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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)

**PROPOSED RIGHTS ISSUE OF  
NOT LESS THAN 127,278,986 RIGHTS SHARES  
AND NOT MORE THAN 134,764,986 RIGHTS SHARES  
OF HK\$0.10 EACH AT HK\$1.30 PER RIGHTS SHARE  
PAYABLE IN FULL ON ACCEPTANCE  
(IN THE PROPORTION OF ONE RIGHTS SHARE  
FOR EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE),  
APPLICATION OF WHITEWASH WAIVER  
AND RESUMPTION OF TRADING**

**Underwriters**



**TAI FOOK SECURITIES COMPANY LIMITED**

**MR. POON JING**

### **PROPOSED RIGHTS ISSUE**

The Company proposes to raise not less than HK\$165 million before expenses by issuing not less than 127,278,986 Rights Shares and to raise not more than approximately HK\$175 million before expenses by issuing not more than 134,764,986 Rights Shares at the Subscription Price of HK\$1.30 per Rights Share on the basis of one Rights Share for every two existing Shares in issue on the Record Date. The Directors intend to use the net proceeds of the Rights Issue, being approximately HK\$160 million if no Outstanding Options are exercised on or before the Record Date or approximately HK\$170 million if all Outstanding Options are exercised on or before the Record Date, for future investment opportunities in Hong Kong, Macau and the PRC.

The aggregate number of Rights Shares to be issued pursuant to the terms of the Rights Issue represents 50% of the existing issued share capital of the Company as at the date of this announcement and approximately 33.3% of the enlarged issued share capital of the Company immediately following the completion of the Rights Issue assuming that no Outstanding Options are exercised on or before the completion of the Rights Issue.

Qualifying Shareholders are entitled to apply for any unsold entitlements of the Excluded Shareholders and any nil-paid Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders. Applications may be made by completing the form of application for excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares. The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis but preference will be given to applications for less than one board lot of Shares where it appears to the Directors that such applications have been made to round up a holding of a then odd lot of Shares.

The last day of dealings in Shares on a cum-rights basis is 10 March 2006. The Shares will be dealt with on an ex-rights basis from 13 March 2006. To qualify for the Rights Issue, any transfer of Shares must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Room Nos. 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, by 4:00 p.m. on 14 March 2006.

The Rights Issue will be fully underwritten by the Underwriters, on the terms and subject to the conditions set out in the Underwriting Agreement (see the section headed "Underwriting arrangements" below). As at the date of this announcement, one of the Underwriters, Mr. Poon, and parties acting in concert with him are together beneficially interested in 80,649,736 Shares, representing approximately 31.7% of the issued share capital of the Company. Pursuant to the Underwriting Agreement, Mr. Poon has undertaken, and has undertaken that he will procure parties acting in concert with him to undertake, that such 80,649,736 Shares will remain beneficially owned by them and that they will continue to have registered addresses in Hong Kong up to the Record Date, and Mr. Poon and parties acting in concert with him will accept on or before the Latest Acceptance Time, and pay for, such number of Rights Shares to be provisionally allotted to them or their respective nominee pursuant to the Rights Issue in respect of their or their respective nominee's existing holding of 80,649,736 Shares. As at the date of this announcement, Mr. Fung Siu To Clement, being one of the parties acting in concert with Mr. Poon, is interested in the Outstanding Options attaching subscription rights to subscribe for 1,718,000 Shares. Mr. Poon has also undertaken to procure Mr. Fung Siu To Clement, to undertake to subscribe or procure subscribers for 859,000 Rights Shares to be provisionally allotted to him in respect of 1,718,000 Shares which will be issued to him if he exercises all such Outstanding Options held by him on or before the Record Date.

**The Rights Issue is conditional upon the fulfillment or waiver of the conditions set out under the paragraph headed "Conditions of the Rights Issue" below. In particular, it is subject to the Underwriting Agreement not being terminated in accordance with its terms (see the paragraph headed "Termination of the Underwriting Agreement" below). If Tai Fook Securities Company Limited terminates the Underwriting Agreement, or the conditions of the Rights Issue are not fulfilled or waived, the Rights Issue will not proceed.**

**Any persons contemplating buying or selling Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled and/or waived, and any dealings in the Rights Shares in their nil-paid form from 24 March 2006 to 31 March 2006 (both dates inclusive), bear the risk that the Rights Issue may not become unconditional or may not proceed.**

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms.

#### **WHITEWASH WAIVER**

In the event that no Qualifying Shareholder (other than Mr. Poon and parties acting in concert with him) takes up any Rights Shares under the Rights Issue and assuming no Outstanding Options are exercised on or before the Record Date, Mr. Poon, as one of the Underwriters, has agreed to subscribe for and take up 23,314,625 Rights Shares that are not subscribed for under the Rights Issue pursuant to the Underwriting Agreement. In the event that no Qualifying Shareholder (other than Mr. Poon and parties acting in concert with him) takes up any Rights Shares under the Rights Issue and assuming all Outstanding Options are exercised in full on or before the Record Date, Mr. Poon, as one of the Underwriters, has agreed to subscribe for and take up 29,941,625 Rights Shares that are not subscribed for under the Rights Issue pursuant to the Underwriting Agreement. Accordingly, the subscription for and underwriting of the Rights Shares under the Rights Issue by Mr. Poon may result in the aggregate shareholdings in the Company of Mr. Poon and parties acting in concert with him being increased from approximately 31.7% to approximately 37.8% (assuming no Outstanding Options are exercised on or before the Record Date), or to approximately 38.4% (assuming all the Outstanding Options are exercised in full on or before the Record Date) and may trigger an obligation for him and parties acting in concert with him to make a mandatory offer under Rule 26 of the Takeovers Code for all the Shares and securities issued by the Company not already held by Mr. Poon and parties acting in concert with him. A formal application will be made by Mr. Poon to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval of the Independent Shareholders at the SGM by way of poll. If the Whitewash Waiver is not granted by the Executive, the Rights Issue will not proceed.

## **GENERAL**

The Company has established an independent board committee (which comprises the three independent non-executive Directors) to advise the Independent Shareholders as to whether the terms of the Whitewash Waiver are fair and reasonable and whether the Whitewash Waiver is in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote, taking into account the recommendations of the independent financial adviser. In this connection, the Company has appointed VC Capital Limited as the independent financial adviser to advise the independent board committee and the Independent Shareholders as to whether the terms of the Whitewash Waiver are fair and reasonable and whether the Whitewash Waiver are in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote. The independent board committee has approved the appointment of VC Capital Limited as the independent financial adviser. A circular containing, among other things, details of the Rights Issue and the Whitewash Waiver, the recommendation of the independent board committee and the letter from VC Capital Limited to the independent board committee and Independent Shareholders together with a notice convening the SGM will be despatched to the Shareholders as soon as practicable.

The Rights Issue Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders as soon as practicable.

## **SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 8 February 2006 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 13 February 2006.

## **PROPOSED RIGHTS ISSUE**

### **Issue statistics**

*Basis of the Rights Issue:*

One Rights Share for every two existing Shares held on the Record Date

*Number of existing Shares in issue as at the date of this announcement:*

254,557,972 Shares

*Number of Rights Shares (assuming no Outstanding Options are exercised on or before the Record Date):*

127,278,986 Rights Shares

*Outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into Shares as at the date of this announcement:*

Outstanding Options attaching subscription rights to subscribe for 14,972,000 Shares

*Maximum number of Rights Shares:*

Assuming full exercise of the subscription rights attaching to all Outstanding Options on or before the Record Date, the number of Shares in issue will be increased to 269,529,972 Shares and the number of Rights Shares will be increased to 134,764,986 Rights Shares.

*Number of Rights Shares that Mr. Poon has undertaken, and has undertaken to procure parties acting in concert with him to undertake, to take up:*

Mr. Poon has undertaken, and has undertaken to procure parties acting in concert with him to undertake, that 80,649,736 Shares beneficially owned by Mr. Poon and parties acting in concert with him as at the date of this announcement will remain beneficially owned by them and that they will continue to have registered addresses in Hong Kong up to the Record Date, and Mr. Poon and parties acting in concert with him will accept on or before the Latest Acceptance Time, and pay for, such number of Rights Shares to be provisionally allotted to them or their respective nominee pursuant to the Rights Issue in respect of their or their respective nominee's existing holding of 80,649,736 Shares. Mr. Poon has also undertaken to procure Mr. Fung Siu To Clement, one of the parties acting in concert with Mr. Poon, to undertake to subscribe or procure subscribers for 859,000 Rights Shares to be provisionally allotted to him in respect of 1,718,000 Shares which will be issued to him if he exercises on or before the Record Date all the Outstanding Options attaching subscription rights to subscribe for 1,718,000 Shares held by him.

The nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represent 50% of the existing issued share capital of the Company as at the date of this announcement and approximately 33.3% of the enlarged issued share capital of the Company immediately following the completion of the Rights Shares assuming that no Outstanding Options are exercised on or before the completion of the Rights Issue.

The number of Rights Shares which may be issued pursuant to the Rights Issue will be increased in proportion to any additional new Shares which may be allotted and issued pursuant to the exercise of the Outstanding Options on or before the Record Date. As at the date of this announcement, there are Outstanding Options attaching subscription rights to subscribe for an aggregate of 14,972,000 Shares. If all the subscription rights attaching to all such Outstanding Options are duly exercised and Shares are issued and allotted pursuant to such exercise on or before the Record Date, the number of issued Shares is expected to be increased to 269,529,972 Shares and the number of Rights Shares that may be issued pursuant to the Rights Issue is expected to be increased to 134,764,986 Rights Shares. Other than the Outstanding Options, the Company has no derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into Shares as at the date of this announcement.

**Subscription Price**

The Subscription Price for the Rights Shares is HK\$1.30 per Rights Share, payable in full when a Qualifying Shareholder accepts his/her/its provisional allotment under the Rights Issue or applies for excess Rights Shares or when a transferee of nil-paid Rights Shares subscribes for the Rights Shares.

#### The Subscription Price:

- represents a discount of approximately 38.8% to the closing price of HK\$2.125 per Share as quoted on the Stock Exchange on the Last Trading Date;
- represents a discount of approximately 38.1% to the average closing price of HK\$2.1 per Share for the five consecutive trading days up to and including the Last Trading Date;
- represents a discount of approximately 37.6% to the average closing price of HK\$2.085 per Share for the 10 consecutive trading days up to and including the Last Trading Date;
- represents a discount of approximately 29.7% to the theoretical ex-rights price of HK\$1.85 per Share based on the closing price as quoted on the Stock Exchange on the Last Trading Date; and
- represents a discount of approximately 79.5% to the unaudited adjusted consolidated net tangible assets value per Share of approximately HK\$6.334 (calculated by dividing the latest published unaudited net tangible assets value of the Group as at 30 September 2005 adjusted for the net proceeds of the top-up subscription announced by the Company on 11 January 2006 by the 254,557,972 Shares in issue as at the date of this announcement).

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriters with reference to the then market environment, prevailing Share prices and recent financial conditions of the Group, which the Directors consider are important for the Shareholders to assess before subscribing for the Rights Shares. In order to enhance the attractiveness of a rights issue, it is a common practice for listed issuers to issue rights shares at a discount to the market price (as evidenced in a majority of rights issues conducted in the past six months). Given the underwriting period of a rights issue is relatively long and after considering the aforesaid and the theoretical ex-rights price per Share (which takes into account the allotment ratio of the Rights Issue), the Directors consider that the discount on the Subscription Price to the current market price of the Shares as proposed is appropriate. Each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its shareholding in the Company held on the Record Date. The Directors consider the Subscription Price to be fair and reasonable and to be in the interests of the Company and the Shareholders as a whole.

#### **Status of the Rights Shares**

The Rights Shares, when allotted and fully-paid, will rank *pari passu* with the then existing Shares in issue on the date of allotment of such Rights Shares in fully-paid form. Holders of such Rights Shares will be entitled to receive all future dividends and distributions which are declared after the date of allotment and issue of the Rights Shares.

#### **Fractions of the Rights Shares**

The Company will not provisionally allot fractions of Rights Shares in nil-paid form. All fractions of Rights Shares will be aggregated and all nil-paid Rights Shares arising from such aggregation will be sold in the market and, if a premium (net of expenses) can be achieved, the Company will keep the net proceeds for its own benefit. Any unsold fractions of Rights Shares will be made available for excess application.

## **Application for excess Rights Shares**

Qualifying Shareholders are entitled to apply for any unsold entitlements of the Excluded Shareholders and any nil-paid Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders.

Applications may be made by completing the form of application for excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares. The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis but preference will be given to applications for less than one board lot of Shares where it appears to the Directors that such applications have been made to round up a holding of a then odd lot of Shares.

Shareholders with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the top-up of odd lots for allocation of excess Rights Shares will not be extended to beneficial owners individually. Shareholders with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

For Shareholders whose Shares are held by their nominee(s) and would like to have their names registered on the register of members of the Company, they must lodge all necessary document with the branch share registrar of the Company in Hong Kong for completion of the relevant registration by 4:00 p.m. on 14 March 2006.

## **Share certificates for the Rights Shares**

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to Qualifying Shareholders who have accepted and applied for (where appropriate) and paid for the Rights Shares by 13 April 2006 at their own risk.

## **Qualifying Shareholders**

The Company will send (i) the Rights Issue Documents to the Qualifying Shareholders; and (ii) the Prospectus, for information only, to the Excluded Shareholders. To qualify for the Rights Issue, Shareholders must be registered as a member of the Company on the Record Date and holders of the Outstanding Options (i) must exercise their respective subscription rights in accordance with the relevant procedures specified in the rules of the Share Option Scheme (as regards the holders of the Outstanding Options) on or before the Record Date; (ii) must be registered as the holders of the Shares allotted pursuant to the exercise of the subscription rights thereof on or before the Record Date; and (iii) must not be an Excluded Shareholder.

In order to be registered as a member of the Company on the Record Date, the Shareholders must lodge any transfers of Shares (with the relevant Share certificate(s)) with the Company's branch share registrar in Hong Kong by 4:00 p.m. on 14 March 2006. The last day of dealings in Shares on a cum-rights basis is therefore expected to be 10 March 2006. The Shares will be dealt with on an ex-rights basis from 13 March 2006.

The Company's branch share registrar in Hong Kong is Computershare Hong Kong Investor Services Limited at Room Nos. 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.

It is intended that the Company's register of members will be closed from 15 March 2006 to 21 March 2006, both dates inclusive, for the purpose of, among other things, establishing entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

### **Excluded Shareholders**

The Company will only send the Prospectus to the Excluded Shareholders for their information. The Excluded Shareholders will be entitled to attend and vote at the SGM.

The Rights Issue Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong and Bermuda.

The Company is in the process of considering the rights of the Overseas Shareholders and the relevant arrangements in respect of the Rights Issue for them, including whether it is feasible to extend the Rights Issue to such Shareholders. Further information in this connection will be set out in the Company's circular containing, among other things, details of the Rights Issue, to be despatched to the Shareholders as soon as practicable.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold in the open market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of more than HK\$100 will be paid pro rata to the relevant Excluded Shareholders in Hong Kong dollars. The Company will retain individual amounts of HK\$100 or less for its own benefit.

### **Share Option Scheme**

As at the date of this announcement, there are Outstanding Options attaching subscription rights to subscribe for an aggregate of 14,972,000 Shares. Pursuant to the terms of the Share Option Scheme, adjustments to the Outstanding Options may be made upon the Rights Issue becoming unconditional. The Company will announce further details on such adjustment (if any) in accordance with the provisions under the Share Option Scheme.

### **Application for listing of the Right Shares on the Stock Exchange**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms.

Nil-paid Rights Shares are expected to be traded in board lots of 2,000. Dealings in nil-paid and fully-paid Rights Shares will be subject to the payment of stamp duty in Hong Kong.



## Conditions of the Rights Issue

The Rights Issue is conditional upon the following conditions being fulfilled:

- (1) the Company despatching the circular to the Shareholders containing, among other matters, details of the Rights Issue and Whitewash Waiver together with proxy form and notice of the SGM;
- (2) the passing by the Independent Shareholders at the SGM by way of poll of ordinary resolutions to approve the Rights Issue (if required by the Securities and Futures Commission, the Stock Exchange or other regulatory authorities) and the Whitewash Waiver by no later than the date on which the Prospectus is despatched;
- (3) the Executive granting the Whitewash Waiver to Mr. Poon and parties acting in concert with him and the satisfaction of all conditions (if any) attached to the Whitewash Waiver granted;
- (4) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in all the Rights Shares (in their nil-paid and fully-paid forms) by no later than the date on which the Prospectus is despatched;
- (5) the Bermuda Monetary Authority granting consent to (if required) the issue of the Rights Shares by no later than the date on which the Prospectus is despatched;
- (6) the posting of the Rights Issue Documents to Qualifying Shareholders;
- (7) compliance with and performance of all the undertakings and obligations of the Company under the terms of the Underwriting Agreement;
- (8) compliance with and performance of each of Mr. Poon and the relevant persons named in the Underwriting Agreement of all of his/her/its undertakings and obligations under the terms of the Underwriting Agreement; and
- (9) Mr. Poon, together with parties acting in concert with him, shall be and shall remain to be the controlling shareholders (as defined in the Listing Rules) of the Company.

If any of the conditions of the Rights Issue are not fulfilled or waived (in respect of conditions (7) and (8) only) on or before the Latest Acceptance Time (or such later time and/or date as the Company and the Underwriters may determine in writing), the Underwriting Agreement shall terminate (save in respect of any rights and obligations which may accrue under the Underwriting Agreement prior to such termination) and neither the Company nor the Underwriters shall have any claim against the other party for costs, damages, compensation or otherwise and the Rights Issue will not proceed.

As at the date of this announcement, the parties to the Underwriting Agreement have been advised that the Rights Issue is not required to be made conditional upon the Independent Shareholders' approval for the Rights Issue at the SGM.

## **REASONS FOR THE RIGHTS ISSUE AND USE OF THE PROCEEDS**

The Directors have decided to take advantage of favourable conditions in the market to raise further equity on a fully underwritten basis and on a basis which will allow all Qualifying Shareholders to participate in the Rights Issue in proportion to their shareholdings. The Company intends to use the net proceeds for the Rights Issue, being approximately HK\$160 million if no Outstanding Options are exercised on or before the Record Date or approximately HK\$170 million if all Outstanding Options are exercised on or before the Record Date, for future investment opportunities in Hong Kong, Macau and the PRC. The Directors consider that additional capital as generated from the Rights Issue will further strengthen the financial position of the Group and will be used for investment purpose in order to expand the Group's investment portfolio. The Directors have not identified any specific investment projects for the time being and will continue to identify suitable investment opportunities for the Group. The Company is an investment holding company. The principal activities of its major investee companies include investment and development of properties and investment and operation of hotels, restaurants, travel agency and securities investment. The Directors consider that any new investment is likely to be in one of these sectors and that the Rights Issue provides a good opportunity for the Company to strengthen its capital position so that when suitable opportunities are identified by the Directors from time to time, the Company will be able to be financially flexible to respond to the market prospects, which in turn will be beneficial to the Group in the long run. Further announcement will be made by the Company in accordance with or as required under the Listing Rules if any investment opportunity materializes.

The Directors consider that it is in the interest of the Company and the Shareholders to raise further capital which will be used by the Company to support and expand the Group's business and operation and investment opportunities, and the Rights Issue will allow all Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company.

The Directors consider that it is not always possible for small to medium size listed companies to raise capital through the market. The Directors therefore consider appropriate for the Company to capture the fund raising opportunity through the Rights Issue on a fully underwritten basis. The Company intends to use the net proceeds from the top-up subscription in January 2006 of approximately HK\$28.8 million (representing approximately 1.8% of the unaudited net tangible assets of the Group as at 30 September 2005) for general working capital of the Group, as stated in the Company's announcement dated 11 January 2006. As the top-up subscription in January 2006 raised a comparatively small amount, the Directors expect that the investment opportunities that arise in the future are likely to require greater amount of funds. As stated above, the Company has decided to take advantage of this opportunity to raise additional equity funds by way of the Rights Issue so as to be able to respond rapidly to any investment opportunity that may arise.

**FUND RAISING ACTIVITIES OF THE COMPANY IN THE 12 MONTHS ENDING ON THE DATE OF THIS ANNOUNCEMENT**

<b>Date of announcement</b>	2 March 2005	11 January 2006
<b>Event</b>	Placing and subscription of 34.6 million Shares ( <i>Note 1</i> )	Placing and subscription of 16 million Shares ( <i>Note 2</i> )
<b>Net proceeds raised</b>	HK\$84.3 million	HK\$28.8 million
<b>Proposed use of the net proceeds</b>	HK\$70 million for repayment of bank borrowing and HK\$14.3 million for general working capital	General working capital
<b>Actual use of the net proceeds</b>	HK\$70 million for bank loans repayment, approximately HK\$7.5 million for staff remuneration, approximately HK\$1.5 million for finance expenses, approximately HK\$1.3 million for acquisition of fixed assets and approximately HK\$4.0 million for other administrative expenses	The net proceeds have not been utilized and the Company intends to use such net proceeds as announced

*Notes:*

- Such Shares have been issued pursuant to general mandate granted at the annual general meeting of the Company held on 27 August 2004.
- Such Shares have been issued pursuant to general mandate granted at the annual general meeting of the Company held on 26 August 2005.

Save as disclosed above, the Company did not carry out any rights issue, open offer or other issue of equity securities for fund raising purpose or otherwise in the 12 months ending on the date of this announcement.

## UNDERWRITING ARRANGEMENTS

### Underwriting Agreement

Date: 8 February 2006 (as supplemented by the letter dated 10 February 2006 entered into by the same parties amending certain definitions and the expected timetable of the Rights Issue)

Underwriters: Mr. Poon, an executive Director  
Tai Fook Securities Company Limited

Number of Shares to be underwritten (“Underwritten Shares”): Not less than 86,954,119 Rights Shares and not more than 93,581,119 Rights Shares, as to not less than 23,314,625 Rights Shares (*Note 1*) and not more than 29,941,625 Rights Shares (*Note 2*) to be underwritten by Mr. Poon and 63,639,494 Rights Shares to be underwritten by Tai Fook Securities Company Limited provided that:

- (a) Mr. Poon shall subscribe or procure subscription for all Underwritten Shares not taken up by the Qualifying Shareholders which are Shares issued upon exercise of the Outstanding Options (“Underwritten Option Shares”);
- (b) if the number of the Underwritten Shares not taken up by the Qualifying Shareholders (excluding the Underwritten Option Shares) is equal to or less than 23,314,625 Rights Shares, Mr. Poon shall solely subscribe or procure subscription for all such Underwritten Shares; and
- (c) if the number of the Underwritten Shares not taken up by the Qualifying Shareholders (excluding the Underwritten Option Shares) is more than 23,314,625 Rights Shares, Mr. Poon shall first subscribe or procure subscription for such Underwritten Shares to the extent of 23,314,625 Rights Shares and Tai Fook Securities Company Limited shall subscribe or procure subscription for the balance of such Underwritten Shares.

Commission: 2% of the total Subscription Price of the Rights Shares underwritten by Tai Fook Securities Company Limited. The commission to be received by Tai Fook Securities Company Limited will be approximately HK\$1.7 million. The commission payable to Tai Fook Securities Company Limited was determined after arm's length negotiations between the Company and Tai Fook Securities Company Limited. The Directors (including the independent non-executive Directors) consider that such amount is on normal commercial terms and is comparable with market rate. Under the Underwriting Agreement, Mr. Poon will not receive any underwriting commission in connection with his underwriting under the Rights Issue.

*Notes:*

1. This figure excludes 40,324,867 Rights Shares to be provisionally allotted to Mr. Poon and parties acting in concert with him in respect of their beneficial shareholding in the Company, for which Mr. Poon has undertaken, and has undertaken to procure parties acting in concert with him to undertake, to subscribe in full (assuming that no Outstanding Options are exercised on or before the Record Date).
2. This figure includes the Rights Shares to be provisionally allotted in respect of the Shares issued upon exercise of the Outstanding Options on or before the Record Date, but excludes (i) 40,324,867 Rights Shares to be provisionally allotted to Mr. Poon and parties acting in concert with him in respect of their beneficial shareholding in the Company, for which Mr. Poon has undertaken, and has undertaken to procure parties acting in concert with him to undertake, to subscribe in full, and (ii) 859,000 Rights Shares to be provisionally allotted to Mr Fung Siu To Clement pursuant to the Rights Issue in respect of 1,718,000 Shares which will be issued to him if he exercises on or before the Record Date the Outstanding Options attaching subscription rights to subscribe for 1,718,000 Shares granted to him, for which Mr. Poon has undertaken to procure Mr. Fung Siu To Clement to undertake to subscribe in full.

Under the terms of the Underwriting Agreement, the Company and the Underwriters agreed that if the conditions of the Rights Issue are fulfilled or waived on or before the Latest Acceptance Time (or such later time and/or date as the Company and the Underwriters may determine in writing) and the Underwriting Agreement becomes unconditional and is not terminated in accordance with the terms thereof, the Company shall before 10:00 a.m. on the second Business Day after the Latest Acceptance Time notify or procure its branch share registrar in Hong Kong on behalf of the Company to notify the Underwriters in writing of the number of Underwritten Shares not taken up by Qualifying Shareholders on or before the Latest Acceptance Time ("Untaken Shares") and the Underwriters shall subscribe for the Untaken Shares and pay the relevant Subscription Monies not later than 4:00 p.m. on the second Business Day after (but not including) the date of their receipt of the written notification.

### **Termination of the Underwriting Agreement**

**The Underwriting Agreement contains provisions granting Tai Fook Securities Company Limited, by notice in writing, the right to terminate the Underwriters' obligations thereunder on the occurrence of certain events. Tai Fook Securities Company Limited may terminate the Underwriting Agreement prior to the Latest Time for Termination if prior to the Latest Time for Termination:**

- (a) in the absolute opinion of Tai Fook Securities Company Limited acting in good faith, the success of the Rights Issue would be materially and adversely affected by:**
- (i) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of Tai Fook Securities Company Limited materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or**
  - (ii) the occurrence of any local, national or international event or change, whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement, of a political, financial, economic currency, market or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may in the absolute opinion of Tai Fook Securities Company Limited materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or**
  - (iii) any material adverse change in the business or in the financial or trading position or prospectus of the Group as a whole; or**
  - (iv) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would in the absolute opinion of Tai Fook Securities Company Limited materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or**
  - (v) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or**
  - (vi) the commencement by any third party of any litigation or claim against any member of the Group which is or might be material to the Group taken as a whole; or**
- (b) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, the PRC or other jurisdiction relevant to the Group or any member of the Group and a change in currency conditions for the purpose of the Underwriting Agreement includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the absolute opinion of Tai Fook Securities Company Limited makes it inexpedient or inadvisable to proceed with the Rights Issue; or**
- (c) the circular in relation to the Rights Issue or the Prospectus when published contain information (either as to business prospects or the condition of the Group**

or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which in the absolute opinion of Tai Fook Securities Company Limited is material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a prudent investor not to accept the Rights Shares provisionally allotted to it.

If the Underwriting Agreement is terminated by Tai Fook Securities Company Limited before the aforesaid deadline or does not become unconditional, the Underwriting Agreement shall terminate (save in respect of any rights and obligations which may accrue under the Underwriting Agreement prior to such termination) and neither the Company nor the Underwriters shall have any claim against the other party for costs, damages, compensation or otherwise and the Rights Issue will not proceed.

Pursuant to the Underwriting Agreement, Tai Fook Securities Company Limited is entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (a) any material breach of any of the warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of Tai Fook Securities Company Limited; or
- (b) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material aspect comes to the knowledge of Tai Fook Securities Company Limited.

#### **WARNING OF THE RISK OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES**

The Shares will be dealt in on an ex-rights basis from 13 March 2006. Dealings in the Rights Shares in the nil-paid form will take place from 24 March 2006 to 31 March 2006 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled and/or waived on or before the Latest Acceptance Time (or such later time and/or date as the Company and the Underwriters may determine in writing), or the Underwriting Agreement is terminated by Tai Fook Securities Company Limited, the Rights Issue will not proceed and the Rights Issue will lapse.

Any persons contemplating buying or selling Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled and/or waived, and any dealings in the Rights Shares in their nil-paid form from 24 March 2006 to 31 March 2006 (both dates inclusive), bear the risk that the Rights Issue may not become unconditional or may not proceed.

Any Shareholders or other persons contemplating dealing in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers.

## CHANGES IN SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company as at the date of this announcement and immediately after completion of the Rights Issue assuming that there is no change in the shareholding structure of the Company from the date of this announcement to immediately before completion of the Rights Issue save pursuant to the exercise of Outstanding Options and the transactions contemplated under the Underwriting Agreement, and further assuming that the Underwriters take up the Rights Shares to the maximum extent:

Name of Shareholder/ Beneficial owner	As at the date of this announcement		Immediately after completion of the Rights Issue (assuming no Outstanding Options are exercised on or before completion of the Rights Issue)		Immediately after completion of the Rights Issue (assuming all Outstanding Options are exercised on or before the Record Date)	
	No. of Shares held	Percentage shareholdings	No. of Shares held	Percentage shareholdings	No. of Shares held	Percentage shareholdings
Mr. Poon	36,516,438	14.3%	78,089,282 (Note 1)	20.4%	84,716,282 (Note 1)	21.0%
Full Speed Investments Limited/Mr. Poon	9,099,565	3.6%	13,649,347	3.6%	13,649,347	3.4%
Heston Holdings Limited/Mr. Poon	13,437,378	5.3%	20,156,067	5.3%	20,156,067	5.0%
Teddington Holdings Limited/Mr. Poon	16,129,861	6.3%	24,194,791	6.3%	24,194,791	6.0%
Wong Mei Ling Suzanne (Note 2)	1,420,588	0.6%	2,130,882	0.6%	2,130,882	0.5%
Fung Siu To Clement (Note 3)	4,045,906	1.6%	6,068,859	1.6%	8,645,859	2.1%
Lim Yin Cheng (Note 3)	Nil	0%	Nil	0%	1,718,000	0.4%
<b>Sub-total:</b>	80,649,736	31.7%	144,289,228	37.8%	155,211,228	38.4%
Other Directors	Nil	0%	Nil	0%	3,436,000 (Note 4)	0.8%
Tai Fook Securities Company Limited	Nil	0%	63,639,494	16.7%	63,639,494	15.8%
Public	173,908,236	68.3%	173,908,236	45.5%	182,008,236	45.0%
<b>Total</b>	<u>254,557,972</u>	<u>100%</u>	<u>381,836,958</u>	<u>100%</u>	<u>404,294,958</u>	<u>100%</u>

### Notes:

- Such interests represent the sum of (a) the 36,516,438 Shares currently held by Mr. Poon or his nominee together with the 18,258,219 Rights Shares to be provisionally allotted to him or his nominee in respect of such 36,516,438 Shares which Mr. Poon has undertaken to take up under the Rights Issue; and (b) the maximum number of Rights Shares which Mr. Poon may have to take up as one of the Underwriters under the Rights Issue (being 23,314,625 Rights Shares assuming no Outstanding Options are exercised on or before the Record Date or 29,941,625 Rights Shares assuming all the Outstanding Options are exercised on or before the Record Date).
- Ms. Wong Mei Ling Suzanne is the spouse of Mr. Poon.
- Mr. Fung Siu To Clement and Mr. Lim Yin Cheng are executive Directors and brothers-in-law of Mr. Poon.



4. Such interests represent the aggregate shareholding interests of Mr. Lun Pui Kan and Mr. Kwan Po Lam Phileas, all being executive Directors, in the Company assuming all their Outstanding Options are exercised on or before the Record Date and none of them take up the Rights Shares provisionally allotted to each of them.

## **MAINTENANCE OF PUBLIC FLOAT**

It is expected that immediately following the completion of the Rights Issue, there will be more than 25% of the Shares held by the public. However, the Stock Exchange has stated that if, at the date of completion of the Rights Issue, less than 25% of the Shares are held by the public or if the Stock Exchange believes that:

- a false market exists or may exist in the trading in the Shares; or
- there are too few Shares in public hands to maintain an orderly market,

then it will consider exercising its discretion to suspend trading in the Shares until a sufficient public float is attained.

## **EXPECTED TIMETABLE**

The expected timetable for the Rights Issue set out below is indicative only and it has been prepared on the assumption that the Whitewash Waiver will be approved by the Independent Shareholders at the SGM. The expected timetable is subject to change, and any changes will be announced in a separate announcement by the Company as and when appropriate.

2006

Despatch of the Company's circular with notice of SGM .....	3 March
Last day of dealings in Shares on a cum-rights basis .....	10 March
First day of dealings in Shares on an ex-rights basis .....	13 March
Latest time for lodging transfer of Shares in order to qualify for the Rights Issue .....	4:00 p.m. on 14 March
Register of members of the Company closes (both dates inclusive) .....	15 March to 21 March
SGM .....	10:00 a.m. on 21 March
Record Date .....	21 March
Despatch of the Rights Issue Documents .....	22 March
Announcement of results of SGM .....	22 March
Register of members re-opens .....	22 March

First day of dealings in nil-paid Rights Shares .....	24 March
Latest time for splitting of nil-paid Rights Shares .....	4:00 p.m. on 28 March
Last day of dealings in nil-paid Rights Shares .....	31 March
Latest time for payment and acceptance of Rights Shares ( <i>Note</i> ) .....	4:00 p.m. on 6 April
Latest time for the Rights Shares to become unconditional .....	4:00 p.m. on 10 April
Announcement of results of acceptance of and excess applications for the Rights Issue appears on newspapers .....	12 April
Despatch of refund cheques in respect of unsuccessful or partially unsuccessful excess applications for excess Rights Shares on or before .....	13 April
Despatch of certificates for fully-paid Rights Shares on or before .....	13 April
Commencement of dealings in fully-paid Rights Shares .....	19 April

*Note:*

If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on the latest date for acceptance of the offer of Rights Shares at any time between 12:00 noon and 4:00 p.m., the Latest Acceptance Time will be postponed to the next Business Day which does not have either of those warnings in force in Hong Kong at any time between 12:00 noon and 4:00 p.m.

**WHITEWASH WAIVER**

Mr. Poon and parties acting in concert with him are beneficially interested in 80,649,736 Shares, representing approximately 31.7% of the issued share capital of the Company as at the date of this announcement. In the event that no Qualifying Shareholder (other than Mr. Poon and parties acting in concert with him) takes up any Rights Shares under the Rights Issue and assuming no Outstanding Options are exercised on or before the Record Date, Mr. Poon, as one of the Underwriters, has agreed to subscribe for and take up 23,314,625 Rights Shares that are not subscribed for under the Rights Issue pursuant to the Underwriting Agreement. In the event that no Qualifying Shareholder (other than Mr. Poon and parties acting in concert with him) takes up any Rights Shares under the Rights Issue and assuming all Outstanding Options are exercised in full on or before the Record Date, Mr. Poon, as one of the Underwriters, has agreed to subscribe for and take up 29,941,625 Rights Shares that are not subscribed for under the Rights Issue pursuant to the Underwriting Agreement. Accordingly, the subscription for and underwriting of the Rights Shares under the Rights

Issue by Mr. Poon may result in the aggregate shareholding in the Company of Mr. Poon and parties acting in concert with him being increased from approximately 31.7% to approximately 37.8% (assuming no Outstanding Options are exercised on or before the Record Date), or to approximately 38.4% (assuming all the Outstanding Options are exercised in full on or before the Record Date) and may trigger an obligation for him and parties acting in concert with him to make a mandatory offer under Rule 26 of the Takeovers Code for all the Shares and securities issued by the Company not already held by him and parties acting in concert with him. Under the 2% creeper mentioned in the Takeovers Code, Mr. Poon and parties acting in concert with him may increase their aggregate shareholding from the lowest percentage shareholding in the past 12 months of approximately 31.7% to approximately 33.7% without incurring a mandatory offer obligation. The possible increase of the aggregate shareholding of Mr. Poon and parties acting in concert with him of approximately 6.1% from approximately 31.7% to approximately 37.8% (assuming no Outstanding Options are exercised on or before the Record Date) as a result of the subscription for and the underwriting of the Rights Shares under the Rights Issue by Mr. Poon represents an approximately 4.1% increase over and above the limit allowed by the 2% creeper (37.8% less 33.7%). In the event that all the Outstanding Options are exercised in full on or before the Record Date, the possible increase of the aggregate shareholding of Mr. Poon and parties acting in concert with him of approximately 6.7% from approximately 31.7% to approximately 38.4% as a result of the subscription for and the underwriting of the Rights Shares under the Rights Issue by Mr. Poon represents an approximately 4.7% increase over and above the limit allowed by the 2% creeper (38.4% less 33.7%).

A formal application will be made by Mr. Poon to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval of the Independent Shareholders at the SGM by way of poll, which Mr. Poon and parties acting in concert with him and Shareholders who are involved in or interested in the Underwriting Agreement and the Whitewash Waiver will abstain from voting on the relevant resolution. It is a condition precedent to the completion of the Rights Issue that the Whitewash Waiver is granted by the Executive. If the Whitewash Waiver is not granted by the Executive or if the condition imposed thereon is not fulfilled, the Rights Issue will not proceed.

As at the date of this announcement, other than approximately 31.7% of the issued share capital of the Company beneficially owned by the Mr. Poon and parties acting in concert with him, the Outstanding Options attaching subscription rights to subscribe for 1,718,000 Shares held by each of Mr. Fung Siu To Clement and Mr. Lim Yin Cheng and the transactions contemplated under the Underwriting Agreement, Mr. Poon and parties acting in concert with him do not hold any other shares, convertible securities, warrants or options of the Company, or any outstanding derivative in respect of securities in the Company.

## DEALINGS OF SHARES BY MR. POON AND HIS CONCERT PARTIES

Dealing of Shares by Mr. Poon and the parties acting in concert with him in the six months prior to the date of this announcement are as follows:

<b>Date</b>	<b>Number of Shares acquired</b>	<b>Highest price per Share (HK\$)</b>	<b>Average price per Share (HK\$)</b>
23 September 2005	488,000	2.400	2.359
26 September 2005	120,000	2.400	2.376
27 September 2005	576,000	2.400	2.356
28 September 2005	190,000	2.400	2.388
29 September 2005	<u>198,000</u>	2.425	2.405
Total	<u>1,572,000</u>		

In addition, on 14 October 2005, the Company made a scrip distribution pursuant to which 1,271,219 Shares were distributed to Mr. Poon and his associates; and 68,547 Shares were distributed to Mr. Fung Siu To Clement.

On 11 January 2006, a top-up placing agreement was entered into between the Company, Mr. Poon and Get Nice Investment Ltd. as placing agent, pursuant to which Mr. Poon sold 16 million Shares and subscribe for the same number of Shares at a price of HK\$1.85 per Share. Completion of the top-up subscription took place on 23 January 2006. As a result of the top-up subscription, the shareholding of Mr. Poon and parties acting in concert with him in the Company was reduced from approximately 33.8% to approximately 31.7%.

## GENERAL

The Company has established an independent board committee (which comprises the three independent non-executive Directors) to advise the Independent Shareholders as to whether the terms of the Whitewash Waiver are fair and reasonable and whether the Whitewash Waiver is in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote, taking into account the recommendations of the independent financial adviser. In this connection, the Company has appointed VC Capital Limited as the independent financial adviser to advise the independent board committee and the Independent Shareholders as to whether the terms of the Whitewash Waiver are fair and reasonable and whether the Whitewash Waiver is in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote. The independent board committee has approved the appointment of VC Capital Limited as the independent financial adviser. A circular containing, among other things, details of the Rights Issue and the Whitewash Waiver, the recommendation of the independent board committee and the letter from VC Capital Limited to the independent board committee and Independent Shareholders together with a notice convening the SGM will be despatched to the Shareholders as soon as practicable.

The Rights Issue Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders as soon as practicable.

## **SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 8 February 2006 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 13 February 2006.

## **DEFINITIONS**

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

“associate”	has the meaning ascribed to it under Chapters 1 and 14A of the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday) on which banks generally are open for business in Hong Kong
“Company”	Asia Orient Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Excluded Shareholders”	the Overseas Shareholders whom the Directors, based on legal opinions provided by legal advisers, considers it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any of his delegates
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Independent Shareholders”	Shareholders other than (1) Mr. Poon and parties acting in concert with him; and (2) those who are involved in or interested in the Underwriting Agreement and the Whitewash Waiver
“Last Trading Date”	7 February 2006, being the last trading day of the Shares prior to the release of this announcement

“Latest Acceptance Time”	4:00 p.m. on 6 April 2006 or such later time as may be agreed between the Company and Tai Fook Securities Company Limited, being the latest time for acceptance of the offer of Rights Shares and if there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on such day at any time between 12:00 noon and 4:00 p.m., the Latest Acceptance Time will be postponed to the next Business Day which does not have either of those warnings in force in Hong Kong at any time between 12:00 noon and 4:00 p.m.
“Latest Time for Termination”	4:00 p.m. on the second business day after the Latest Acceptance Time
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Poon”	Mr. Poon Jing, an executive Director
“Outstanding Options”	the options granted by the Company to subscribe for an aggregate of 14,972,000 Shares pursuant to the Share Option Scheme, which are outstanding as at the date of this announcement
“Overseas Shareholder(s)”	the Shareholders with registered addresses (as shown in the register of members of the Company on the Record Date) which are outside Hong Kong
“parties acting in concert”	has the meaning ascribed to it under the Takeovers Code
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Qualifying Shareholder(s)”	the Shareholder(s), other than the Excluded Shareholders, whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	21 March 2006
“Rights Issue”	the proposed issue of Rights Shares by the Company on the basis of one Rights Share for every two existing Shares to the Qualifying Shareholders by way of rights or to holders of nil-paid Rights Shares at the Subscription Price, pursuant to the terms and conditions of the issue
“Rights Issue Documents”	the Prospectus, the provisional allotment letter and the form of application for excess Rights Shares

“Rights Share(s)”	not less than 127,278,986 new Shares and not more than 134,764,986 new Shares to be issued by the Company pursuant to the Rights Issue
“SGM”	the special general meeting of the Company to be convened for the purpose of considering the Whitewash Waiver
“Share(s)”	the ordinary shares which have a par value of HK\$0.10 each in the capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 11 November 2002
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	subscription price of HK\$1.30 per Rights Share
“Subscription Monies”	the subscription monies payable by the Underwriters to the Company in respect of the Rights Shares underwritten by the Underwriters
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Underwriters”	Mr. Poon Jing, an executive Director, and Tai Fook Securities Company Limited, a licensed corporation to carry on regulated activities 1 (dealing in securities), 3 (leveraged foreign exchange trading) and 4 (advising on securities) for the purpose of Securities and Futures Ordinance
“Underwriting Agreement”	the underwriting agreement dated 8 February 2006 entered into between the Company and the Underwriters in relation to the Rights Issue (as supplemented by the letter dated 10 February 2006 entered into by the same parties amending certain definitions and the expected timetable of the Rights Issue)
“Whitewash Waiver”	a waiver from the obligation of Mr. Poon and parties acting in concert with him to make a mandatory offer under Rule 26 of the Takeovers Code as a result of the performance of his underwriting obligation pursuant to the Underwriting Agreement
“%”	per cent.

As at the date of this announcement, the Directors are as follows:

Executive Directors — Mr. Fung Siu To Clement, Mr. Lim Yin Cheng, Mr. Poon Jing, Mr. Lun Pui Kan and 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 and Mr. Wong Chi Keung.

By order of the board of directors of  
**Asia Orient Holdings Limited**  
**Fung Siu To Clement**  
*Chairman*

Hong Kong, 10 February 2006

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

*\* for identification only*