PERSON(S) WHO SIGN(S) IT.**
4. **IMPORTANT: IF YOU WISH TO VOTE FOR A RESOLUTION, TICK IN THE BOX MARKED "FOR" THE RELEVANT RESOLUTION. IF YOU WISH TO VOTE AGAINST A RESOLUTION, TICK IN THE BOX MARKED "AGAINST" THE RELEVANT RESOLUTION.** Failure to tick either box will entitle your proxy to cast your vote at his discretion. Your proxy will also be entitled to vote at his discretion on any resolution properly put to the Meeting other than that referred to in the notice convening the Meeting.
5. This form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be either under its common seal or under the hand of an officer or attorney or other person duly authorised.
6. In order to be valid, this form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof, must be deposited at the principal office of the Company in Hong Kong at 30th Floor, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the Meeting.
7. Where there are joint registered holders of any share of the Company, any one of such persons may vote at the Meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
8. The proxy need not be a member of the Company but must attend the Meeting in person to represent you.
9. Completion and deposit of the form of proxy will not preclude you from attending and voting at the Meeting if you so wish.

* For identification purposes only