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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 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: 0214)**

### GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES RE-ELECTION OF DIRECTORS APPLICATION OF CONTRIBUTED SURPLUS AND SCRIP DISTRIBUTION SCHEME

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A letter from the Board of Directors of Asia Orient Holdings Limited (“**Company**”) is set out on pages 3 to 10 of this circular.

A notice convening the annual general meeting of the Company to be held on 26 August 2005 (Friday) at Basement 1, Empire Hotel, 33 Hennessy Road, Wanchai, Hong Kong at 10:30 a.m. is set out on pages 17 to 22 of this circular.

If you are not 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.

29 July 2005

\* For identification purposes only

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Basement 1, Empire Hotel, 33 Hennessy Road, Wanchai, Hong Kong on 26 August, 2005 at 10:30 a.m.
“Application of Contributed Surplus”	the proposed application of part of the Company’s contributed surplus to set off against the entire amount of the Company’s accumulated loss referred to in the section headed “Application of Contributed Surplus” of this circular
“Board”	the board of Directors
“Bye-Laws”	the bye-laws of the Company
“Companies Act”	the Companies Act 1981 of Bermuda (as amended)
“Company”	Asia Orient Holdings Limited
“Directors”	the directors of the Company
“Distribution”	the distribution of the Company for the year ended 31 March 2005 of HK 4.3 cents per Share to be paid to Shareholders whose names appear in the register of Shareholders as at the Record Date, as more particularly set out in sub-section (1) headed “Introduction” under the section headed “Scrip Distribution Scheme” of this circular
“Excluded Shareholders”	the Overseas Shareholders to whom no allotment and issue of Scrip Shares will be made pursuant to the Scrip Distribution Scheme, as more particularly set out in sub-section (4) headed “Overseas Shareholders” under the section headed “Scrip Distribution Scheme” in this circular
“General Mandates”	the Share Issue Mandate and the Repurchase Mandate to be sought at the AGM as set out in the Notice of AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

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## DEFINITIONS

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“Latest Practicable Date”	22 July 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
“Notice of AGM”	the notice convening the AGM as set out on pages 17 to 22 of this circular
“Overseas Shareholders”	Shareholders whose registered addresses appearing on the register of Shareholders at the Record Date is outside Hong Kong
“Record Date”	26 August 2005
“Repurchase Mandate”	the mandate to repurchase Shares as described in the explanatory statement set out in Appendix I to this circular
“Scrip Distribution Scheme”	the scrip distribution scheme proposed for adoption by the Company in respect of the Distribution as more particularly set out in the section headed “Scrip Distribution Scheme” of this circular
“Scrip Shares”	new Shares to be allotted, issued and credited as fully paid Shares under the Scrip Distribution Scheme
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Issue Mandate”	the mandate to allot and issue Shares as set out in the Notice of AGM
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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## LETTER FROM THE BOARD

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

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 0214)**

*Executive Directors:–*

Mr. Fung Siu To, Clement (*Chairman*)  
Mr. Lim Yin Cheng (*Deputy Chairman*)  
Mr. Poon Jing (*Managing Director and Chief Executive*)  
Mr. Lun Pui Kan  
Mr. Kwan Po Lam, Phileas

*Non-executive Director:–*

Mr. Chan Sze Hung

*Independent non-executive Directors:–*

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

*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

29 July 2005

*To the Shareholders*

Dear Sirs,

**GENERAL MANDATES TO ISSUE  
SHARES AND REPURCHASE SHARES  
RE-ELECTION OF DIRECTORS  
APPLICATION OF CONTRIBUTED SURPLUS  
AND  
SCRIP DISTRIBUTION SCHEME**

### INTRODUCTION

This circular includes information required by the Stock Exchange to be given to Shareholders on the proposals relating to:–

- (1) the grant to the Directors of the General Mandates;

\* For identification purposes only

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## LETTER FROM THE BOARD

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- (2) the re-election of the retiring Directors;
- (3) the Application of Contributed Surplus; and
- (4) the Scrip Distribution Scheme; and

gives Shareholders the Notice of AGM at which resolutions approving the above proposals will be considered and voted upon.

### GENERAL MANDATES

At the annual general meeting of Shareholders held on 27 August 2004, approval was given by Shareholders for the granting of, inter alia, general mandates to the Directors to (i) repurchase Shares on the Stock Exchange up to 10% of the issued share capital of the Company at the date of passing the relevant resolution (the “**2004 Repurchase Mandate**”); and (ii) allot and issue Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing the relevant resolution (the “**2004 Share Issue Mandate**”). At the special general meeting of Shareholders held on 19 April 2005, approval was given by Shareholders for the refreshment of the 2004 Share Issue Mandate by revoking the 2004 Share Issue Mandate and granting a general mandate (the “**Refreshment Mandate**”) to the Directors to allot and issue Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of the relevant resolution. In accordance with the terms of the approval, the 2004 Repurchase Mandate and the Refreshment Mandate will shortly expire on 26 August 2005 upon the conclusion of the forthcoming AGM. To keep in line with current corporate practice, the grant of fresh general mandates for the same purpose is being sought from Shareholders and Ordinary Resolutions to grant the General Mandates to the Directors will be proposed at the forthcoming AGM. The explanatory statement required by the Listing Rules to be sent to Shareholders in connection with the proposed resolution on the Repurchase Mandate is set out in Appendix I to this circular.

The General Mandates if granted to Directors will be valid for the period from the date of passing the resolution up to the date of the next annual general meeting in 2006, or the expiration of the period with which the next annual general meeting of the Company is required by the Bye-Laws or any applicable laws of to be held, or the revocation or variation of the General Mandates by an Ordinary Resolution of the Shareholders in general meeting of the Company, whichever of these three events occurs first.

An Ordinary Resolution will also be proposed to approve in addition to the Share Issue Mandate to issue and allot Shares of such number of shares purchased by the Company in accordance with the Repurchase Mandate.

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## LETTER FROM THE BOARD

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### RE-ELECTION OF DIRECTORS

In accordance with Bye-Law 99, one-third of the Directors retiring by rotation at the AGM is Mr. Lun Pui Kan. Messrs. Fung Siu To, Clement and Chan Sze Hung have submitted themselves for voluntary retirement. By virtue of Bye-Law 102(B), Messrs. Hung Yat Ming and Wong Chi Keung, both appointed by the Board on 23 September 2004, shall retire at the AGM. Messrs. Lun Pui Kan, Fung Siu To, Clement, Chan Sze Hung, Hung Yat Ming and Wong Chi Keung, who being eligible, offer themselves for re-election. As required by the Listing Rules, the biographical information of the above Directors proposed to be re-elected at the AGM is set out in Appendix II to this circular.

### APPLICATION OF CONTRIBUTED SURPLUS

The Company's contributed surplus account amounted to HK\$2,838,224,000 as at 31 March 2005 as shown in the Company's audited financial statements for the year ended 31 March 2005. Subject to the approval by the Shareholders at the AGM, the Directors propose that an amount of HK\$920,762,000 standing to the credit of the contributed surplus account of the Company as at 31 March 2005 be applied to set off against the accumulated loss of the Company in the amount of HK\$920,762,000 as at 31 March 2005 so that the accumulated loss of the Company shall be eliminated in full upon the Application of Contributed Surplus. After the Application of Contributed Surplus, the Company's contributed surplus account will be reduced to HK\$1,917,462,000.

The Company's audited financial statements as at 31 March 2005 showed that the Company had accumulated losses of HK\$920,762,000. The Company is not permitted to pay dividends on its Shares while there are accumulated losses. The Application of Contributed Surplus will allow the Company to eliminate all such accumulated losses and, as a result, will place the Company in a better position to declare dividends to Shareholders at an earlier opportunity.

Bye-Law 142(A) provides, inter alia, that the Board may make distributions out of contributed surplus as the Board thinks fit and such distributions shall not be limited in any way save by the Companies Act and other applicable legislation of Bermuda. There is no specific provision in the Companies Act which regulates the use of contributed surplus save that the Company cannot make a distribution out of contributed surplus if there are reasonable grounds for believing that the Company is, or would after the payment be, unable to pay its liabilities as they become due or the realizable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts. The Directors confirm that no such grounds existed as at the Latest Practicable Date.

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## LETTER FROM THE BOARD

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In view of the above, the Directors consider that the Application of Contributed Surplus is in the interests of the Company and the Shareholders as a whole and will not adversely affect the underlying assets, business operations, management or financial position of the Company. The Directors also confirm that the proportionate interests of the Shareholders in the underlying assets of the Group will not be changed as a result of the Application of Contributed Surplus.

The Application of Contributed Surplus is conditional and shall be effective upon the passing of a Special Resolution by the Shareholders at the AGM approving the Application of Contributed Surplus.

### SCRIP DISTRIBUTION SCHEME

#### (1) Introduction

On 19 July 2005, the Board announced the final results of the Group for the year ended 31 March 2005. Pursuant to the authority given to the Directors under Bye-Law 143(A), the Directors on that day declared to pay to Shareholders whose names appear on the register of Shareholders as at the close of business on the Record Date a distribution of HK4.3 cents per Share in the form of Scrip Shares.

At the AGM, resolutions will be proposed to approve (a) the Distribution; and (b) the Scrip Distribution Scheme and the allotment and issue of the Scrip Shares by the Directors.

#### (2) Particulars of the Scrip Distribution Scheme

Shareholders (other than Excluded Shareholders) on the Record Date are entitled to receive an allotment of Scrip Shares credited as fully paid Shares, save for adjustment for fractions, equal to the total amount of Distribution to which such Shareholder is entitled. For the purposes of calculating the number of Scrip Shares to be allotted, the market value of the Scrip Shares has been fixed at the average of the closing prices of one Share traded on the Stock Exchange for the five consecutive trading days up to and including the Record Date or the par value of each Share of HK\$0.10, whichever is higher. Accordingly, the number of Scrip Shares which Shareholders (other than Excluded Shareholders) will receive in respect of the existing Shares registered in their names as at the Record Date will be calculated as follows:–

$$\begin{array}{rcl} \text{Number of} & & \text{HK4.3 cents} \\ \text{Scrip Shares to} & & \text{(Distribution per Share)} \\ \text{be received} & = & \text{the average closing price per} \\ & & \text{Share of the five consecutive} \\ & & \text{trading days up to and} \\ & & \text{including the Record Date or the} \\ & & \text{par value of each Share of} \\ & & \text{HK\$0.10, whichever is higher} \end{array} \times \begin{array}{l} \text{Number of} \\ \text{existing Shares held} \\ \text{on the Record Date} \end{array}$$



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## LETTER FROM THE BOARD

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Further announcement will be made on the total number of Scrip Shares to be issued and the market value of the Scrip Shares as soon as possible after the Record Date.

The number of Scrip Shares to be issued to each Shareholder will be rounded down to the nearest whole number. Fractional entitlements to Scrip Shares will not be allotted but will be aggregated and sold for the benefit of the Company. The Scrip Shares to be issued pursuant to the Scrip Distribution Scheme will rank *pari passu* in all respects with the existing Shares except that they will not be entitled to the Distribution.

### (3) Advantages of the Scrip Distribution Scheme

The Scrip Distribution Scheme will give Shareholders the opportunity to increase their investment in the Company at market value without incurring brokerage fees, stamp duty and related dealing costs. The Scrip Distribution Scheme will also be to the advantage of the Company because the cash as would otherwise have been paid to Shareholders will be retained for use as working capital by the Company.

### (4) Overseas Shareholders

The Directors confirm that as at 30 June 2005, there were approximately 330 Overseas Shareholders residing in 27 countries who together hold an aggregate of 47,258 Shares, representing approximately 0.02% of the entire issue share capital of the Company. The aggregate amount of Distribution to which these Overseas Shareholders are entitled is approximately HK\$2,100.

The Directors are aware that certain Overseas Shareholders will need to carry out local approval and/or registration or filing or other formalities in relation to the Scrip Distribution Scheme so as to comply with the relevant securities legislation in those jurisdictions. In respect of the countries (the “**Enquired Countries**”) where major financial cities and/or foreign stock exchanges are situated, including Australia, Germany, Japan, Macau, Malaysia, the Netherlands, the People’s Republic of China (the “**PRC**”), Singapore, Thailand, United Kingdom and the United States of America (the “**USA**”), the Directors have made enquiries regarding the registration requirements and/or other formalities under the laws of the Enquired Countries in relation to the Scrip Distribution Scheme. Following the enquiries, the Directors have received advice that, without complying with local registration requirements and/or other formalities under the laws of the relevant jurisdictions, the Scrip Distribution Scheme may not be offered to Shareholders with registered addresses in Malaysia, the PRC and the USA. For the remaining 16 countries (the “**Excluded Countries**”) where Overseas Shareholders reside, the Directors have also taken steps to ascertain the time and costs required to carry out similar enquiries. The Directors were advised that such enquiries, if carried out, would be both time consuming and costly.

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## LETTER FROM THE BOARD

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As the Directors considered that (i) it would not be cost-effective or expedient for the Company to comply with the registration requirements and/or other formalities under the laws of Malaysia, the PRC and the USA; and (ii) it would not be expedient nor would it be to the best interests of the Company to conduct enquiries in the Excluded Countries regarding the registration requirements and/or other formalities under these jurisdiction in relation to the Scrip Distribution Scheme, the Directors have decided not to carry out such enquiries in the Excluded Countries and that no allotment and issue of Scrip Shares will be made to Shareholders with registered addresses in Malaysia, the PRC and the USA and in the Excluded Countries (the “**Excluded Shareholders**”). Arrangements will, however, be made for these Scrip Shares which would otherwise have been issued to such persons to be sold in the market as soon as practicable after dealings in the Scrip Shares commence on the Stock Exchange. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars pro rata to such persons and remittances thereof will be posted to them at their own risk, unless the amount falling to be distributed to any such person is less than HK\$100, in which case it will be retained for the benefit of the Company.

### **(5) Conditions of the Scrip Distribution Scheme**

The Scrip Dividend Scheme is conditional upon:–

- (a) the passing of an Ordinary Resolution at the AGM approving the Distribution, the Scrip Distribution Scheme and the issue and allotment of the Scrip Shares;
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Scrip Shares; and
- (c) if required, the Bermuda Monetary Authority granting its permission to the issue and subsequent free transferability of the Scrip Shares.

### **(6) Book closure**

The register of Shareholders will be closed from 24 August 2005 to 26 August 2005, both days inclusive, during which period no transfer of Shares can be registered. In order to qualify for the Distribution, all transfers, accompanied by the relevant Share certificates, must be lodged with the Registrar of the Company, Computershare Hong Kong Investor Services Limited, 17 Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 4:00 p.m. on 23 August 2005.

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## LETTER FROM THE BOARD

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### **(7) Dealings and despatch of certificates for Scrip Shares**

Application will be made to the Stock Exchange for the granting of listing of, and permission to deal in, the Scrip Shares. The relevant certificates for Scrip Shares are expected to be despatched at the risk of those entitled thereto on or about 14 October 2005. On this basis, dealings in the Scrip Shares are expected to commence after the due despatch of the share certificates with respect to the Scrip Shares to the relevant Shareholders.

### **RECOMMENDATION**

The Directors believe that the proposed resolutions as set out in the Notice of AGM are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders vote in favour of all such resolutions at the AGM.

### **PROCEDURES BY WHICH A POLL MAY BE DEMANDED**

Pursuant to Bye-Law 70, 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 by the Chairman or by:-

- (1) at least three Shareholders present in person, by a duly authorized corporate representative or by proxy for the time being entitled to vote at the meeting; or
- (2) any Shareholder or Shareholders present in person or by a duly authorized 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
- (3) any Shareholder or Shareholders present in person or by a duly authorized corporate representative or by proxy and 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.

### **ANNUAL GENERAL MEETING**

The Notice of AGM (as appearing on pages 17 to 22 of this circular) sets out the proposed resolutions for the Share Issue Mandate, the Repurchase Mandate, the re-election of Directors, the Application of Contributed Surplus and the Scrip Distribution Scheme.

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## LETTER FROM THE BOARD

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A form of proxy is herewith enclosed for use at the AGM. If you are not able to attend the AGM 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 AGM. Completion and deposit of the form of proxy will not preclude you from attending and voting at the AGM if you so wish.

### **ADDITIONAL INFORMATION**

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

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

*This appendix serves as the explanatory statement required to be sent to Shareholders by the Listing Rules in connection with the repurchase by companies with a primary listing on the Stock Exchange of their own securities. The intention of this explanatory statement is to provide Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the proposed Repurchase Mandate to be granted to the Directors, which relates to Shares.*

### **1. FUNDING OF REPURCHASE**

It is envisaged that repurchase will be funded entirely from the Company's available cash flow or working capital facilities which are funds otherwise available for dividend or distribution and thus legally available for such in accordance with the provision of the memorandum of association of the Company ("**Memorandum of Association**") and Bye-Laws and the laws of Bermuda. There might be a material adverse impact on the working capital or gearing levels of the Company (as compared with the position disclosed in the financial statement for the year ended 31 March 2005) in the event the Repurchase Mandate was exercised in full at any one time. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

### **2. REASONS FOR REPURCHASE**

Repurchases of securities will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its earnings and/or its net assets per Share.

### **3. EXERCISE OF THE REPURCHASE MANDATE**

As at the Latest Practicable Date, the issued share capital of the Company was 234,516,210 Shares. Subject to the passing of the relevant ordinary resolution approving the Repurchase Mandate and on the basis of 234,516,210 Shares in issue at the date of the AGM (assuming no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of passing such resolution), the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 23,451,621 Shares during the period from the passing of the resolution granting the Repurchase Mandate up to the conclusion of the next annual general meeting or the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws or any relevant law to be held or when revoked or varied by an Ordinary Resolution of the Shareholders in general meeting of the Company, whichever occurs first.

#### 4. SHARE PRICE

In each of the previous twelve months before the Latest Practicable Date, the highest and lowest traded prices for the Shares on the Stock Exchange were as follows:–

	Traded Market Price	
	Highest HK\$	Lowest HK\$
<b>2004</b>		
July	3.000	2.550
August	2.875	2.500
September	3.100	2.600
October	2.975	2.575
November	4.100	2.725
December	3.350	2.675
<b>2005</b>		
January	3.200	2.700
February	3.025	2.700
March	2.850	2.350
April	2.525	2.350
May	2.700	2.125
June	2.500	2.250
July (up to the Latest Practicable Date)	2.550	2.300

#### 5. UNDERTAKING

##### (a) Directors, their Associates and Connected Person

None of the Directors nor, to the best of the knowledge and belief of the Directors, having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules) has any present intention, in the event that the proposed Repurchase Mandate is approved by the Shareholders, to sell securities to the Company.

No connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she has a present intention to sell securities to the Company nor has he/she undertaken not to sell any of the securities held by him/her to the Company in the event that the Company is authorized to make purchase of securities.

**(b) Undertaking of the Directors**

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchase pursuant to the proposed resolution in accordance with the Listing Rules and all applicable laws of Bermuda, and in accordance with the Memorandum of Association and the Bye-Laws.

**(c) Effect of Takeovers Code**

If as the result of a repurchase of securities, a Shareholder's proportionate interest in the voting rights of the Company increase, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As result, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. As at the Latest Practicable Date, Mr. Poon Jing (a Director and controlling Shareholder of the Company) and his controlling companies and associates are interested in 73,760,611 Shares, representing approximately 31.45% of the issued share capital of the Company. Assuming the full exercise of the power under the Repurchase Mandate, the interest of Mr. Poon Jing and his controlling companies and associates in the issued share capital of the Company will be increased to approximately 34.95%. Mr. Poon Jing may be required to make a general offer if as a result of repurchase his interest in the Company over a 12-month period is increased by over 2%. However, the Directors have no present intention to repurchase Shares to such extent. In the event that the Repurchase Mandate is exercised in full, the number of Shares held by the public would not fall below 25%.

**6. SHARE PURCHASE MADE BY THE COMPANY**

No purchases of Shares have been made by the Company during the six months prior to the Latest Practicable Date (whether on the Stock Exchange or otherwise).

*As required by the Listing Rules, the following are the particulars of the Directors to be re-elected at the AGM:—*

**LUN Pui Kan**

Age 42. Finance Director of the Company and Asia Standard International Group Limited (“**ASIGL**”) and executive director of Q9 Technology Holdings Limited (“**Q9**”). Both ASIGL and Q9 are associated companies of the Company in which the Company holds approximately 40.5% and 32% interests, respectively, and whose shares are listed on the Stock Exchange. Mr. Lun has over 15 years of experience in accounting and finance. He is a holder of a Bachelor of Science (Engineering) degree and is an associate member of the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and a fellow member of The Association of Chartered Certified Accountants (“**ACCA**”). He joined the Group in 1994. As at the Latest Practicable Date, Mr. Lun was granted (i) options to subscribe for 1,718,000 Shares at the subscription price of HK\$3.3 per Share; (ii) options to subscribe for 20,000,000 shares of ASIGL at the subscription price of HK\$0.325 per share; and (iii) options to subscribe for 1,920,000 shares and 3,000,000 shares of Q9 at the subscription price of HK\$0.36 and HK\$0.45 per share, respectively. There is no service contract between the Company and Mr. Lun. He is entitled to remuneration and other benefits from time to time to be reviewed by the Board with reference to his experience and remuneration level in the industry together with his work and contribution to the Group. During the financial year ended 31 March 2005, Mr. Lun received emolument in the total amount of HK\$1,422,000. Other than the relationship arising from his being an executive Director, Mr. Lun does not have any relationship with any other directors, senior management or substantial shareholders of the Company.

**FUNG Siu To, Clement**

Aged 57. Chairman of the Company and ASIGL and an executive director of Q9 and Asia Standard Hotel Group Limited (“**ASHGL**”), a 70.9% owned subsidiary of ASIGL whose shares are listed on the Stock Exchange, respectively. Mr. Fung is a holder of a Bachelor of Applied Science (Civil Engineering) degree. He joined the Group in 1988 and has over 20 years of experience in project management and construction. As at the Latest Practicable Date, Mr. Fung has personal interest in 3,949,400 Shares and was granted (i) options to subscribe for 1,718,000 Shares at the subscription price of HK\$3.30 per Share; (ii) options to subscribe for 20,000,000 shares of ASIGL at the subscription price of HK\$0.325 per share; and (iii) options to subscribe for 2,560,000 shares of Q9 at the subscription price of HK\$0.36 per share. There is no service contract between the Company and Mr. Fung. The remuneration of Mr. Fung will be determined by the Board with reference to his experience and the remuneration level in the industry together with his work and contribution to the Group. During the financial year ended 31 March 2005, Mr. Fung received emolument in the total amount of HK\$1,794,461. He is the brother-in-law of Mr. Poon Jing, the Managing Director of the Company.



**CHAN Sze Hung**

Age 52. Non-executive Director. Mr. Chan graduated from the University of Hong Kong with a degree in law. He joined a legal firm for approximately four years prior to becoming a principal partner of Chan, Lau & Wai. He has over 20 years of experience in the legal profession. He was appointed a Director in June 1996. As at the Latest Practicable Date, Mr. Chan did not hold any interest in the Company within the meaning of Part XV of Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (“SFO”). There is no service contract between the Company and Mr. Chan. Mr. Chan is entitled to a director’s fee, the amount of which is to be determined by the Board with reference to his experience together with his work and contribution to the Group. During the financial year ended 31 March 2005, Mr. Chan received director’s fee of HK\$20,000. Mr. Chan is not appointed for a specific term and he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws. Save as aforesaid and other than the relationship arising from his being a non-executive Director, Mr. Chan does not have any relationship with any other directors, senior management or substantial shareholder of the Company.

**HUNG Yat Ming**

Aged 53. Independent non-executive Director and a member of audit committee of the Company. Mr. Hung is currently a financial consultant. He has over 25 years of experience in audit, accounting and financial management having worked with several firms in Sydney and Hong Kong and was an executive director of Baker Group International Holdings Limited (Provisional Liquidators appointed), a company whose shares were listed on the Stock Exchange. Mr. Hung is a member of the Institute of Chartered Accountants of Scotland and HKICPA. He graduated from the University of Hong Kong with a Bachelor degree in Mathematics and obtained a post-graduate diploma in Accountancy from the University of Strathclyde, Scotland. He is an independent non-executive director and a member of audit committee of ASHGL. As at the Latest Practicable Date, Mr. Hung did not hold any interest in the Company within the meaning of Part XV of SFO. There is no service contract between the Company and Mr. Hung. Mr. Hung is entitled to a director’s fee, the amount of which is to be determined by the Board with reference to his experience together with his work and contribution to the Group. During the financial year ended 31 March 2005, Mr. Hung received director’s fee of HK\$100,000. Mr. Hung is not appointed for a specific term and he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws. Save as aforesaid and other than the relationship arising from his being an independent non-executive Director, Mr. Hung does not have any relationship with any other directors, senior management or substantial shareholder of the Company.

**WONG Chi Keung**

Aged 49. Independent non-executive Director and a member of audit committee of the Company. Mr. Wong holds a Master degree in business administration with the University of Adelaide in Australia. He is a fellow member of HKICPA, ACCA and CPA Australia and an associate member of The Institute of Chartered Secretaries and Administrators and The Chartered Institute of Management Accountants. Mr. Wong has been an executive director, deputy general manager, group financial controller and company secretary of Guangzhou Investment Company Limited, a company listed on the Stock Exchange, for over ten years. In addition, he is the managing director of two private companies engaged in corporate consultancy services. He is also an independent non-executive director and a member of the audit committee of ASIGL, Century City International Holdings Limited, China Special Steel Holdings Company Limited, China Treasure (Greater China) Investments Limited, FU JI Food and Catering Services Holdings Limited, Great Wall Automobile Holding Company Limited, International Entertainment Corporation, PacMOS Technology Holdings Limited, Paliburg Holdings Limited, Regal Hotels International Holdings Limited and TPV Technology Limited, all of which are listed on the Stock Exchange. Mr. Wong has over 28 years of experience in finance, accounting and management. As at the Latest Practicable Date, Mr. Wong did not hold any interest in the Company within the meaning of Part XV of SFO. There is no service contract between the Company and Mr. Wong. Mr. Wong is entitled to a director's fee, the amount of which is to be determined by the Board with reference to his experience together with his work and contribution to the Group. During the financial year ended 31 March 2005, Mr. Wong received director's fee of HK\$100,000. Mr. Wong is not appointed for a specific term and he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws. Save as aforesaid and other than the relationship arising from his being an independent non-executive Director, Mr. Wong does not have any relationship with any other directors, senior management or substantial shareholder of the Company.

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## NOTICE OF ANNUAL GENERAL MEETING

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

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 0214)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “AGM”) of the shareholders (“**Shareholders**”) of Asia Orient Holdings Limited (“**Company**”) will be held at Basement 1, Empire Hotel, 33 Hennessy Road, Wanchai, Hong Kong on 26 August 2005 (Friday) at 10:30 a.m. for the purpose of considering and, if thought fit, passing the following Resolutions:–

1. To receive and consider the audited financial statements and the reports of the Directors and auditors for the year ended 31 March 2005;
2. To re-elect retiring Directors and approve the remuneration of the Directors;
3. To appoint auditors and authorize the board of Directors (the “**Board**”) to fix their remuneration;
4. As special business to consider and, if thought fit, pass with or without amendments, the following Resolutions as Ordinary Resolutions:–

A. “**THAT**

- (a) subject to paragraph 4A(c), the Directors be and are generally and unconditionally authorised to exercise during the Relevant Period (as defined in paragraph 4A(d)) all the powers of the Company to allot, issue or otherwise deal with shares of HK\$0.1 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;
- (b) the approval in paragraph 4A(a) 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

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## NOTICE OF ANNUAL GENERAL MEETING

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(c) 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 paragraph 4A(a) and 4A(b), otherwise than pursuant to:–

- (i) a Rights Issue (as defined in paragraph 4A(d));
- (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 (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;

(d) 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 or any applicable laws to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the Shareholders in general meeting.

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## NOTICE OF ANNUAL GENERAL MEETING

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“Rights Issue” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Board made to holders of Shares whose names appear on the register of Shareholders on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Board 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 recognized regulatory body or any stock exchange in, or in any territory outside, Hong Kong).”

**B “THAT**

- (a) subject to paragraph 4B(b), the Directors be and are generally and unconditionally authorised to exercise during the Relevant Period (as defined in paragraph 4B(c)) all powers of the Company to repurchase Shares of the Company listed on the Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) or any other stock exchange on which the securities of the Company may be listed and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) or that of any other stock exchange as amended from time to time;
- (b) the aggregate nominal amount of the Shares to be repurchased by the Company pursuant to paragraph 4B(a) during the Relevant Period shall not exceed 10 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 approvals granted under paragraph 4B(a) of this Resolution shall be limited accordingly;
- (c) 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 or any applicable laws to be held; or

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## NOTICE OF ANNUAL GENERAL MEETING

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- (iii) the revocation or variation of the authority given under this Resolution by way of an ordinary resolution of the Shareholders in general meeting.”

C. “**THAT** conditional upon Resolutions 4A and 4B in the notice convening this meeting of which this Resolution forms part being passed, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue or otherwise deal with Shares pursuant to Resolution 4A above be and is hereby extended by the addition to the aggregate nominal amount of the share capital which may be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution 4B above.”

5. As special business to consider and, if thought fit, pass with or without amendments, the following Resolution as an Ordinary Resolution:–

“**THAT**

- (a) a distribution for the year ended 31 March 2005 of HK4.3 cents per Share (the “**Distribution**”) be paid to Shareholders whose names appear in the register of Shareholders as at 26 August 2005 (the “**Record Date**”); and
- (b) conditional upon the listing of, and permission to deal in, the Scrip Shares (as defined below) having been or being granted by the Listing Committee of the Stock Exchange and if required, the permission having been or being granted by the Bermuda Monetary Authority:–
  - (i) the Distribution be distributed in the form of new Shares credited as fully paid Shares (the “**Scrip Shares**”) under the Scrip Distribution Scheme (as described in the circular (the “**Circular**”) of the Company to the Shareholders dated 29 July 2005) of which this notice of AGM (the “**Notice**”) forms part;
  - (ii) in the case of Excluded Shareholders (as described in the Circular) as at the Record Date, the Scrip Shares shall not be issued to such Excluded Shareholders but shall be sold in the market and the net proceeds of sale, after deduction of expenses, shall be distributed pro-rata to such Excluded Shareholders unless the amount to be distributed to such Excluded Shareholders is less than HK\$100, in which case such amount shall be retained for the benefit of the Company;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (iii) no fractional Shares shall be allotted and distributed, but Shares representing fractional entitlements shall be aggregated and sold for the benefit of the Company; and
  - (iv) the Directors be authorized to do all such acts, deeds and things as they may, in their absolute discretion, consider necessary, desirable or expedient to implement and/or to give effect to the Scrip Distribution Scheme.”
6. As special business to consider and, if thought fit, pass with or without amendments, the following Resolution as a Special Resolution:
- A. “**THAT** the Directors be and hereby authorized to apply an amount of HK\$920,762,000 standing to the credit of the Company’s contributed surplus account to set off against the Company’s accumulated loss in the amount of HK\$920,762,000 as at 31 March 2005 (the “**Application of Contributed Surplus**”).”
  - B. “**THAT** the Directors be and hereby authorized to do all such acts, deeds and things as they may, in their absolute discretion, consider necessary, desirable or expedient to implement and/or to give effect to the Application of Contributed Surplus.”

By Order of the Board  
**Chiu Yuk Ching**  
*Secretary*

Hong Kong, 29 July 2005

*Registered Office:–*  
Canon’s Court  
22 Victoria Street  
Hamilton HM 12  
Bermuda

*Principal Office in Hong Kong:–*  
30th Floor  
Asia Orient Tower  
Town Place  
33 Lockhart Road  
Wanchai  
Hong Kong

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:-*

1. Every Shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a Shareholder.
2. A form of proxy for use at the AGM is enclosed herewith.
3. Where there are joint registered holders of any Shares, any one of such persons may vote at the AGM, either personally or by proxy, 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 AGM personally or by proxy, that one of the said persons whose name stands first on the register of Shareholders 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 AGM (or any adjournment thereof).

*As at the date hereof, the Board comprises 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, Mr. Cheung Kwok Wah Ken#, Mr. Hung Yat Ming# and Mr. Wong Chi Keung#.*

*# Independent non-executive Director*