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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

A letter from the board of directors of the Company is set out on pages 3 of this circular.

* *For identification purpose only*

13 November 2008

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DEFINITIONS

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

“April Circular”	the circular of the Company dated 3 April 2008 in respect of the HSBC Investments
“associate”	has the meaning ascribed to it under the Listing Rules
“associated corporation(s)”	has the meaning ascribed to it under Part XV of the SFO
“Board”	the board of directors of the Company
“Company”	Asia Orient Holdings Limited (Stock code: 214), an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
“connected persons”	have the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Disposal”	the disposal by the Company on the market of the Sold HSBC Shares during the period from 13 October 2008 to 24 October 2008 (both dates inclusive)
“Further Disposal(s)”	further disposal(s) by the Company on the market of the HSBC Shares comprised in the HSBC Investments
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“HSBC”	HSBC Holdings plc, whose shares are listed on the main board of the Stock Exchange (Stock code: 005)
“HSBC Investments”	the acquisitions by the Company from the market of an aggregate of 450,000 HSBC Shares during the period from 12 to 14 March 2008 (both dates inclusive)

DEFINITIONS

“HSBC Shares”	shares of US\$0.5 each in the share capital of HSBC which are listed on the Stock Exchange and traded in Hong Kong dollars
“Latest Practicable Date”	10 November 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“March Announcement”	the announcement of the Company dated 14 March 2008 in respect of the HSBC Investments
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix 10 to the Listing Rules
“October Announcement”	the announcement of the Company dated 27 October 2008 in respect of the Disposal
“percentage ratio”	has the meaning ascribed to it in Chapter 14 of the Listing Rules
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	ordinary shares of HK\$0.10 each in the capital of the Company
“Shareholders”	holders of the Shares
“Sold HSBC Shares”	the 306,800 HSBC Shares disposed of by the Company (through its wholly-owned subsidiaries) on the market during the period from 13 October 2008 to 24 October 2008 (both dates inclusive), part of which were comprised in the HSBC Investments
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Warrants”	the warrants issued by the Company on 8 September 2008 entitling the holders thereof to subscribe, at any time between the date of issue and 7 September 2009 (both dates inclusive), for fully paid Shares at the initial subscription price of HK\$1.029 per Share
“%”	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

***Principal Place of Business in
Hong Kong:***

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

13 November 2008

To the Shareholders,

and for information only, holders of Options and Warrants

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

The Directors referred to the March Announcement and the April Circular in respect of the HSBC Investments and the October Announcement in respect of the Disposal. The purpose of this circular is to provide you with further information regarding the Disposal as required under the Listing Rules.

THE DISPOSAL

During the period from 13 October 2008 to 24 October 2008 (both dates inclusive), the Company has, through its wholly-owned subsidiaries, disposed of an aggregate of 306,800 Sold HSBC Shares (representing approximately 0.0025% of the issued share capital of HSBC based on its issued share

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LETTER FROM THE BOARD

capital of 12,055,113,960 HSBC Shares as shown on the website of the Stock Exchange as of 23 October 2008) for a total consideration of HK\$32.44 million (exclusive of transaction costs) on the market at an average selling price of approximately HK\$105.74 per HSBC Share. The total consideration of HK\$32.44 million (exclusive of transaction costs) represented the then market price of the HSBC Shares. As at the Latest Practicable Date, the considerations for the Sold HSBC Shares have been fully settled on a “T+2” basis in accordance with standard market practice.

As the Disposal was made through the market, the Company is not aware of the identities of the purchasers of the Sold HSBC Shares and accordingly, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the purchasers of the Sold HSBC Shares and their ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

The Sold HSBC Shares were acquired by the Company in March 2008, part of which were comprised in the HSBC Investments as disclosed in the March Announcement and the April Circular. The average acquisition price of the Sold HSBC Shares was approximately HK\$120.78 per HSBC Share. Taking into account the transaction costs incurred and the interim dividends received on the Sold HSBC Shares of approximately HK\$0.8 million and the average consideration of approximately HK\$105.74 per HSBC Share for the Disposal, the Company will incur a loss of approximately HK\$3.9 million as a result of the Disposal. The Company has applied and will apply the proceeds from the Disposal for the general working capital of the Group and/or making further investments.

In the event that any Further Disposal(s) when aggregated with the Disposal in accordance with the Listing Rules constitute a major transaction or any other type of notifiable transaction under the Listing Rules, the Company will comply with the relevant requirements of the Listing Rules.

REASONS FOR, AND FINANCIAL EFFECTS OF, THE DISPOSAL

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.

As disclosed in the March Announcement and the April Circular, the Board took the view that the HSBC Investments had the potential of increase in its values and the Company intended to hold the HSBC Investments for the purposes of capital gain and dividend income.

Given the declining market price of the HSBC Shares and the prevailing market conditions, the Board considers that it is prudent and appropriate to dispose of part of the HSBC Investments in order to reduce the exposure to any further decline in the value of HSBC Shares. The Directors consider the Disposal is on normal commercial terms, the terms of which are fair and reasonable and that the Disposal is in the interests of the Company and its shareholders as a whole.

The Directors take the view that the Disposal will not have a material effect on the earnings, assets and liabilities of the Group.

LETTER FROM THE BOARD

INFORMATION ON HSBC

HSBC is a company incorporated in England with limited liability and whose HSBC Shares are listed on the main board of the Stock Exchange. Based on the company profile in the website of the Stock Exchange, the principal business of HSBC is the provision of comprehensive range of banking and related financial services through an international network in the Asia Pacific region, Europe, the Americas, the Middle East and Africa. Further information on HSBC could be found on the website of the Stock Exchange.

IMPLICATIONS UNDER THE LISTING RULES

As the percentage ratio in respect of the consideration test for the Disposal exceeds 5% but is less than 25%, the Disposal therefore constitutes a discloseable transaction for the Company under the Listing Rules.

ADDITIONAL INFORMATION

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

Yours faithfully,
For and on behalf of
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 and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DIRECTORS' DISCLOSURE OF INTERESTS

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, (i) 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); (ii) pursuant to Section 352 of the SFO, to be entered into the register referred to therein; or (iii) pursuant to the Model Code, to be notified to the Company and the Stock Exchange, were as follows:

(i) Long positions in shares

(a) *The Company*

Name of Director	Number of Shares held			Total	Percentage of shares in issue (%)
	Personal Interest	Corporate Interest	Family Interest		
Fung Siu To Clement ("Mr. Fung")	11,461,847	—	—	11,461,847	1.76
Poon Jing ("Mr. Poon")	138,561,722	109,541,158	4,024,456	252,127,336	38.70

(b) *Associated corporations*

Name of Director	Associated Corporation	Number of shares held			Percentage of shares in issue (%)
		Personal Interest	Corporate Interest (Note 1)	Total	
Mr. Poon	Asia Standard International Group Limited ("Asia Standard International")	9,595,375	5,085,340,744 (Note 2)	5,094,936,119	45.45
	Asia Standard Hotel Group Limited ("Asia Standard Hotel")	408,452	9,235,914,269 (Note 2)	9,236,322,721	70.67
Mr. Poon and Mr. Fung	Centop Investment Limited ("Centop")	—	20 (Note 3)	20	20
Mr. Poon	Centop	—	80 (Note 4)	80	80
Mr. Fung	Mark Honour Limited	9	—	9	9

Notes:

- Mr. Poon is deemed to have interests in the associated corporations of the Company through the corporations controlled by him.
- By virtue of his controlling interest in the Company, Mr. Poon is deemed to be interested in the shares of Asia Standard International and Asia Standard Hotel held by the Company's subsidiaries.
- Centop is owned as to 80% by Asia Standard International and 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.
- 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 International.

(ii) Long position in underlying shares — Interest in share options

Details of the share options granted to the Directors under the share option schemes of the Company and its associated corporation as at the Latest Practicable Date are set out as follows:-

(a) *The Company*

Name of Director	Capacity	Number of underlying Shares subject to the outstanding share options
Mr. Fung	Beneficial owner	2,126,301
Lim Yin Cheng	Beneficial owner	2,126,301
Lun Pui Kan	Beneficial owner	2,126,301
Kwan Po Lam, Phileas	Beneficial owner	2,126,301

The share options were granted on 29 March 2007 and exercisable from 29 March 2007 to 28 March 2017 at the exercise price of HK\$1.4315 (as adjusted) per Share.

(b) *Asia Standard International*

Name of Director	Capacity	Number of underlying shares subject to the outstanding share options
Mr. Fung	Beneficial owner	20,621,761
Mr. Poon	Beneficial owner	5,155,440
Lim Yin Cheng	Beneficial owner	20,621,761
Lun Pui Kan	Beneficial owner	20,621,761
Kwan Po Lam, Phileas	Beneficial owner	20,621,761

The share options were granted on 30 March 2005 and exercisable from 30 March 2005 to 29 March 2015 at the exercise price of HK\$0.315 (as adjusted) per share of Asia Standard International.

(c) *Asia Standard Hotel*

Name of Director	Capacity	Exercise Price	Exercise period	Number of
				underlying shares subject to the outstanding share options
Mr. Fung	Beneficial owner	0.1296	29 March 2007 to 28 March 2017	80,000,000
Lim Yin Cheng	Beneficial owner	0.130	2 April 2007 to 1 April 2017	80,000,000
Lun Pui Kan	Beneficial owner	0.130	2 April 2007 to 1 April 2017	80,000,000
Kwan Po Lam, Phileas	Beneficial owner	0.130	2 April 2007 to 1 April 2017	80,000,000

(iii) **Long position in underlying shares — Interests in warrants**

Details of interest in warrants of the Company and its associated corporations as the Latest Practicable Date held by the Directors are set out as follows:-

(a) *The Company*

Name of Director	Number of underlying shares subject to the outstanding Warrants			Total
	Personal Interest	Corporate Interest	Family Interest	
Mr. Fung	2,252,151	—	—	2,252,151
Mr. Poon	24,774,737	21,523,873	790,770	47,089,380

The Warrants were issued on 8 September 2008 and are exercisable during the period from 8 September 2008 to 7 September 2009 (both dates inclusive) at the subscription price of HK\$1.029 per Share.

(b) *Associated corporations*

Name of Director	Associated Corporation	Number of underlying shares subject to the outstanding warrants		
		Personal Interest	Corporate Interest	Total
Mr. Poon	Asia Standard International	1,879,506	977,680,196	979,559,702 <i>(Note 1)</i>
	Asia Standard Hotel	76,686	1,742,211,916	1,742,288,602 <i>(Note 2)</i>

Notes:

1. The warrants of Asia Standard International were issued on 8 September 2008 and are exercisable during the period from 8 September 2008 to 7 September 2009 (both dates inclusive) at the initial subscription price of HK\$0.1 per share of Asia Standard International.
2. The warrants of Asia Standard Hotel were issued on 7 September 2007 and are exercisable during the period from 7 September 2007 to 6 September 2010 (both dates inclusive) at the subscription price of HK\$0.084 (as adjusted) per share of Asia Standard Hotel.

Saved as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had any other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations which were required, (i) 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); (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as was known to the Directors or chief executive 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 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.

(i) Long position in the Shares and underlying Shares

Name of shareholder	Capacity	Number of Shares and underlying Shares held			Percentage of Shares in issue (%)
		Number of Shares held	Number of underlying Shares held	Total	
Teddington Holdings Limited (“ Teddington ”) (Note 1)	Beneficial owner	45,695,105	8,978,686	54,673,791	8.39
Heston Holdings Limited (“ Heston ”) (Note 1)	Beneficial owner	38,067,438	7,479,918	45,547,356	6.99
Dalton Investments LLC. (“ Dalton ”) (Note 2)	Investment Manager	84,264,629	16,717,979 (Note 3)	100,982,608	15.50
Clearwater Insurance Company (“ Clearwater Insurance ”) (Note 2)	Trustee	39,693,519	7,938,703 (Note 3)	47,632,222	7.31
Dalton Greater China (Master) Fund (“ Dalton Greater China ”) (Note 2)	Investment Manager	28,591,541	5,718,308 (Note 3)	34,309,849	5.27
Daswani Rajkumar Murlidhar	Beneficial owner	36,021,971	—	36,021,971	5.53
Capital Estate Limited (“ Capital Estate ”) (Note 4)	Interests in controlled corporation	12,225,103	38,221,810	50,446,913	7.74

Notes:

1. Teddington and Heston are companies wholly-owned by Mr. Poon. As such, Mr. Poon is deemed to be interested in the Shares held by Teddington and Heston and such interests duplicate with the interests of Mr. Poon as set out in the sub-section headed “Directors’ Disclosure of Interests” above.
2. Dalton is the investment manager for Clearwater Insurance and Dalton Greater China. The interests of Clearwater Insurance and Dalton Greater China in the Shares and the underlying Shares therefore duplicate with the interest of Dalton.
3. These represent the long positions in the Shares falling to be issued to Dalton, Clearwater Insurance and Dalton Greater China upon the exercise of the conversion rights attaching to the Warrants.
4. The interests of Capital Estate in the Company are held through its wholly-owned subsidiary Top Mount Limited. As such, Capital Estate is deemed to be interested in the Shares held by Top Mount Limited.

(ii) Interest in other members of the Group

Name of non-wholly owned subsidiary of the Company	Name of shareholders	Number of shares held	Percentage of shares in issue (%)
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 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 CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into, or proposed to enter into, a service contract with any member of the Group which does not expire or is not terminable by such member of the Group 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 has interests in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

6. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration or claim of material importance and, so far as the Directors were aware, no litigation or arbitration or claim of material importance was pending or threatened by or against any member of the Group.

7. MISCELLANEOUS

- (a) The company secretary and the qualified accountant of the Company is Mr. Lun Pui Kan, an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants.
- (b) The principal share registrars and transfer office of the Company is Butterfield Fulcrum Group (Bermuda) Limited of Rosebank Centre, 11 Bermudiana Road, Pembroke HM08, Bermuda and the branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (c) The registered office of the Company is at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda and the head office and principal place of business of the Company is 30th Floor, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong.
- (d) This circular has been prepared in both English and Chinese. In the case of any discrepancy, the English text shall prevail.