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If you have sold or transferred all your shares in Asia Orient Holdings Limited, you should hand this circular to the purchaser or transferee or the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**DISCLOSEABLE TRANSACTION
ACQUISITION OF A 9.6% EFFECTIVE INTEREST
IN A COMMERCIAL PROPERTY DEVELOPMENT IN BEIJING**

Financial adviser

ANGLO CHINESE
CORPORATE FINANCE, LIMITED

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DEFINITIONS

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

“Acquisition”	the acquisition of a 9.6% effective interest in the Equity Joint Venture Company by the Company pursuant to the terms and conditions of the Sale and Purchase Agreement
“Announcement ”	the announcement dated 5 June 2006 made by the Company containing, amongst other things, the details of the Acquisition and the Sale and Purchase Agreement
“Asia Orient (BVI)”	Asia Orient Holdings (BVI) Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“Commercial Building”	the commercial building to be built on the Property, which will comprise a 12 storey, single block over a three level basement covering a total gross floor area of approximately 63,700 square meters
“Company”	Asia Orient Holdings Limited, a company whose securities are listed on the Stock Exchange
“Developer”	an independent third party which is the developer of the Nanying Fang Wei Gai Area, Chaoyang District, Beijing, PRC
“Directors”	directors of the Company
“Equity Joint Venture Company”	北京雅寶房地產開發有限公司 (Beijing Yabao Real Estate Development Company Limited*), an equity joint venture company established under the laws of the PRC
“Equity Joint Venture Agreement”	a sino-foreign co-operative agreement entered into on 8 August 2003 by Honour Ahead and two other shareholders as varied by a supplemental agreement dated 25 March 2005 entered into by the same parties in addition to another new shareholder whereby the parties agreed to develop the Property
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC

* For identification purpose only

DEFINITIONS

“Honour Ahead”	Honour Ahead Limited, a company incorporated in the British Virgin Islands which has a 20% of the registered capital of the Equity Joint Venture Company
“Land Transfer Agreements”	the land transfer agreements under which the legal ownership of the Property will be transferred to the Equity Joint Venture Company
“Latest Practicable Date”	19 June 2006, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix 10 to the Listing Rules
“PRC”	The People’s Republic of China, excluding for the purposes of this circular, Hong Kong and Macau
“Property”	a site measuring approximately 8,400 square meters located at Zone C of Nanying Fang Wei Gai Area, Chaoyang District, Beijing, PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 30 May 2006 entered into between the Vendor and Asia Orient (BVI)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Upper Level Investments”	Upper Level Investments Limited, a company incorporated in the Seychelles which holds a 48% shareholding interest in Honour Ahead
“Vendor”	the holder of the one issued ordinary share in the capital of Upper Level Investments
“HK\$”	Hong Kong dollars
“%”	per cent.

LETTER FROM THE BOARD



ASIA ORIENT HOLDINGS LIMITED

(滙 漢 控 股 有 限 公 司) *

(Incorporated in Bermuda with limited liability)

(Stock Code: 214)

Executive Directors:

Mr. Fung Siu To Clement (*Chairman*)
Dr. Lim Yin Cheng (*Deputy chairman*)
Mr. Poon Jing (*Managing Director and chief executive*)
Mr. Lun Pui Kan
Mr. Kwan Po Lam Phileas

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Non-executive Director:

Mr. Chan Sze Hung

Principal Office in Hong Kong:

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

Independent non-executive Directors:

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

22 June 2006

To the Shareholders

Dear Sirs,

**DISCLOSEABLE TRANSACTION
ACQUISITION OF A 9.6% EFFECTIVE INTEREST
IN A COMMERCIAL PROPERTY DEVELOPMENT IN BEIJING**

INTRODUCTION

The Directors announced on 5 June 2006 that through the acquisition of the entire issued share capital and outstanding shareholder's loan of Upper Level Investments by Asia Orient (BVI), the Company has acquired 48% of the shareholding in Honour Ahead which in turn holds 20% of the registered capital of Equity Joint Venture Company, resulting in the Company acquiring an effective 9.6% interest in the Equity Joint Venture Company which business is the development of the Property.

* For identification purpose only

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As the applicable percentage ratios under Chapter 14 of the Listing Rules are greater than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules.

THE SALE AND PURCHASE AGREEMENT

On 30 May 2006 Asia Orient (BVI) entered into the Sale and Purchase Agreement whereby the Company has acquired 48% of the shareholding in Honour Ahead which in turn holds 20% of the registered capital of Equity Joint Venture Company, resulting in the Company acquiring an effective 9.6% interest in the Equity Joint Venture Company.

Details of the Sale and Purchase Agreement are set out below:

Date	30 May 2006
Parties	(1) The Vendor, as vendor (2) Asia Orient (BVI), as purchaser
Interest to be acquired	the entire issued share capital and outstanding shareholder's loan of Upper Level Investments
Consideration	HK\$101 million
Terms of payment	the consideration is payable in one lump sum in cash within thirty days of the date of the Sale and Purchase Agreement
Post completion undertaking of the Vendor	in the event that the Property is not validly and legally transferred to the Equity Joint Venture Company within eighteen months of the date of the Sale and Purchase Agreement, Asia Orient (BVI) has the right to require the Vendor to repurchase its investment in Upper Level Investments at its original cost together with accrued interest

The Vendor is an individual and an independent third party who is the controlling shareholder of Upper Level Investments.

BASIS OF DETERMINATION OF THE CONSIDERATION

The consideration of HK\$101 million was arrived at after arm's length negotiations between the Vendor and Asia Orient (BVI), and represents approximately HK\$5.8 million in outstanding shareholder's loan and the balance of approximately HK\$95.2 million to acquire the entire issued share capital of Upper Level Investments. It will be paid in cash

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and financed by internal financial resources of the Group. The consideration was calculated on the basis of the share of the net asset value of the Equity Joint Venture adjusted for the Property's market value of HK\$1,330 million assessed by an independent professional property valuer. The consideration (less the amount of shareholder's loan outstanding of approximately HK\$5.8 million) represents a discount of approximately 2.2% to the net asset value adjusted for the Property's market value attributable to the effective 9.6% interest acquired by Asia Orient (BVI) (approximately HK\$97.3 million).

Based on the unaudited management accounts of the Equity Joint Venture Company as at 30 April 2006, the net asset value of the Equity Joint Venture Company (before taking into account the revaluation surplus of the Property) amounted to approximately RMB64.0 million (equivalent to approximately HK\$61.9 million).

CONDITIONS OF THE SALE AND PURCHASE AGREEMENT

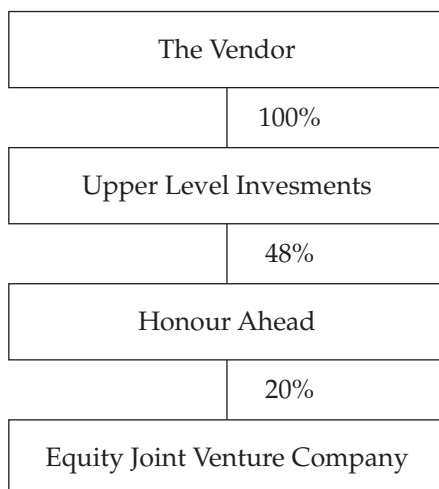
The completion of the Sale and Purchase Agreement is subject to, inter alia, the following conditions:

- (1) the issue of a PRC legal opinion in respect of, inter alia,:
 - (i) the due establishment and subsistence of the Equity Joint Venture Company under the PRC laws;
 - (ii) the validity and subsistence of the Equity Joint Venture Agreement;
 - (iii) the validity and subsistence of the Land Transfer Agreements, together with a confirmation that the Property can be transferred and, or assigned to the Equity Joint Venture Company free from all encumbrances;
 - (iv) the due approval of the approval plans in respect of the Property by the relevant authorities in the PRC; and
 - (v) the issue of all other relevant approvals, permits and consents for the development of the Property and the carrying on of the business of the Equity Joint Venture Company by the relevant authorities in the PRC.
- (2) the issue of a legal opinion by a firm of lawyers practising the laws of Seychelles confirming the due establishment and subsistence of the Upper Level Investments and that Upper Level Investments is duly permitted under the laws of Seychelles to become the registered and beneficial owner of 48% of the entire issued share capital of Honour Ahead; and
- (3) the issue of a legal opinion by a firm of lawyers practising the laws of the British Virgin Islands confirming the due establishment and subsistence of Honour Ahead and that Honour Ahead is duly permitted under the laws of the British Virgin Islands to become the registered and beneficial owner of 20% of the registered capital of the Equity Joint Venture Company.

LETTER FROM THE BOARD

OWNERSHIP STRUCTURE OF THE EQUITY JOINT VENTURE COMPANY

The chart below illustrates the current shareholding structure in the Equity Joint Venture Company:



To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor, the other shareholder of Honour Ahead and its ultimate beneficial owner and all the parties to the Equity Joint Venture Agreement and their ultimate beneficial owners are independent third parties and are not associated with the Company, its chief executive, its directors, substantial shareholders or any party associated with any of them, as defined by the Listing Rules.

There are no contractual obligations which require either Upper Level Investments or Honour Ahead to advance additional finance to the Equity Joint Venture Company.

THE PROPERTY AND THE COMMERCIAL BUILDING

The sole asset of the Equity Joint Venture Company is the benefit of, in and under the Land Transfer Agreements, under which the Equity Joint Venture Company has the right to develop the Property. As the Developer is the legal owner of Nanying Fang Wei Gai Area on which the Property is located, the Property is presently registered in the name of the Developer. However, according to the legal opinion dated 23 May 2006 issued by the PRC legal adviser to the Company and the Equity Joint Venture Company, the Equity Joint Venture Company is in possession of the beneficial ownership in the Property and the right to develop the Property. The PRC lawyers have reviewed the relevant legal documents provided by the Equity Joint Venture Company and all relevant parties including PRC government authorities and opined that a new land use rights certificate will be issued by the relevant PRC government authorities in accordance with the PRC laws and regulations and upon completion of the relevant legal procedures.

The Developer is currently constructing the Commercial Building on behalf of the Company. It is expected that the construction will be completed in or around the fourth quarter of 2007. The Commercial Building is targeted to be occupied by both local and

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overseas enterprises and up-market shops selling prestigious domestic branded products. Pre-sales consent has been obtained but pre-sales have not commenced. Presently the basement levels have been substantially completed. Work on the superstructure is anticipated to commence shortly afterwards. It is currently intended that construction cost will be financed through bank loans of the Equity Joint Venture Company and, or, proceeds from pre-sales of the Commercial Building.

REASONS FOR, AND BENEFITS, OF THE ACQUISITION

The Directors consider that the property market in the PRC has good potential to grow. The Commercial Building is located on Chaoyang District, which is a prime location in Beijing. The Property is in the process of being developed and site foundation works have been nearly completed. Accordingly, the Company can avoid the uncertainties associated with the negotiations with relevant government authorities and the existing tenants in respect of amongst other things, demolition of buildings and clearance of the site and compensation payable to the tenants for relocation. In addition, pre-sale consent has already been obtained and it is expected that the Equity Joint Venture Company can start to sell the units in the Commercial Building in the near future. It is the current intention of the Equity Joint Venture Company to sell all the units in the Commercial Building.

The Directors believe that the terms of the Acquisition are fair and reasonable and are in the interests of the shareholders of the Company as a whole.

INFORMATION ON THE COMPANY

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.

INFORMATION ON UPPER LEVEL INVESTMENTS AND HONOUR AHEAD

Upper Level Investments is an investment holding company. Its sole asset is its holding of 48% of the entire issued share capital of Honour Ahead.

Honour Ahead is an investment holding company. Its sole asset is its holding of 20% of the registered capital of the Equity Joint Venture Company.

FINANCIAL EFFECT OF THE ACQUISITION

As a result of the Acquisition, the Group will acquire a 9.6% effective interest in the registered capital of the Equity Joint Venture Company through its investment in Honour Ahead which will be treated as an associated company of the Group. Accordingly, the Company will equity account for the share of the financial results of Honour Ahead which effectively means a share of 9.6% of the financial results of the Equity Joint Venture Company.

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It is expected that the Acquisition will not have any significant impact on the Group's net asset value as any increase in non-current assets will be offset by a corresponding decrease in bank balances and cash of the Group.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular.

Yours faithfully,
For and on behalf of the Board
Asia Orient Holdings Limited
Fung Siu To, Clement
Chairman

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular concerning the Company and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts not contained in this circular the omission of which would make any statement herein misleading.

2. DISCLOSURE OF DIRECTORS' INTEREST

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation(s) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or pursuant to Section 352 of the SFO, to be entered into the register referred to therein, or pursuant to the Model Code were as follows:

Long positions in shares

(a) The Company

Director	Number of shares held			Total	Percentage of shares in issue (%)
	Personal interest	Corporate interest	Family interest		
Mr. Poon Jing ("Mr. Poon")	54,974,656	58,000,204	2,130,882	115,105,742	30.14
Fung Siu To, Clement ("Mr. Fung")	6,068,858	-	-	6,068,858	1.59

Note: The percentage of shareholding is calculated on the basis of 381,836,958 shares in issue as at the Latest Practicable Date.

(b) *Associated corporations*

Director	Associated Company	Number of shares held			Percentage of shares in issue (%)
		Personal interest	Corporate interest	Total	
Mr. Poon	Asia Standard International Group Limited ("Asia Standard")	4,492,200	2,080,679,712 (Note 1)	2,085,171,912	41.07
Mr. Poon	Asia Standard Hotel Group Limited ("Asia Standard Hotel")	373,405	5,656,723,156 (Note 1)	5,657,096,561	59.78
Mr. Poon and Mr. Fung	Centop Investment Limited ("Centop")	-	20 (Note 2)	20	20
Mr. Poon	Centop	-	80 (Note 3)	80	80
Mr. Fung	Mark Honour Limited	9	-	9	9

Notes:

1. By virtue of his controlling interest in the Company, Mr. Poon is deemed to be interested in the shares of Asia Standard and Asia Standard Hotel held by the Company's subsidiaries.
2. Centop is owned as to 80% by Asia Standard and as to 20% by Kingscore Investment Limited ("Kingscore"). Each of Mr. Poon and Mr. Fung holds 50% interest in Kingscore. By virtue of their interest in Kingscore, each of Mr. Poon and Mr. Fung is deemed to have interest in the 20 shares held by Kingscore and duplicate the interest of the other.
3. By virtue of his controlling interest in the Company, Mr. Poon is deemed to have interest in the 80 shares of Centop held by Asia Standard.

By virtue of his interest in the Company, Mr. Poon is deemed to be interested in the shares of all the Company's subsidiaries and associated corporations.

(II) Long positions in underlying shares and debentures*Interest in share options*

As at the Latest Practicable Date, details of the share options granted to Directors under the share option schemes of the Company and its associated corporations were as follows:

(a) The Company

Name of Director	Capacity	Number of underlying shares subject to Outstanding Options
Mr. Fung	Beneficial owner	1,930,262
Dr. Lim Yin Cheng	Beneficial owner	1,930,262
Mr. Lun Pui Kan	Beneficial owner	1,930,262
Mr. Kwan Po Lam Phileas	Beneficial owner	1,930,262

Options were granted on 12 February 2004 and exercisable from 12 February 2004 to 11 February 2014 at exercise price of HK\$2.9371 per share.

(b) Associated corporation — Asia Standard

Name of Director	Capacity	Number of underlying shares subject to outstanding options
Mr. Fung	Beneficial owner	20,000,000
Mr. Poon	Beneficial owner	5,000,000
Dr. Lim Yin Cheng	Beneficial owner	20,000,000
Mr. Lun Pui Kan	Beneficial owner	20,000,000
Mr. Kwan Po Lam Phileas	Beneficial owner	20,000,000

Options were granted on 30 March 2005 and exercisable from 30 March 2005 to 29 March 2015 at exercise price of HK\$0.325 per share.

Interest in debentures of Asia Standard International Capital Limited

By virtue of his controlling interest in the Company, Mr. Poon is deemed to be interested in the 459,016,393 shares in Asia Standard falling to be issued upon exercise of the conversion rights of the series "B" 4% guaranteed convertible notes due in 2009 in the principal amount of HK\$140 million to be issued by Asia Standard International Capital Limited and to be subscribed by Asia Orient Company Limited at an initial conversion price of HK\$0.305.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive (including their spouse and children under 18 years of age) of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporation(s) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or pursuant to the Model Code in the Listing Rules.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as was known to the Directors or chief executives of the Company, the following persons (other than a Director or chief executive of the Company), were deemed or taken to have an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

Long position in the shares

Name	Number of shares held	Percentage (%)
Teddington Holdings Limited ("Teddington") (<i>Note</i>)	24,194,790	6.33
Heston Holdings Limited ("Heston") (<i>Note</i>)	20,156,068	5.27
Dalton Investments LLC	38,350,728	10.04

Note: Mr. Poon, his family interest and the companies wholly owned by him namely Teddington, Heston and Full Speed Investment Ltd. together hold 115,105,742 shares. The interests of Teddington and Heston duplicate the interests of Mr. Poon disclosed under the heading "Disclosure of Directors' Interest" above.

Interest in other members of the Group

Name of non-wholly owned subsidiary of the Company	Name of registered substantial shareholders (other than members of the Group)	Number of shares held	Percentage of interest
United Resources Associates Limited	Great Oriental Developments Limited	One ordinary share of US\$1	16.66%
Blissful Enterprises Limited	Join Win Resources Limited	Two ordinary shares of US\$1 each	33.33%

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors, no other person (other than a Director or chief executive of the Company) had, or was deemed or taken to have an interest or short position in the shares of the Company and underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group.

4. SERVICE AGREEMENTS

As at the Latest Practicable Date, none of the Directors had a service contract with any member of the Group which is not determinable within one year without payment of compensation (other than statutory compensation).

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their associates have interests in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

6. LITIGATION

Neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration or claims of material importance which is known to the Directors to be pending or threatened by or against either the Company or any of its subsidiaries as at the Latest Practicable Date.

7. GENERAL

- (a) The company secretary of the Company is Ms. Chiu Yuk Ching, an associate member of The Hong Kong Institute of Chartered Secretaries.
- (b) The qualified accountant of the Company is Mr. Lun Pui Kan, an associate member of Hong Kong Institute of Certified Public Accountants.
- (c) The principal share registrars and transfer office of the Company is Butterfield Fund Services (Bermuda) Limited of Rosebank Centre, 11 Bermudiana Road, Pembroke, Bermuda and the branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The head office and principal place of business of the Company is at 30th Floor, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong.
- (e) The English text of this circular prevails over the Chinese text.