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Asia Alliance Holdings Limited

亞洲聯盟集團有限公司*

(Incorporated in Bermuda with limited liability)

DESPATCH OF CIRCULAR

The circular (the “Circular”) containing, among other things, details of the proposed Capital Reduction, Subdivision, increase in authorised share capital, Rights Issue, the general mandates to issue and repurchase Shares (collectively as “Proposed Transactions”), the advices from the independent board committee and the independent financial adviser in relation to the Rights Issue and the notice of special general meeting (“SGM”) has been despatched on 10 February 2004.

The SGM for the purpose of approving the Proposed Transactions will be convened on 4 March 2004. The register of members of the Company will be closed from 1 March 2004 to 4 March 2004 (both dates inclusive) during which period no transfer of Existing Shares will be registered.

Reference is made to the announcement dated 12 January 2004 (“the Announcement”) issued by the Company. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless the context requires otherwise.

DESPATCH OF THE CIRCULAR

The Circular in relation to the proposed Rights Issue encompassing the notice of SGM to consider and, if thought fit, pass the special resolution in respect of the Capital Reduction and Subdivision and the ordinary resolutions in respect of the increase in authorised share capital, the Rights Issue and the general mandates to issue and repurchase Shares has been despatched on 10 February 2004.

REVISION TO PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

It was proposed in the Announcement that the authorised share capital of the Company be increased from HK\$300,000,000 to HK\$750,000,000 by the creation of an additional 4,500,000,000 Shares. The proposal has been revised such that the authorised share capital of the Company be increased from HK\$300,000,000 to HK\$650,000,000 by the creation of an additional 3,500,000,000 Shares instead.

CLARIFICATION OF INFORMATION IN THE CIRCULAR

Your attention is drawn to page iii of the Circular under the section headed “Expected Timetable” where 30 March should reference to Tuesday instead of Monday.

REVISED EXPECTED TIMETABLE

The expected timetable relating to the Proposed Transactions is as follows:

2004

Last day of dealings in Existing Shares on a cum-rights basis . . Wednesday, 25 February

First day of dealings in Existing Shares on an ex-rights basis Thursday, 26 February

Latest time for lodging transfers of Existing
Shares in order to qualify for the Rights Issue 4:00 p.m. on Friday, 27 February

Register of members close
(both dates inclusive) Monday, 1 March to Thursday, 4 March

Latest time for lodging form of proxy for the SGM 9:00 a.m. on Tuesday, 2 March

SGM 9:00 a.m. on Thursday, 4 March

Record Date Thursday, 4 March

Prospectus Documents posted to Qualifying Shareholders Thursday, 4 March

Effective time and date of the Capital
Reduction and Subdivision 4:00 p.m. on Thursday, 4 March

Commencement of dealings in Shares 9:30 a.m. on Friday, 5 March

First day for free exchange of certificates
for Existing Shares for new certificates for Shares Friday, 5 March

Register of members re-opened Friday, 5 March

First day of dealings in nil-paid Rights Shares Monday, 8 March

Latest time for splitting nil-paid Rights Shares 4:00 p.m. on Friday, 12 March

Last day of dealings in nil-paid Rights Shares Wednesday, 17 March

Latest time and date for acceptance of and
payment for Rights Shares, the Acceptance Date 4:00 p.m. on Monday, 22 March

Rights Issue becomes unconditional after 4:00 p.m. on Wednesday, 24 March

Announcement of results of acceptances
of the Rights Issue and excess applications Thursday, 25 March

Despatch of refund cheques in respect
of wholly or partially unsuccessful excess applications Friday, 26 March

Despatch of certificates for fully-paid Rights Shares Friday, 26 March

First day of dealings in fully-paid Rights Shares Tuesday, 30 March

Last day for free exchange of certificates
for Existing Shares for new certificates for Shares Friday, 2 April

All time references contained in this announcement refer to Hong Kong local time.

Dates or deadlines of events in the timetable specified in this announcement for (or otherwise in relation to) the Proposed Transactions are for indication purpose only and are subject to changes made by the Company and the Underwriters. Any consequential changes to the above expected timetable will be announced and published.

Any dealings in Existing Shares, Shares or Rights Shares in their nil-paid form are accordingly at the investors' own risk. Any Shareholders or other persons contemplating selling or purchasing Existing Shares, Shares and/or Rights Shares in their nil-paid form who are in any doubt about their position are recommended to consult their professional advisers.

By order of the Board
Asia Alliance Holdings Limited
Koon Wing Yee
President and Chief Executive Officer

Hong Kong, 10 February 2004

** For identification purpose only*

Please also refer to the published version of this announcement in The Standard.