

IMPORTANT

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凱聯國際酒店有限公司

Associated International Hotels Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 105)

Executive Directors:

Cheong Hooi Hong (Chairman)

Cheong Kheng Lim (Deputy Chairman)

Cheong Keng Hooi

Cheong Sim Lam

Cheong Chong Ling

Registered Office:

Room 502

Euro Trade Centre

21-23 Des Voeux Road Central

Hong Kong

Non-executive Directors:

Sin Cho Chiu, Charles

Lau Wah Sum

Independent Non-executive Directors:

Chow Wan Hoi, Paul

Yau Allen Lee-nam

Lee Chung

25 July 2008

To the Shareholders

Dear Sir or Madam

**GENERAL MANDATES FOR REPURCHASE BY THE COMPANY
OF ITS OWN SHARES AND ISSUE OF NEW SHARES;
RE-ELECTION OF DIRECTORS; AND
NOTICE OF ANNUAL GENERAL MEETING**

General Mandates

At the last annual general meeting of shareholders of the Company held on 19 September 2007, approval was given by shareholders for the granting of, inter alia, a general mandate to the Directors to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") up to 10 per cent. of the issued share capital of the Company at the date of passing the relevant resolution(s). In accordance with the terms of the approval, that general mandate will shortly expire on 10 September 2008 upon the conclusion of the next annual general meeting of the Company to

be held on that day. To keep in line with current corporate practice, the grant of a fresh general mandate for the same purpose is being sought from shareholders of the Company and an ordinary resolution to grant the share repurchase general mandate will be proposed at the annual general meeting of the Company convened for 10 September 2008 (the “Annual General Meeting”). The Explanatory Statement required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) to be sent to shareholders in connection with the proposed share repurchase resolution is set out in Appendix I to this circular.

In addition to the ordinary resolution relating to the share repurchase mandate, ordinary resolutions will also be proposed (i) to grant the Directors a general mandate to allot, issue and otherwise deal with shares of the Company up to a limit equal to 10 per cent. of the issued shares of the Company at the date of passing such resolution plus (if the Directors are so authorised by a separate ordinary resolution of the Company) the nominal amount of shares repurchased by the Company subsequent to the passing of such resolution (up to a maximum of 10 per cent. of the issued shares of the Company at the date of passing such resolution) and (ii) to approve the addition of such repurchased securities to the 10 per cent. share issue mandate (as required by the Listing Rules).

The Directors wish to state that they have no immediate plans to repurchase any existing shares or to issue any new shares pursuant to the relevant mandates. The mandates being proposed will, however, give the Company the flexibility to do so. The Directors will not exercise the mandates in a way which would breach the minimum percentage of listed securities in public hands as prescribed by the Stock Exchange from time to time.

Re-election of Directors

The Board currently consists of ten members, namely the following Executive Directors:

Cheong Hooi Hong
Cheong Kheng Lim
Cheong Keng Hooi
Cheong Sim Lam
Cheong Chong Ling

the following Non-executive Directors:

Sin Cho Chiu, Charles
Lau Wah Sum

and the following Independent Non-executive Directors:

Chow Wan Hoi, Paul
Yau Allen Lee-nam
Lee Chung

In accordance with Articles 103 and 104 of the Company’s Articles of Association, Mr Cheong Kheng Lim, Mr Cheong Keng Hooi, Mr Yau Allen Lee-nam and Mr Lee Chung shall retire at the conclusion of the Annual General Meeting and, being eligible, shall offer themselves for re-election.

Information with respect to the above retiring and re-electing Directors is set out in Appendix II to this circular. At the Annual General Meeting, ordinary resolutions will be proposed to approve their re-election.

Voting at the Annual General Meeting

In accordance with the Company's Articles of Association, resolutions proposed at the Annual General Meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:

- (a) by the Chairman; or
- (b) by at least 3 members present in person or by proxy and entitled to vote at the Annual General Meeting; or
- (c) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the Annual General Meeting; or
- (d) by any member or members present in person or by proxy holding shares conferring a right to vote at the Annual General Meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

At the Annual General Meeting the Chairman will demand a poll in respect of each resolution set out in the Notice of the Annual General Meeting.

The Directors believe that the resolutions set out in the Notice of the Annual General Meeting are in the best interests of the Company and its shareholders as a whole and recommend you to vote in favour of such resolutions at the Annual General Meeting.

Notice of the Annual General Meeting to be held on 10 September 2008 is enclosed herewith. A form of proxy for use at the Annual General Meeting and the annual accounts of the Company which accompany this circular are also enclosed. Whether or not you intend to be present at the Annual General Meeting, you are requested to complete the form of proxy and return it to the registered office of the Company in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the Annual General Meeting or any adjourned meeting or 24 hours before the time appointed for taking the poll.

Yours faithfully
Associated International Hotels Limited
Cheong Kheng Lim
Deputy Chairman

APPENDIX I

The following is the Explanatory Statement required to be sent to shareholders under the Listing Rules and also constitutes the Memorandum required under Section 49BA of the Companies Ordinance in connection with the proposed general mandate for repurchase of shares:

(i) Share Capital

It is proposed that up to 10 per cent. of the shares of the Company in issue at the date of the passing of the resolution to approve the general mandate may be repurchased. As at 21 July 2008, the latest practicable date for determining such figure, the number of shares of the Company in issue was 360,000,000 shares, all of which are fully paid up. On the basis of such figure (and assuming no further shares are issued or repurchased after 21 July 2008 and up to the date of passing such resolution), the Directors would be authorised to repurchase shares of the Company up to a limit of 36,000,000 shares representing 10% of the issued share capital of the Company.

(ii) Reasons for Repurchase

The Directors believe that the ability to repurchase shares is in the interests of the Company and of shareholders. Such purchases may, depending on the circumstances, lead to an increase in net assets and/or earnings per share and will only be made when the Directors believe that such repurchases will benefit the Company and its shareholders. The Directors are seeking the grant of a general mandate to repurchase shares to give the Company the flexibility to do so if and when appropriate. The number(s) of shares to be repurchased on any occasion and the price and other terms upon which the same are purchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

(iii) Funding of Repurchases

It is envisaged that the funds required for any repurchase would be derived from the distributable profits of the Company which are funds legally available for the purpose in accordance with the Companies Ordinance and the Memorandum and Articles of Association of the Company.

(iv) Impact of Repurchases

The Directors do not propose to exercise the general mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company. However, in the unlikely event that the general mandate was to be exercised in full at any time during the period of the mandate, there could be such an impact on the working capital or gearing position of the Company (as compared with the position disclosed in its most recent published accounts for the year ending 31 March 2008).

(v) Directors and their Associates

There are no Directors or (to the best of the knowledge of the Directors having made all reasonable enquiries) any associates (as defined in the Listing Rules) of Directors who have a present intention, in the event that the general mandate is granted by shareholders, to sell shares to the Company.

(vi) Directors' Undertaking

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the general mandate in accordance with the Listing Rules and the laws of Hong Kong.

(vii) Takeovers Code

Tian Teck Land Limited holds 180,030,681 shares, representing over 50% (50.01%, rounded to two decimal places) of the issued shares of the Company as at the latest practicable date. On the basis that no shares are issued or repurchased prior to the date of the passing of the resolution to approve the general mandate, in the event that the Directors exercise in full the power to repurchase shares pursuant to the general mandate, the interests of Tian Teck Land Limited would be increased to 55.57% (rounded to two decimal places) of the issued shares of the Company. The Directors are not aware of any consequences which would arise under the Hong Kong Code on Takeovers and Mergers as a consequence of any purchases pursuant to the general mandate, whether or not the general mandate was exercised in full. The Directors will not effect repurchases to an extent which would breach the minimum public float requirements.

(viii) Repurchase made by the Company

No purchases have been made by the Company of its shares in the six months prior to the date of this document.

(ix) Connected Persons

No connected persons of the Company (as defined in the Listing Rules) have notified it of a present intention to sell shares in the Company to the Company and no such persons have undertaken not to sell any such shares to the Company in the event that the general mandate is granted by shareholders.

(x) Share Prices

The highest and lowest prices at which shares of the Company traded on the Stock Exchange in each of the previous twelve months and on 21 July 2008 are as follows:

Month	Highest Traded Price (HK\$)	Lowest Traded Price (HK\$)
July 2007	13.200	11.920
August 2007	12.480	11.000
September 2007	13.620	12.000
October 2007	13.800	13.100
November 2007	14.400	13.400
December 2007	18.500	14.800
January 2008	18.300	15.620
February 2008	17.420	16.700
March 2008	16.900	15.300
April 2008	15.700	15.100
May 2008	21.000	15.240
June 2008	20.700	18.700
As at 21 July 2008	No transaction	No transaction

APPENDIX II — DETAILS OF RETIRING AND RE-ELECTING DIRECTORS

Mr Cheong Kheng Lim, aged 59, is the deputy chairman, an executive director and authorised representative of the Company and its listed parent Company, Tian Teck Land Limited. He is also a director of all holding companies (including Tian Teck Investment Holding Co., Limited) and their subsidiaries in the group (except Austin Hills Land Sdn. Bhd., Austin Hills Country Resort Pte. Ltd., Austin Hills View Sdn. Bhd. and Austin Hills Villas Sdn. Bhd.). Mr Cheong is the chief operation officer of the Company. He has been a director of the Company and Tian Teck Land Limited since 1984 and 1969 respectively. He is the brother of Messrs Cheong Hooi Hong, Cheong Keng Hooi (a substantial shareholder of Tian Teck Land Limited) and Cheong Sim Lam, who are directors of the Company and of Tian Teck Land Limited and together with them owns Tian Teck Investment Holding Co., Limited, the controlling shareholder of Tian Teck Land Limited. He is also the father of Miss Cheong Chong Ling, who is a director of the Company and of Tian Teck Land Limited. Mr Cheong was a substantial shareholder interested in 26,123,715 shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance as at the date hereof, of which 26,089,715 shares were held by himself and 34,000 shares were held by his spouse, Ms Lim Yoke Soon. As at such date, he was also a substantial shareholder of Tian Teck Land Limited, being interested in 46,139,164 shares in that company, of which 46,023,872 shares were held by himself and 115,292 shares were held by his spouse, Ms Lim Yoke Soon. His emoluments as a director of the Company for the year ended 31 March 2008 were HK\$50,000 as director's fees approved by general meeting of the Company. Basic salary and other emoluments received by him from the Company for the financial year, including discretionary bonus for calendar year 2007, totalled a further HK\$3,975,000 (constituted by a basic salary of HK\$1,440,000, bonus of HK\$700,000 and other emoluments of a value of HK\$1,835,000). Basic salary, bonus and other emoluments were determined by the Remuneration Committee of the Company on an annual basis. Basic salary, bonus and an amount of HK\$1,434,000 included in other emoluments (principally housing-related emoluments and payment of salaries tax) were covered by his service contract with the Company as chief operation officer. In addition, two residential properties owned by the Company with an estimated rental value of HK\$2,538,000 were provided to Mr Cheong and his family as approved by the Remuneration Committee of the Company. Mr Cheong's emoluments as a director of Tian Teck Land Limited for the year ended 31 March 2008 were HK\$50,000 as director's fees approved by general meeting of that company. Other than the above, Mr Cheong has not been a director of any other listed public company in the three years prior to the date of this circular and does not have any information to disclose pursuant to rule 13.51(2)(h) to (v) of the Listing Rules. There are no other matters which need to be brought to the attention of the shareholders of the Company.

Mr Cheong Keng Hooi, aged 55, is an executive director of the Company and its listed parent company, Tian Teck Land Limited and a director of all holding companies (including Tian Teck Investment Holding Co., Limited) and their subsidiaries in the group (except Austin Hills View Sdn. Bhd. and Austin Hills Villas Sdn. Bhd.). He is also the chief project officer of the Company. Mr Cheong has been a director of the Company and Tian Teck Land Limited since 1984 and 1983 respectively. He is the brother of Messrs Cheong Hooi Hong, Cheong Kheng Lim (a substantial shareholder of both the Company and Tian Teck Land Limited) and Cheong Sim Lam, who are directors of the Company and of Tian Teck Land Limited, and together with them owns Tian Teck Investment Holding Co., Limited, the controlling shareholder of Tian Teck Land Limited. He is also the uncle of Miss Cheong Chong Ling, who is a director of the Company and of Tian Teck Land Limited. Mr Cheong was interested in 15,551,119 shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance as at the date hereof, of which 15,275,839 shares were held by himself and 275,280 shares were held by his spouse, Ms Wu Soo Huei. As at such date, he was a substantial shareholder interested in 27,914,420 shares in Tian Teck Land Limited, of which 26,912,036 shares were held by himself and 1,002,384 shares were held by his spouse, Ms Wu Soo Huei. His emoluments as a director of the Company for the year ended 31 March 2008 were HK\$50,000 as director's fees approved by general meeting of the Company. Basic salary and other emoluments received by him from the Company for the financial year, including discretionary bonus for calendar year 2007, totalled a further HK\$2,192,000 (constituted by a basic salary of HK\$1,440,000, bonus of HK\$300,000 and other emoluments of a value

of HK\$452,000). Basic salary, bonus and other emoluments were determined by the Remuneration Committee of the Company on an annual basis. Basic salary, bonus and an amount of HK\$18,000 included in other emoluments being travelling and insurance-related expenses were covered by his service contract with the Company as chief project officer. Mr Cheong's emoluments as a director of Tian Teck Land Limited for the year ended 31 March 2008 were HK\$50,000 as director's fees approved by general meeting of that company. Other than the above, Mr Cheong has not been a director of any other listed public company in the three years prior to the date of this circular and does not have any information to disclose pursuant to rule 13.51(2)(h) to (v) of the Listing Rules. There are no other matters which need to be brought to the attention of the shareholders of the Company.

Mr Yau Allen Lee-nam, aged 67, is an independent non-executive director of the Company and its listed parent company, Tian Teck Land Limited. He has been a director of the Company and Tian Teck Land Limited since 2004. His current terms of directorships with the Company and Tian Teck Land Limited are from the conclusion of the 2007 Annual General Meeting to the conclusion of the 2008 Annual General Meeting. He is also a member of the Remuneration Committee and Audit Committee of the Company and Tian Teck Land Limited. Mr Yau's emoluments as a director of the Company for the year ended 31 March 2008 were HK\$170,000 as director's fees approved by general meeting of the Company. His emoluments were determined by the Board on the recommendation of the Remuneration Committee of the Company with reference to the Company's results, his experience and fees paid to independent non-executive directors by other listed public companies. Mr Yau's emoluments as a director of Tian Teck Land Limited for the year ended 31 March 2008 were director's fees of HK\$170,000 as approved by general meeting of that company. Mr Yau does not have a service contract with the Company and has no relationships with any directors, senior management or substantial or controlling shareholders of the Company save those disclosed herein. He does not have any interest in any shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr Yau qualified as a barrister in England in 1964 and practised as an advocate and solicitor in Singapore and Malaysia, and as an advocate in the State of Brunei before coming to Hong Kong. He was admitted to the Hong Kong Bar in 1985 and practised as a barrister until 2001. Other than the above, Mr Yau has not been a director of any other listed public company in the three years prior to the date of this circular and does not have any information to disclose pursuant to rule 13.51(2)(h) to (v) of the Listing Rules. There are no other matters which need to be brought to the attention of the shareholders of the Company.

Mr Lee Chung, aged 34, is an independent non-executive director of the Company. He has been a director of the Company since 2004. His current term of directorship with the Company is from the conclusion of the 2007 Annual General Meeting to the conclusion of the 2008 Annual General Meeting. He is also a member of the Remuneration Committee and Audit Committee of the Company. Mr Lee's emoluments as a director of the Company for the year ended 31 March 2008 were HK\$170,000 as director's fees approved by general meeting of the Company. His emoluments were determined by the Board on the recommendation of the Remuneration Committee of the Company with reference to the Company's results, his experience and fees paid to independent non-executive directors by other listed public companies. Mr Lee does not have a service contract with the Company and has no relationships with any directors, senior management or substantial or controlling shareholders of the Company. He does not have any interest in any shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr Lee holds a degree of Bachelor of Science in Engineering from Colorado School of Mines in the United States and a MBA degree from the University of Warwick in the United Kingdom. He has extensive experience in venture capital and property investment in the United States, Israel and PRC. Other than the above, Mr Lee has not been a director of any other listed public company in the three years prior to the date of this circular and does not have any information to disclose pursuant to rule 13.51(2)(h) to (v) of the Listing Rules. There are no other matters which need to be brought to the attention of the shareholders of the Company.

All monetary units in this Appendix II are rounded to the nearest thousand.