



ORIENT INDUSTRIES HOLDINGS LIMITED  
東方工業控股有限公司\*

(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 353)

PROPOSED ISSUE OF CONVERTIBLE NOTE;  
APPLICATION FOR WHITEWASH WAIVER;  
EXTENSION OF PARALLEL TRADING;  
AND  
SUSPENSION AND RESUMPTION OF TRADING

(1)	<p><b>PROPOSED ISSUE OF CONVERTIBLE NOTE</b></p> <p><b>Subscription Agreement</b></p> <p>The Directors are pleased to announce that the Company entered into the Subscription Agreement with the Subscriber on 15 April 2005, pursuant to which the Company conditionally agreed to issue the Convertible Note in an aggregate principal amount of HK\$33,000,000 to the Subscriber. The Subscriber will have the right to convert the whole integral multiple of HK\$1,000,000 of the principal amount of the Convertible Note into Shares at any time before the maturity date falling on the second anniversary of the date of issue of the Convertible Note at the initial conversion price of HK\$0.12 per Share (subject to adjustments).</p> <p>Completion of the Subscription Agreement is conditional upon the fulfillment of the conditions including, among other things, (i) the Stock Exchange granting approval for the listing of, and permission to deal in, the Conversion Shares; (ii) the granting of the Whitewash Waiver by the Executive; and (iii) the passing of the relevant resolutions at the EGM to approve the Subscription, issue of the Convertible Note and the Whitewash Waiver.</p> <p><b>Whitewash Waiver</b></p> <p>The Subscriber and its ultimate beneficial owner, Mr. Tsao Ke Wen Calvin, are not connected persons (as defined in the Listing Rules) of the Company and are independent third parties, neither connected with nor acting in concert with the Company and not acting in concert with the Company and its connected persons. Pursuant to Note 10 to Rule 26.1 of the Takeovers Code, the acquisition of convertible securities does not constitute an obligation to the Subscriber to make a general offer when the Convertible Note is issued but the exercise of the conversion or subscription rights will be considered to be an acquisition of voting rights for the purpose of the Rule 26 of the Takeovers Code. Upon full exercise of the conversion rights attached to the Convertible Note, the Subscriber will have 275,000,000 Shares, representing approximately 198% of the existing issued share capital of the Company and approximately 56.88% of the issued share capital of the Company as enlarged by the Conversion Shares (assuming completion of the Open Offer) upon conversion of the Convertible Note.</p> <p>An application will be made by the Subscriber to the Executive for the Whitewash Waiver which, if granted, would be subject to the approval of the Independent Shareholders on a vote taken by way of a poll. If the Whitewash Waiver is granted and approved by the Independent Shareholders, the Subscriber's obligation to make a mandatory offer under Rule 26 of the Takeovers Code upon conversion of the Convertible Note into the Conversion Shares, which to the extent represent more than 30% of the issued share capital of the Company as enlarged by such conversion, will be waived. The Whitewash Waiver, if approved and granted, will not be applicable to the transferee(s) should the Subscriber transfer the Convertible Note to other parties. The Executive may or may not grant the Whitewash Waiver. Completion is conditional upon, among other things, the granting of the Whitewash Waiver by the Executive. Therefore, if the Whitewash Waiver is not obtained, the Subscription will lapse and the Subscriber will not proceed with the Subscription.</p> <p><b>General</b></p> <p>The Directors would also like to announce that the Company is conducting an Open Offer of 69,500,000 Shares at the price of HK\$0.20 each on the basis of one offer Share for every two Shares, details of which were set out in the Company's announcements dated Monday, 21 February 2005, 3 March 2005 and 22 March 2005, and the Company's prospectus dated 29 March 2005. The Open Offer is fully underwritten. After completion of the Open Offer, the issued share capital of the Company will increase from 139,000,000 Shares to 208,500,000 Shares. It is currently anticipated that the Convertible Note, if so approved at the EGM, will be issued after completion of the Open Offer.</p> <p>An independent board committee of the Company will be set up to advise the Independent Shareholders in relation to the (i) Whitewash Waiver (ii) the Subscription and (iii) the issue of The Convertible Note and the allotment and the issue of the Conversion Shares upon exercise of the Convertible Note.</p> <p>A circular containing, amongst other things, further details of the Subscription Agreement, the issue of the Convertible Note, the Whitewash Waiver, the recommendation of the independent board committee of the Company to the Independent Shareholders and the letter of advice from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders in respect of (i) the Whitewash Waiver; (ii) the Subscription; and (iii) the issue of the Conversion Shares upon exercise of the Convertible Note, together with a notice to convene the EGM for the purpose of considering (i) the Whitewash Waiver, (ii) the Subscription Agreement, (iii) the issue of the Convertible Note and the allotment and the issue of the Conversion Shares will be despatched to the Shareholders within 21 days from the date of this announcement.</p> <p><b>Shareholders should note that completion of the Subscription Agreement is conditional and may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.</b></p>
(2)	<p><b>EXTENSION OF PARALLEL TRADING</b></p> <p>Given that the trading in the Shares has been suspended for five trading days pending the release of this announcement, the latest time for (i) the parallel trading in the Shares and the old Shares (the shares before the capital reorganization of the Company becoming effective); and (ii) the temporary counter for trading in old Shares in board lots of 200 Shares (in form of old share certificates) will be extended from 4:00p.m. on Wednesday, 20 April 2005 to 4:00p.m. on Wednesday, 27 April 2005, and the last day for the availability of odd lot facility will be extended to Wednesday, 27 April 2005. In addition, the last day for free exchange of old share certificates for new share certificates will be extended to Tuesday, 3 May 2005.</p>
(3)	<p><b>SUSPENSION AND RESUMPTION OF TRADING</b></p> <p>At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 11 April 2005 pending the release of this announcement. Application has been made by the Company for the resumption of trading in the Shares with effect from 9:30 a.m. on 18 April 2005.</p>

ISSUE OF CONVERTIBLE NOTE

Subscription Agreement

<b>Date:</b>	15 April 2005
<b>Issuer:</b>	the Company
<b>Subscriber:</b>	L & L Holdings Limited, is a company incorporated in Republic of the Marshall Islands on 29 March 2005, and its sole ultimate beneficial owner is Mr. Tsao Ke Wen Calvin. For further details of the Subscriber, please refer to the paragraph headed "Information on the Subscriber" below.

Pursuant to the Subscription Agreement, the Company will, subject to conditions set out in the Subscription Agreement, issue the Convertible Note to the Subscriber in the principal amount of HK\$33,000,000.

Conditions:

Completion is conditional on:

- (1) the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the Conversion Shares;
- (2) the Stock Exchange having approved the issue of the Convertible Note;
- (3) the passing of an ordinary resolution at the EGM of the Company, approving the Subscription Agreement and the transactions contemplated thereunder including but not limited to the issue of the Convertible Note and the allotment and issue of the Conversion Shares;
- (4) the passing by the Independent Shareholders at the EGM of an ordinary resolution by way of poll approving the Whitewash Waiver; and
- (5) the granting of Whitewash Waiver by the Securities & Futures Commission in accordance with the Takeovers Code.

In the event that the above conditions are not fulfilled on or before the date falling 60 days from the date of the Subscription Agreement (or such other later date as may be agreed between the Subscriber and the Company), the Subscription Agreement shall lapse and become null and void and the parties thereto shall be released from all obligations thereunder, save for any liability arising out of any antecedent breaches thereof. The conditions set out above will not be waived by the Company or the Subscriber. In respect of condition (3) above, the ordinary resolution is required to be approved by the Independent Shareholders by way of poll.

In addition, the granting of the approval for the listing of and permission to deal in the Conversion Shares by the Listing Committee of the Stock Exchange (the "Approval") is subject to the following disclosure requirements:

- (i) the Company will make a monthly announcement (the "Monthly Announcement") on the website of the Stock Exchange. Such announcement will be made on or before the fifth business day following the end of each calendar month and will include the following details in a table form:
  - (a) whether there is any conversion of the Convertible Note during the relevant month. If yes, details of the conversion(s), including the conversion date, number of new Shares issued, conversion price for each conversion. If there is no conversion during the relevant month, a negative statement to that effect;
  - (b) the number of outstanding Convertible Note after the conversion, if any;
  - (c) the total number of Shares issued pursuant to other transactions, including Shares issued pursuant to exercise of options under any share option scheme(s) of the Company; and
  - (d) the total issued share capital of the Company as at the commencement and the last day of the relevant month; and
- (ii) in addition to the Monthly Announcement, if the cumulative amount of new Shares issued pursuant to the conversion of the Convertible Note reaches 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Note (as the case may be) (and thereafter in a multiple of such 5% threshold), the Company will make an announcement on the website of the Stock Exchange including details as stated in (i) above for the period commencing from the date of the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Note (as the case may be) up to the date on which the total amount of Shares issued pursuant to the conversion amounted to 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Note (as the case may be); and
- (iii) if the Company forms the view that any issue of new Shares under the Convertible Note will trigger the disclosure requirements under Rule 13.09 of the Listing Rules, then the Company is obliged to make such disclosures regardless of the issue of any announcements in relation to the Convertible Note.

If the conversion rights under the Convertible Note are fully exercised by the holder or either party exercise its rights to early redemption of the Convertible Note, the announcement requirements set out in conditions (i) to (iii) above will cease immediately.

Completion:

Completion shall take place on the third Business Day (or such other date as the Company and the Subscriber shall agree) following the date on which all the conditions of the Subscription Agreement have been fulfilled.

THE CONVERTIBLE NOTE

The terms of the Convertible Note have been negotiated between the Company and the Subscriber on arm's length basis and the principal terms of which are summarised below:

<b>Issuer:</b>	The Company
<b>Principal amount:</b>	An aggregate of HK\$33,000,000
<b>Interest:</b>	Zero interest

<b>Maturity date:</b>	the day falling on the second anniversary of the date of issue of the Convertible Note. The outstanding amount of the Convertible Note will be fully redeemed by the Company upon maturity of the Convertible Note
<b>Initial conversion price:</b>	HK\$0.12 per Share (subject to adjustment for events including sub-division or consolidation of Shares, bonus issues and rights issues) The initial conversion price at a certain discount to the recent Share price was determined on an arm's length basis between the Company and the Subscriber with reference to, among other things, there being no interest payment for the Convertible Note The initial conversion price of HK\$0.12 represents: (i) the discount of approximately 52% to the closing price of HK\$0.25 per Share as quoted on the Stock Exchange on 8 April 2005, being the last trading day prior to the date of this announcement; and (ii) a discount of approximately 60% to the average closing price of the Shares of HK\$0.30 per Share as quoted on the Stock Exchange for the five trading-day period ended on 8 April 2005 (inclusive)
<b>Conversion:</b>	The holder of the Convertible Note shall have the right to convert on any Business Day the whole integral multiple of HK\$1,000,000 of principal amount of the Convertible Note into Shares at any time and from time to time at the conversion price of HK\$0.12 per Share (subject to adjustment).
<b>Ranking:</b>	The Conversion Shares, when allotted and issued will rank pari passu in all respects with the Shares then in issue at the date of issue of the Conversion Shares
<b>Transferability:</b>	The Convertible Note must not be transferred by the holder of the Convertible Note on or before the first anniversary of the Convertible Notes but may be transferred to independent third parties without the prior written consent of the Company after first anniversary of the Convertible Note. The Company will inform the Stock Exchange upon the Company becoming aware that any of the Convertible Note has been or is to be transferred to any connected persons of the Company (as defined under the Listing Rules)
<b>Voting rights:</b>	The Convertible Note do not confer any voting rights at general meetings of the Company on the holder(s) of the Convertible Note
<b>Listing:</b>	No application will be made for the listing of the Convertible Note on the Stock Exchange or any other stock exchange. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares to be issued pursuant to the exercise of the conversion rights attaching to the Convertible Note.

REASONS FOR THE ISSUE OF THE CONVERTIBLE NOTE AND USE OF PROCEEDS

The Board considers that the issue of the Convertible Note bearing zero interest is an appropriate means of raising additional capital for the Company as it will not lead to immediate dilution on the existing shareholding in the Company compared with direct issue of Shares while raising new funds of approximately HK\$33 million without imposing interest expenses burden on the Company. The proceeds from the Subscription will be used for general working capital of the Group.

In addition, the Board is of the view that since the Convertible Note bears no interest such that the Company obtains additional capital without incurring interest expenses, providing a lower initial conversion price of the Convertible Note of HK\$0.12 per Share is fair and reasonable.

The following table summarises the fund raising activities of the Group in the twelve months immediately before the date of this announcement:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
21 February 2005	Open Offer	approximately HK\$13 million	general working capital of the Group	Same as intended use but not utilized as at the date

The executive Directors of the Company are of the view that the terms of the Subscription Agreement and the Convertible Notes are fair and reasonable and in the interest of the Company and Shareholders as a whole.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table shows the shareholding structure immediately before and after the exercise of the conversion rights in full attaching to the Convertible Notes at the initial conversion price of HK\$0.12 per Share:

Shareholder	As at the date of this announcement		Immediately after the Open Offer (assuming all qualifying holders take up their respective entitlements under the Open Offer) (Scenario 1)		Immediately after the Open Offer (assuming no qualifying holders take up their respective entitlements under the Open Offer) (Scenario 2)		Immediately after full conversion of the Convertible Note at the conversion price of HK\$0.12 (Scenario 1)		Immediately after full conversion of the Convertible Note at the conversion price of HK\$0.12 (Scenario 2)	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
The Subscriber	0	0.00%	0	0.00%	0	0.00%	275,000,000	56.88%	275,000,000	56.88%
Prime Orient (Note 1)	51,172,500	36.81%	76,758,750	36.81%	76,758,750	36.81%	76,758,750	15.88%	76,758,750	15.88%
Underwriter to the Open Offer (i.e. Kingston Securities Limited)	0	0.00%	0	0.00%	41,538,750	19.92%	0	0.00%	41,538,750	8.59%
Mr. Choi Hok Ya (Note 4)	4,750,000	3.42%	7,125,000	3.42%	7,125,000	3.42%	7,125,000	1.47%	7,125,000	1.47%
Other Shareholders	83,077,500	59.77%	124,616,250	59.77%	83,077,500	39.85%	124,616,250	25.77%	83,077,500	17.18%
Total	139,000,000	100%	208,500,000	100%	208,500,000	100%	483,500,000	100%	483,500,000	100%

Note:

- 1. Prime Orient is a company incorporated in the British Virgin Islands and beneficially and wholly owned by Mr. Lam Shu Chung, a Director of the Company.
- 2. Scenario 1 assumes all qualifying holders take up their respective entitlements under the Open Offer
- 3. Scenario 2 assumes no qualifying holders take up their respective entitlements under the Open Offer
- 4. Mr. Choi Hok Ya is a director and also a substantial shareholder of one of the Company's subsidiaries

INFORMATION ON THE SUBSCRIBER

L & L Holdings Limited is an investment company incorporated in the Republic of the Marshall Islands with limited liability and is wholly and beneficially owned by Mr. Tsao Ke Wen Calvin (Mr. Calvin Tsao), its sole director. Mr. Calvin Tsao aged 42 graduated with the degree of Bachelor of Science (Economic) from the University of Buckingham, United Kingdom in 1986. Mr. Tsao has extensive experience in business, financial and China investments. He began his career with Horwath & Horwath in 1986 and was a director of XXI Century Investments Company Limited between 1993 to 1995 and was a director of Dynamic Global Holdings Limited from 1998 to 2002, a listed company in Hong Kong with investment in China, including Xiamen, Shanghai and Harbin. Mr. Tsao is an executive director of Well Positioned Finance Limited, a registered money-lender in Hong Kong.

Upon full exercise of the Convertible Note, the Subscriber will be interested in 275,000,000 Shares, representing approximately 198% of the existing issued share capital of the Company and approximately 56.88% of the issued share capital of the Company as enlarged by the Conversion Shares (assuming completion of the Open Offer) and accordingly will become the controlling shareholder of the Company. Neither the Subscriber, its sole shareholder nor parties acting in concert with any one of them is interested in any shareholding of the Company and has dealt in the Shares for the past six months from the date of the Subscription Agreement.

The Subscriber and its ultimate beneficial owner and sole director, Mr. Tsao Ke Wen Calvin, are independent third parties, neither connected with nor acting in concert with the Company and its connected persons (as defined under the Listing Rules). Save for the Subscription Agreement, there is no business connection between the Company and the Subscriber within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

WHITEWASH WAIVER

Upon full exercise of the conversion rights attached to the Convertible Note, the Subscriber will have 275,000,000 Shares, representing approximately 198% of the existing issued share capital of the Company and approximately 56.88% of the issued share capital of the Company as enlarged by the Conversion Shares (assuming completion of the Open Offer). As a result of the full conversion of the Convertible Note, the Subscriber, its sole shareholder and parties acting in concert with any one of them will hold more than 30% of the issued share capital of the Company as enlarged by the Conversion Shares (assuming completion of the Open Offer) and therefore are obliged to make a mandatory general offer for all the issued Shares (not already owned or agreed to be acquired by the Subscriber and parties acting in concert with it) under Rule 26 of the Takeovers Code.

Pursuant to Note 10 to Rule 26.1 of the Takeovers Code, the acquisition of convertible securities does not constitute an obligation to the Subscriber to make a general offer when the Convertible Note is issued but the exercise of the conversion or subscription rights will be considered to be an acquisition of voting rights for the purpose of the Rule 26 of the Takeovers Code. The Subscriber may hold more than 30% of the issued share capital of the Company as enlarged by the Conversion Shares (assuming completion of the Open Offer) upon conversion of the Convertible Note. An application will be made by the Subscriber to the Executive for the Whitewash Waiver which, if granted, would be subject to the approval of the Independent Shareholders on a vote taken by way of a poll. If the Whitewash Waiver is granted and approved by the Independent Shareholders, the Subscriber's obligation to make a mandatory offer under Rule 26 of the Takeovers Code upon conversion of the Convertible Note into the Conversion Shares, which to the extent represent more than 30% of the issued share capital of the Company as enlarged by such conversion, will be waived. The Whitewash Waiver, if approved and granted, will not be applicable to the transferee(s) should the Subscriber transfer the Convertible Note to other parties. The Executive may or may not grant the Whitewash Waiver. Completion of the Subscription is conditional upon, among other things, the granting of the Whitewash Waiver by the Executive. Therefore, if the Whitewash Waiver is not obtained, the Subscription will lapse and the Subscriber will not proceed with the Subscription.

GENERAL

The Directors would also like to announce that the Company is conducting an Open Offer of 69,500,000 Shares at the price of HK\$0.20 each on the basis of one offer Share for every two Shares, details of which were set out in the Company's announcements dated Monday, 21 February 2005, 3 March 2005 and 22 March 2005, and the Company's prospectus dated 29 March 2005. The Open Offer is fully underwritten. After completion of the Open Offer, the issued share capital of the Company will increase from 139,000,000 Shares to 208,500,000 Shares. It is currently anticipated that the Convertible Note, if so approved at the EGM, will be issued after completion of the Open Offer.

An independent board committee of the Company will be set up to advise the Independent Shareholders in relation to the (i) Whitewash Waiver (ii) the Subscription (iii) and the issue of the Conversion Shares upon exercise of the Convertible Note.

A circular of the Company containing, amongst other things, further details of the issue of the Convertible Note, the Whitewash Waiver, the recommendation of the independent board committee of the Company to the Independent Shareholders and the letter of advice from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders in respect of (i) the Whitewash Waiver; (ii) the Subscription; and (iii) the issue of the Convertible Note and the allotment and the issue of the Conversion Shares upon exercise of the Convertible Note, together with a notice of the EGM for the purpose of considering (i) the Whitewash Waiver, (ii) the Subscription Agreement; and (iii) the issue of the Convertible Note and the allotment and the issue of the Conversion Shares will be despatched to the Shareholders within 21 days from the date of this announcement.

**Shareholders and potential investors should note that the Subscription Agreement is subject to conditions and may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

EXTENSION OF PARALLEL TRADING

Given that the trading in the Shares has been suspended for five trading days pending the release of this announcement, the last day for the parallel trading in the Shares and the old Shares (the shares before the capital reorganisation of the Company becoming effective) ; and (ii) the temporary counter for trading in old Shares in board lots of 200 Shares (in form of old share certificates) will be extended from 4:00p.m. on Wednesday, 20 April 2005 to 4:00p.m. on Wednesday, 27 April 2005, and the last day for the availability of odd lot facility will be extended to Wednesday, 27 April 2005. In addition, the last day for free exchange of old share certificates for new share certificates will be extended to Tuesday, 3 May 2005. Details of the timetable for the capital reorganisation of the Company were set out in the Company's announcement dated 3 March 2005.

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 Monday, 11 April 2005 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 18, April 2005.

DEFINITIONS

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding a Saturday or Sunday) on which banks in Hong Kong are generally open for business in Hong Kong for business throughout their normal business hours
“Company”	Orient Industries Holdings Limited, a company incorporated in the Cayman Island, the issued Shares of which are listed on the Stock Exchange
“Completion”	completion of the Subscription for the Convertible Note in accordance with the terms and conditions of the Subscription Agreement
“Convertible Note”	a convertible note for an aggregate principal amount of HK\$33,000,000 to be issued by the Company with the benefit of and subject to the provision of certain conditions
“Conversion Shares”	the Shares to be issued by the Company under the Convertible Note upon exercise by the holder of the conversion rights
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to approve, among other matters, the Subscription Agreement, the issue of the Convertible Note and the specific mandate for the issue of the Conversion Shares and the Whitewash Waiver
“Executive”	Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any of his delegates
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Shareholder(s)”	the Shareholders other than Prime Orient and parties acting in concert with it and their respective associates and other Shareholders who are interested in or involved in the Subscription or the issue of the Convertible Note other than being merely Shareholders
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Open Offer”	the issue of 69,500,000 Shares by way of open offer to the Shareholders on the terms set out in the Company's prospectus dated 29 March 2005
“Share(s)”	ordinary share(s) of HK\$0.01 each in the existing issued share capital of the Company prior to the Completion of the Capital Reorganisation
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	L & L Holdings Limited, a company incorporated in the Republic of the Marshall Islands with limited liability, which is wholly and beneficially owned by Mr. Tsao Ke Wen, Calvin
“Subscription”	subscription of the Convertible Note by the Subscriber
“Subscription Agreement”	an agreement entered into between the Company and the Subscriber on 15 April 2005 in respect of an issue of the Convertible Note by the Company.
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Whitewash Waiver”	the Whitewash Waiver to be applied by the Subscriber to the Executive for waiving the obligation of the Subscriber and its shareholder and parties acting in concert with any one of them to extend a general offer to acquire the issued Shares (excluding the issued Shares which are owned by the Subscriber and its shareholder and parties acting in concert with any one of them) under Rule 26 of the Takeovers Code arising from the exercise of the conversion rights attached to the Convertible Note
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the board  
**Orient Industries Holdings Limited**  
**Lam Shu Chung**  
Director

Hong Kong, 15 April 2005

*As at the date of this announcement, the executive Directors are Mr. Lam Shu Chung and Mr. Law Fei Shing; and the independent non-executive Directors are Mr. Liu Ngai Wing, Mr. Lee Siu Leung Mr. Yu Tak Shing, Eric and Mr. So Chi Keung.*

*The sole director of the Subscriber accepts full responsibility for the accuracy of the information contained in this announcement, other than that relating to the Group, and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement, other than those relating to the Group, 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.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, other than that relating to the Subscriber, and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement, other than that relating to the Subscriber, 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 purposes only