

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)

CONVERSION OF CONVERTIBLE NOTE

Conversion of Convertible Note

The Board announces that on 9 August 2005, the Company received a conversion notice from L & L Holdings Limited in respect of the Convertible Note in an aggregate principal amount of HK\$33,000,000, pursuant to which L & L Holdings Limited exercised the conversion rights in full attaching to the Convertible Notes at the conversion price of HK\$0.12 per Share into 275,000,000 new Shares, resulting in the issue of 275,000,000 new Shares by the Company to L & L Holdings Limited.

Unusual trading volume movement

The Board has noted the increase in the trading volume of the Shares today and wishes to state that, the Board is not aware of any reasons for such increase in the trading volume save for the exercise of the conversion rights in full attaching to the Convertible Note by L & L Holdings Limited.

Save for the exercise of the conversion rights in full attaching to the Convertible Note by L & L Holdings Limited, the Board confirms that there are no negotiations or agreements relating to intended acquisitions or realizations, which are discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Conversion of Convertible Note

Reference is made to the Company's announcements dated 15 April 2005, 5 May 2005, 12 May 2005, 30 May 2005 and 6 June 2005 and the document of the Company dated 13 May 2005 (the "Document"). Unless the context herein otherwise requires, terms used in this announcement shall have same meanings as in the Document.

The Board announces that on 9 August 2005, the Company received a conversion notice from L & L Holdings Limited in respect of the Convertible Note in an aggregate principal amount of HK\$33,000,000, pursuant to which L & L Holdings Limited exercised the conversion rights in full attaching to the Convertible Note at the conversion price of HK\$0.12 per Share, resulting in the issue of 275,000,000 new Shares by the Company to L & L Holdings Limited.

Upon such conversion, L & L Holdings Limited will be interested in 56.88% of the issued share capital of the Company. The Whitewash Waiver, which waives the obligation of L & L Holdings Limited 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, has been granted by the Executive, details of which were set out in the Company's announcement dated 30 May 2005 relating to the results of the EGM. L & L Holdings Limited and its shareholder and parties acting in concert with any one of them has not acquired any voting rights of the Company in the 6 months period immediately before the exercise of the conversion rights in full attaching to the Convertible Note.

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

	No. of Shares	Existing and immediately before full conversion of the Convertible Note at the conversion price of HK\$0.12 Approximate %	No. of Shares	Immediately after full conversion of the Convertible Note at the conversion price of HK\$0.12 Approximate %
L & L Holdings Limited (Note 1)	—	—	275,000,000	56.88%
Prime Orient (Note 2)	76,758,750	36.81%	76,758,750	15.88%
Mr. Choi Hok Ya (Note 3)	1,585,000	0.76%	1,585,000	0.33%
Dr. Ma Chung Wo Cameron (Note 4)	11,752,000	5.64%	11,752,000	2.43%
Other Shareholders	118,404,250	56.79%	118,404,250	24.48%
Total	208,500,000	100.00%	483,500,000	100.00%

Notes:

1. 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, its sole director.
2. Prime Orient is a company incorporated in the British Virgin Islands and beneficially and wholly owned by Mr. Lam Shu Chung, a Director.
3. Mr. Choi Hok Ya is a director and a substantial shareholder of one of the Company's subsidiaries.
4. Dr. Ma Chung Wo Cameron is a non-executive Director.

Unusual trading volume movement

This statement is made at the request of the Stock Exchange.

The Board has noted the increase in the trading volume of the Shares today and wishes to state that, the Board is not aware of any reasons for such increase in the trading volume save for the exercise of the conversion rights in full attaching to the Convertible Note by L & L Holdings Limited.

Save for the exercise of the conversion rights in full attaching to the Convertible Note by L & L Holdings Limited, the Board confirms that there are no negotiations or agreements relating to intended acquisitions or realizations, which are discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Made by the order of the Board, the Directors of which individually and jointly accept responsibility for the accuracy of this statement.

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

Hong Kong, 10 August 2005

As at the date of this announcement, the executive Directors are Mr. Lam Shu Chung, Mr. Law Fei Shing and Mr. So Chi Keung; the non-executive Director is Dr. Ma Chung Wo, Cameron and the independent non-executive Directors are Mr. Yu Tak Shing, Eric, Mr. Ho Wing Yiu and Mr. Poon Chiu.

* For identification purposes only