
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Asia Orient Holdings Limited, you should at once hand this circular with the accompanying form of election to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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ASIA ORIENT HOLDINGS LIMITED

(滙漢控股有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 214)

**SCRIP DISTRIBUTION SCHEME
IN RELATION TO THE DISTRIBUTION
FOR THE YEAR ENDED 31 MARCH 2007**

* For identification purposes only

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 31 August 2007 approving, among other things, the Distribution and the Scrip Distribution Scheme
“Board”	the board of Directors
“Bonus Issue of Warrants”	the bonus issue of warrants on the basis of one warrant for every five Shares held by the Shareholders at the close of business on the Record Date, as more particularly set out in the announcement of the Company dated 19 July 2007 and approved by the Shareholders on 31 August 2007
“Company”	Asia Orient Holdings Limited
“Directors”	the directors of the Company
“Distribution”	the distribution of the Company for the year ended 31 March 2007 of HK2.0 cents per Share to be paid out of the Company’s contributed surplus account to Shareholders whose names appear in the register of members of the Company as at the Record Date
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Overseas Shareholders”	Shareholders whose registered addresses appearing on the register of Shareholders at the Record Date are outside Hong Kong
“PRC”	People’s Republic of China and for the purpose of this circular, excluding Hong Kong, Macau and Taiwan
“Record Date”	31 August 2007
“Scrip Distribution Scheme”	the scheme proposed by the Directors on 18 July 2007 in relation to the Distribution to offer the Shareholders a scrip alternative to elect to receive the Distribution wholly or partly by allotment of new Shares credited as fully paid Shares in lieu of cash
“Scrip Distribution Shares”	new Shares to be allotted, issued and credited as fully paid Shares under the Scrip Distribution Scheme

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



ASIA ORIENT HOLDINGS LIMITED

(滙漢控股有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 214)

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

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

*Head office and principal place
of business in Hong Kong:*

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

6 September 2007

To the Shareholders

Dear Sirs,

**SCRIP DISTRIBUTION SCHEME
IN RELATION TO THE DISTRIBUTION
FOR THE YEAR ENDED 31 MARCH 2007**

1. INTRODUCTION

On 18 July 2007, the Board announced the final results of the Company and its subsidiaries for the year ended 31 March 2007 and recommended the Distribution. It was also announced that Shareholders might elect to receive the Distribution wholly or partly in Scrip Distribution Shares, subject to the approval by the Shareholders at the AGM. At the AGM, the Distribution and the Scrip Distribution Scheme were approved by the Shareholders. Accordingly, the Shareholders may exercise their option to receive an allotment of Scrip Distribution Shares in lieu of cash distribution.

** For identification purposes only*

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The purpose of this circular is to set out information of the Scrip Distribution Scheme, the procedures which apply in relation to the election of Scrip Distribution Shares and the actions which Shareholders should take in relation thereto.

2. PARTICULARS OF THE SCRIP DISTRIBUTION SCHEME

Under the Scrip Distribution Scheme, each Shareholder whose name appears on the register of Shareholders as at the Record Date has the following choices in respect of the Distribution:

- (1) to receive the Distribution of HK2.0 cents per Share in cash; or
- (2) to be allotted Scrip Distribution Shares having an aggregate market value (as described below), save for adjustment for fractions, equal to the total amount of the Distribution which such Shareholder would otherwise receive in cash; or
- (3) to receive the Distribution partly in cash and partly in Scrip Distribution Shares.

The Scrip Distribution 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 and the Bonus Issue of Warrants. Distribution in cash will be paid out in Hong Kong dollars regardless of the place of residence of the Shareholders as at the Record Date.

3. BASIS OF ALLOTMENT OF THE SCRIP DISTRIBUTION SHARES

For the purposes of calculating the number of Scrip Distribution Shares to be allotted, the market value of the Scrip Distribution Shares has been fixed at HK\$1.47, being the average of the closing prices of one Share traded on the Stock Exchange for the three consecutive trading days up to and including the Record Date less a discount of 6%, rounding down to two decimal places. Accordingly, the number of Scrip Distribution Shares which the Shareholders will receive in respect of the existing Shares registered in their names as at the Record Date and for which elections to receive the Scrip Distribution Shares are lodged with the Hong Kong Branch Registrar and Transfer Office of the Company, Computershare Hong Kong Investor Services Limited, at the address and before the time set out in paragraph 5 will be calculated as follows:

$$\text{Number of Scrip Distribution Shares to be received} = \frac{\text{Number of existing Shares held on the Record Date for which election is made under the Scrip Distribution Scheme}}{\text{HK\$1.47 (the average closing price per Share for the three consecutive trading days up to and including the Record Date less a discount of 6%)}} \times \frac{\text{HK2.0 cents (Distribution per Share)}}{\text{HK\$1.47 (the average closing price per Share for the three consecutive trading days up to and including the Record Date less a discount of 6%)}}$$

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If all Shareholders elect to receive their Distribution in Scrip Distribution Shares, based on 578,576,347 Shares in issue as at the Record Date, not more than 7,871,787 Scrip Distribution Shares will be issued under the Scrip Distribution Scheme. The number of Scrip Distribution Shares to be issued to each Shareholder will be rounded down to the nearest whole number. Fractional entitlements to Scrip Distribution Shares will not be allotted but will be aggregated and sold for the benefit of the Company.

4. ADVANTAGES OF THE SCRIP DISTRIBUTION SCHEME

The Scrip Distribution Scheme will give the 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, to the extent that the Shareholders do not elect to receive cash, in whole or in part, such cash as would otherwise have been paid to such Shareholders will be retained for use as working capital by the Company.

5. FORM OF ELECTION

If you do not elect to receive any of your Distribution in Scrip Distribution Shares, you do not need to take any action.

If you elect to receive Scrip Distribution Shares, or partly in cash and partly in Scrip Distribution Shares, you should use the enclosed form of election. If you complete the form of election but do not specify the number of Shares in respect of which you wish to receive Scrip Distribution Shares, or if you elect to receive Scrip Distribution Shares in respect of a greater number of Shares than your registered holding as at the Record Date, you will be deemed to have exercised your election to receive Scrip Distribution Shares in respect of all the Shares of which you were then registered as the holder.

The enclosed form of election should be completed in accordance with the instructions printed thereon, returned to and received by the Hong Kong Branch Registrar and Transfer Office of the Company, Computershare Hong Kong Investor Services Limited, Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on 20 September 2007. No acknowledgment of receipt of the form of election will be issued.

No elections in respect of the Distribution may, after the relevant election forms are signed and returned to the Hong Kong Branch Registrar and Transfer Office of the Company, be in any way withdrawn, revoked, superseded or altered.

6. OVERSEAS SHAREHOLDERS

None of this circular, the form of election and the Scrip Distribution Shares will be registered or filed under the securities laws or equivalent legislation of any jurisdiction other than, if applicable, Hong Kong and Bermuda.

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If you are resident outside Hong Kong, this circular and/or the form of election only constitute(s) an invitation to subscribe for Scrip Distribution Shares if such an invitation can be legally made to you without the Company having to meet any legal or registration requirements outside Hong Kong. Shareholders residing in a jurisdiction where it would be illegal for the Company to make such an invitation will be deemed to have received this circular and/or the form of election for information only.

As at the Record Date, there were 321 Overseas Shareholders residing in 27 jurisdictions, namely Australia, British Virgin Islands, Canada, Germany, Gibraltar, Indonesia, Ireland, Israel, Japan, Liechtenstein, Macau, Malaysia, Mauritius, Netherlands, New Zealand, the PRC, Philippines, Portugal, Saudi Arabia, Singapore, Spain, Switzerland, Taiwan, Thailand, United Kingdom, United States of America and Zimbabwe, who together held an aggregate of 46,942 Shares, representing approximately 0.008% of the entire issue share capital of the Company. The aggregate amount of the Distribution to which these Overseas Shareholders are entitled is approximately HK\$938.84.

The Company has been advised by its legal advisers on the laws of Australia, British Virgin Islands, Canada, Germany, Gibraltar, Ireland, Israel, Japan, Liechtenstein, Macau, Mauritius, Netherlands, New Zealand, Portugal, the PRC, Saudi Arabia, Singapore, Spain, Switzerland, Thailand, United Kingdom and Zimbabwe that either there is no legal restriction or there are exemptions available to the Company under the applicable legislation of Australia, British Virgin Islands, Canada, Germany, Gibraltar, Ireland, Israel, Japan, Liechtenstein, Macau, Mauritius, Netherlands, New Zealand, Portugal, the PRC, Saudi Arabia, Singapore, Spain, Switzerland, Thailand, United Kingdom and Zimbabwe or requirement of any relevant regulatory body or stock exchange in these 22 jurisdictions with respect to the offer of the Scrip Distribution Shares to the Overseas Shareholders with registered addresses in these 22 jurisdictions as at the Record Date.

The Directors have also been advised by legal counsels in Indonesia, Malaysia, Philippines, Taiwan and United States of America that, without complying with local approval and/or registration requirements and/or other formalities under the laws of Indonesia, Malaysia, Philippines, Taiwan and United States of America, subject to the exception set out in the following paragraph, the Scrip Distribution Scheme may not be offered to Overseas Shareholders with registered addresses in Indonesia, Malaysia, Philippines, Taiwan and United States of America as at the Record Date (“**Excluded Shareholders**”). As it would not be cost-effective or expedient for the Company to comply with the approval and/or registration requirements and/or other formalities under the laws of Indonesia, Malaysia, Philippines, Taiwan and United States of America, the Directors have decided that, subject to the exception set out in the following paragraph, it would be expedient to exclude the Excluded Shareholders from the Scrip Distribution Scheme.

Therefore, the forms of election will not be sent to the Excluded Shareholders generally. However, the forms of election will be sent to those Excluded Shareholders who can prove to the satisfaction of the Company that such action would not result in a contravention of any applicable legal or regulatory requirements. Excluded Shareholders who wish to participate in the Scrip Distribution Scheme should notify the Company forthwith. In any event, the completed forms of election should be returned to and received by the Hong Kong Branch Registrar and Transfer Office

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of the Company, Computershare Hong Kong Investor Services Limited, at the address and before the time set out in paragraph 5. Excluded Shareholders, other than those participating in the Scrip Distribution Scheme in accordance with this paragraph, will receive their Distribution in cash in the usual way.

The Directors have been advised by its legal counsel in Australia that the offer of the Scrip Distribution Shares for issue does not need prospectus disclosure to investors under Part 6D.2 of the Corporations Act 2001 (Cth) (the “Australian Corporations Act”) where the offer is received by an existing Overseas Shareholder with registered address in Australia and is made under a dividend reinvestment plan pursuant to the exemption in section 708(13) of the Australian Corporations Act. Any on-sale in Australia of Scrip Distribution Shares is permitted within 12 months of their issue by virtue of Category 4 of Australian Securities and Investments Commission Class Order CO 04/671.

In addition, the Directors have been advised by legal counsel in Canada that while Overseas Shareholders with registered addresses in the provinces of Ontario and British Columbia, Canada may be lawfully offered the option to participate in the Scrip Distribution Scheme without registration and/or other formalities, under Multilateral Instrument 45-102 — Resale of Securities, unless certain conditions are satisfied, securities obtained by way of scrip dividend/distribution can only be traded under a prospectus or in accordance with exemptions from prospectus and registration requirements contained in the Securities Act (Ontario) R.S.O. 1990 and the Securities Act (British Columbia) R.S.B.C 1996. While Overseas Shareholders with registered addresses in the provinces of Ontario and British Columbia, Canada will not be excluded from the Scrip Distribution Scheme, such Overseas Shareholders are advised to consult their own professional advisers whether it would be beneficial or expedient for them to participate in the Scrip Distribution Scheme. The Company is not aware that it has any Overseas Shareholders in Canada with registered addresses outside the provinces of British Columbia or Ontario.

The Directors have also been advised by its legal counsel in the PRC that while the offer to the Overseas Shareholders with registered addresses in the PRC of the option to receive the Scrip Distribution Shares will not constitute a public offering or private placement as defined in the PRC Securities Law (as amended in October 2005), the Overseas Shareholders with registered addresses in the PRC shall obtain approval from the local counterpart of the National Development and Reform Commission of the PRC before they can accept to receive Scrip Distribution Shares under the Scrip Distribution Scheme. Therefore, although the Overseas Shareholders with registered addresses in the PRC will not be excluded from the Scrip Distribution Scheme, such Overseas Shareholders are advised to consult their own professional advisers whether it would be beneficial or expedient for them to participate in the Scrip Distribution Scheme and if so, to ensure that they have complied with all the applicable local approval requirements before electing to receive the Scrip Distribution Shares.

For the avoidance of doubt, the Scrip Distribution Shares are not offered to the public (other than the Shareholders) and the forms of election are non-transferable.

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Notwithstanding the legal advice taken by the Company, it is the responsibility of anyone wishing to participate in the Scrip Distribution Scheme to satisfy themselves as to full observance of the laws of any relevant territory, including obtaining any governmental or other consents which may be required. Overseas Shareholders who are in doubt as to their position should consult their own professional advisers.

7. STOCK EXCHANGE LISTING AND DEALINGS AND DESPATCH OF DIVIDEND WARRANTS AND/OR SHARE CERTIFICATES FOR SCRIP DISTRIBUTION SHARES

The Scrip Distribution Scheme is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Scrip Distribution Shares, and if required, the Bermuda Monetary Authority granting its permission to the issue and subsequent free transferability of the Scrip Distribution Shares.

Application has been made to the Stock Exchange for the granting of listing of, and permission to deal in, the Scrip Distribution Shares. The dividend warrants in relation to the Distribution and/or share certificates with respect to the Scrip Distribution Shares are expected to be despatched at the risk of those entitled thereto on or about 2 October 2007. On this basis, dealings in the Scrip Distribution Shares are expected to commence after the due despatch of the share certificates with respect to the Scrip Distribution Shares to the relevant Shareholders.

The Shares are only listed on the Stock Exchange. No part of the share capital of the Company is listed or dealt in on any other stock exchange and the Company is not currently seeking to list its Shares on any other stock exchange.

Dealings in Shares may be settled through the Central Clearing and Settlement System and you should seek the advice of your stockbroker or other professional adviser for details of these settlement arrangements and how such arrangements will affect your rights and interests.

8. RECOMMENDATION AND ADVICE

Whether or not it is to your advantage to receive cash or the Scrip Distribution Shares, in whole or in part, depends upon your own individual circumstances, and the decision in this regard and all effects resulting therefrom are the responsibility of each Shareholder. If you are in any doubt as to what to do, you should consult your professional advisers as to whether or not you are permitted to receive the Distribution in scrip form or if any governmental or other consent is required. Shareholders who are trustees are recommended to take professional advice as to whether the choice of the Scrip Distribution Shares is within their powers and as to its effects having regard to the terms of the relevant trust instrument.

9. DISCLOSURE OF INTEREST

Shareholders should note that an acquisition of Scrip Distribution Shares may give rise to notification requirements under the Securities and Futures Ordinance (Cap. 571). Shareholders who are in any doubt as to how these provisions may affect them are recommended to seek their own professional advice.

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10. GENERAL INFORMATION

As at the date of this circular, the executive Directors are Mr. Fung Siu To, Clement, Dr. Lim Yin Cheng, Mr. Poon Jing, Mr. Lun Pui Kan and Mr. Kwan Po Lam, Phileas, the non-executive Director is Mr. Chan Sze Hung and the independent non-executive Directors are Mr. Cheung Kwok Wah, Ken, Mr. Hung Yat Ming and Mr. Wong Chi Keung.

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