



## Asia Alliance Holdings Limited

亞洲聯盟集團有限公司\*

(Incorporated in Bermuda with limited liability)

Stock Code: 616

### ANNOUNCEMENT OF RESULTS FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2004

The Board of Directors (the “Board”) of Asia Alliance Holdings Limited (formerly known as i100 Limited) (the “Company”) is pleased to present the audited results of the Company and its subsidiaries (the “Group”) for the fifteen months ended 31 March 2004, together with comparative figures for the previous financial year.

	NOTES	1.1.2003 to 31.3.2004 HK\$'000	1.1.2002 to 31.12.2002 HK\$'000
Turnover		5,083	70,354
Cost of sales and services		<u>(3,352)</u>	<u>(52,216)</u>
Gross profit		1,731	18,138
Other operating income	5	709	2,398
Distribution costs		(6,948)	(19,942)
Administrative expenses		(26,597)	(55,775)
Other operating expenses		(5,417)	(5,399)
Impairment loss recognised in respect of property, plant and equipment		(9,971)	(785)
Impairment loss recognised in respect of long term investments		(3,900)	—
Allowance for a loan to Acme Landis Operations Holdings Limited, a former subsidiary		(3,297)	(42,115)
Allowance for doubtful debts		(1,155)	(6,082)
Allowance for amounts due from associates		<u>(317)</u>	<u>—</u>
Loss from operations	6	(55,162)	(109,562)
Loss on disposal of subsidiaries/discontinued operations		(539)	(4,615)
Finance costs	7	(1,960)	(37)
Share of results of an associate		(4)	(13,991)
Impairment loss recognised in respect of goodwill of an associate		—	(48,807)
Allowance for loans to an associate		—	(14,216)
Share of results of jointly controlled entities		<u>(72)</u>	<u>(65)</u>

	<i>NOTES</i>	<b>1.1.2003 to 31.3.2004 HK\$'000</b>	<b>1.1.2002 to 31.12.2002 HK\$'000</b>
Loss before taxation		<b>(57,737)</b>	(191,293)
Taxation	8	<u>—</u>	<u>309</u>
Loss before minority interests		<b>(57,737)</b>	(190,984)
Minority interests		<u>—</u>	<u>(440)</u>
Net loss for the period/year		<u><b>(57,737)</b></u>	<u>(191,424)</u>
Basic loss per share	9	<u><b>HK\$(0.97)</b></u>	<u>HK\$(4.98)</u>

*Notes:*

## **1. GENERAL**

The Company is incorporated in Bermuda as an exempted company with limited liability. Its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. Its subsidiaries are principally engaged in wireless communication business, communication solutions consultancy services and Internet operations.

On 24 January 2003, a sale and purchase agreement was entered into between Asia Pacific Growth Fund III, L.P., i100 Capital Corporation, i100 Holdings Corporation, Landmark Profits Limited (a wholly-owned subsidiary of Easyknit International Holdings Limited ("Easyknit")) and Easyknit, pursuant to which Landmark Profits Limited agreed to purchase 609,000,000 shares of the Company of HK\$0.10 each. The completion of the above agreement took place on 28 January 2003 and the Company became a subsidiary of Easyknit. Easyknit is a company incorporated in Bermuda, whose shares are listed on the Stock Exchange and the Singapore Exchange Securities Trading Limited. Details of the above are set out, inter alia, in the announcement of the Company dated 6 February 2003.

As a result of two private placements of shares of the Company on 17 November 2003 and 22 December 2003, Easyknit's shareholding in the Company was reduced to approximately 35.9%.

## **2. CHANGE OF FINANCIAL YEAR-END DATE**

On 1 September 2003, the board of directors of the Company resolved to change the financial year-end date of the Company from 31 December to 31 March to align the financial year-end date with that of Easyknit. The financial statements therefore cover a fifteen month period from 1 January 2003 to 31 March 2004. The corresponding amounts shown for the consolidated income statement, consolidated statement of changes in equity, consolidated cash flow statement and related notes cover a twelve month period from 1 January 2002 to 31 December 2002 and therefore may not be comparable with amounts shown for the current period.

### 3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted, for the first time, the Hong Kong Financial Reporting Standards (“HKFRS”) - Statement of Standard Accounting Practice (“SSAP”) 12 (Revised) issued by the Hong Kong Society of Accountants (“HKSA”). The term of HKFRS is inclusive of SSAPs and Interpretations approved by the HKSA.

The principal effect of the implementation of SSAP 12 (Revised) is in relation to deferred tax. SSAP 12 (Revised) requires the adoption of a balance sheet liability method, whereby deferred tax is recognised in respect of all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, with limited exceptions. The adoption of SSAP 12 (Revised) has no material effect on the results for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

### 4. SEGMENT INFORMATION

For management purposes, the Group is currently organised into three main operating divisions - wireless communication business, communication solutions consultancy services and Internet operations. These divisions are the bases on which the Group reports its primary segment information.

Segment information about these businesses is presented below:

#### For the fifteen months ended 31 March 2004

##### Income statement

	Turnover <i>HK\$'000</i>	Segment result <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Continuing operations:			
Wireless communication business	3,982	(31,873)	
Communication solutions consultancy services	1,101	(2,856)	
Internet operations	<u>—</u>	<u>(304)</u>	
	<u>5,083</u>	<u>(35,033)</u>	
Segment result			(35,033)
Interest income			70
Allowance for amounts due from associates (note)			(317)
Unallocated corporate expenses			<u>(19,882)</u>
Loss from operations			(55,162)
Loss on disposal of subsidiaries			(539)
Finance costs			(1,960)
Share of results of an associate			(4)
Share of results of jointly controlled entities			<u>(72)</u>
Net loss for the period			<u>(57,737)</u>

*Note:* The amount is related to the segment of wireless communication business.

**For the year ended 31 December 2002**

Income statement

	<b>External</b>	<b>Turnover Inter- segment</b>	<b>Total</b>	<b>Segment result</b>	<b>Consolidated</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Continuing operations:					
Wireless communication business	953	—	953	(29,704)	
Communication solutions consultancy services	1,131	480	1,611	(4,122)	
Internet operations	—	—	—	(598)	
Discontinued operations:					
Sanitary fixtures and fittings	38,860	26	38,886	443	
Hardware, industrial and consumer products	20,258	—	20,258	(926)	
Drainage, plumbing and engineering contracting services	<u>9,152</u>	<u>—</u>	<u>9,152</u>	<u>(1,907)</u>	
	70,354	506	70,860	(36,814)	
Eliminations	<u>—</u>	<u>(506)</u>	<u>(506)</u>	<u>(180)</u>	
	<u>70,354</u>	<u>—</u>	<u>70,354</u>	<u>(36,994)</u>	
Segment result					(36,994)
Interest income					1,624
Allowance for a loan to Acme Landis Operations Holdings Limited, a former subsidiary (note a)					(42,115)
Unallocated corporate expenses					<u>(32,077)</u>
Loss from operations					(109,562)
Loss on disposal of discontinued operations					(4,615)
Finance costs					(37)
Share of results of an associate					(13,991)
Impairment loss recognised in respect of goodwill of an associate					(48,807)
Allowance for loans to an associate					(14,216)
Share of results of jointly controlled entities (note b)					<u>(65)</u>
Loss before taxation					(191,293)
Taxation					<u>309</u>
Loss before minority interests					(190,984)
Minority interests					<u>(440)</u>
Net loss for the year					<u>(191,424)</u>

Inter-segment sales are charged at prevailing market prices.

Notes:

- (a) The amount is related to the segments of sanitary fixtures and fittings, hardware, industrial and consumer products and drainage, plumbing and engineering contracting services.
- (b) The amount is related to the segment of wireless communication business.

## 5. OTHER OPERATING INCOME

	<b>1.1.2003 to 31.3.2004</b>	<b>1.1.2002 to 31.12.2002</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>

An analysis of the Group's other operating income is as follows:

Commission income	471	—
Interest income	70	1,624
Rental income	—	251
Others	<u>168</u>	<u>523</u>
	<u><b>709</b></u>	<u><b>2,398</b></u>

## 6. LOSS FROM OPERATIONS

	<b>1.1.2003 to 31.3.2004</b>	<b>1.1.2002 to 31.12.2002</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>

Loss from operations has been arrived at after charging:

Directors' remuneration	868	6,657
Other staff costs, including retirement benefits costs	<u>11,869</u>	<u>32,922</u>
Total staff costs	<u><b>12,737</b></u>	<u><b>39,579</b></u>
Amortisation of goodwill ( <i>note</i> )	—	97
Auditors' remuneration	350	1,000
Cost of inventories recognised as an expense	378	40,765
Deficit arising on revaluation of investment properties	—	350
Deficit arising on revaluation of leasehold land and buildings	—	158
Depreciation	<b>6,495</b>	9,165
Impairment loss recognised in respect of goodwill of subsidiaries ( <i>note</i> )	<b>492</b>	—
Loss on disposal of property, plant and equipment	<b>379</b>	410
Loss on waiver of amount due from a minority shareholder of a subsidiary ( <i>note</i> )	<b>117</b>	—
Loss on waiver of loan to a jointly controlled entity ( <i>note</i> )	<u><b>7</b></u>	<u><b>—</b></u>

*Note:* The amounts are included in other operating expenses.

## 7. FINANCE COSTS

	<b>1.1.2003 to 31.3.2004</b> <i>HK\$'000</i>	<b>1.1.2002 to 31.12.2002</b> <i>HK\$'000</i>
Interest on borrowings wholly repayable within five years:		
- Loan from a wholly-owned subsidiary of Easyknit	1,517	—
- bank borrowings	—	37
- other borrowings	<u>443</u>	<u>—</u>
	<u><b>1,960</b></u>	<u><b>37</b></u>

## 8. TAXATION

	<b>1.1.2003 to 31.3.2004</b> <i>HK\$'000</i>	<b>1.1.2002 to 31.12.2002</b> <i>HK\$'000</i>
The amount comprises:		
Taxation (credit) charge attributable to the Company and its subsidiaries		
Hong Kong Profits Tax	—	189
Overprovision in prior years	<u>—</u>	<u>(159)</u>
	—	30
Share of taxation of an associate	<u>—</u>	<u>(339)</u>
	<u><b>—</b></u>	<u><b>(309)</b></u>

No provision for Hong Kong Profits Tax has been made as the Company and its subsidiaries had no assessable profit for the fifteen months ended 31 March 2004.

Hong Kong Profits Tax for the year ended 31 December 2002 was calculated at 16% of the estimated assessable profit for that year.

## 9. LOSS PER SHARE

	<b>1.1.2003 to 31.3.2004</b> <i>HK\$'000</i>	<b>1.1.2002 to 31.12.2002</b> <i>HK\$'000</i>
Loss for the purposes of basic loss per share	<u>(57,737)</u>	<u>(191,424)</u>
	<b>1.1.2003 to 31.3.2004</b>	<b>1.1.2002 to 31.12.2002</b>
<b>Number of shares</b>		
Weighted average number of shares for the purposes of basic loss per share	<u><b>59,376,993</b></u>	<u><b>38,433,085</b></u>

The denominator for the purposes of calculating basic loss per share of year 2002 has been adjusted to reflect the consolidation of shares in September 2003 on the basis that forty shares were consolidated into one share and the rights issue of shares in September 2003 and March 2004.

The calculation of diluted loss per share has not been disclosed as the exercise of the Company's outstanding share options would reduce the loss per share for both accounting periods.

## **DIVIDEND**

The Directors do not recommend the payment of a dividend for the fifteen months ended 31 March 2004 (for the year ended 31 December 2002: nil).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Financial Results**

The Group's turnover and net loss for the fifteen months ended 31 March 2004 were approximately HK\$5,083,000 (for the year ended 31 December 2002: approximately HK\$70,354,000) and approximately HK\$57,737,000 (for the year ended 31 December 2002: approximately HK\$191,424,000), respectively, representing a decrease of approximately 92.8% and approximately 69.8% respectively when compared to the year ended 31 December 2002.

The decrease in turnover was mainly due to the disposal of the Group's entire shareholding in (i) Acme Sanitary Engineering Company Limited ("Acme Sanitary"), formerly a wholly-owned subsidiary of the Company which was engaged in the business of the provision of drainage, plumbing and engineering contracting services, on 4 May 2002 and (ii) Acme Landis Operations Holdings Limited ("Acme Landis"), formerly a wholly-owned subsidiary of the Company which was engaged in the business of trading of sanitary fixtures and fittings and a range of hardware, industrial and consumer products, on 29 May 2002.

The Group's net loss for the fifteen months ended 31 March 2004 amounted to approximately HK\$57,737,000 which includes impairment loss recognised in respect of long term investments of approximately HK\$3,900,000 and impairment loss recognised in respect of property, plant and equipment of approximately HK\$9,971,000. The Group's operating expenses for the period under review were approximately HK\$38,962,000 compared to approximately HK\$81,116,000 for the year ended 31 December 2002 and the decrease was mainly due to the disposal of Acme Sanitary and Acme Landis.

### **Business Review**

During the fifteen months ended 31 March 2004, the Group was principally engaged in wireless communication business, provision of communication solutions consultancy services and Internet operations.

During the period under review, the Company's former wholly-owned subsidiary, i100 Wireless (Hong Kong) Limited, was engaged in the provision of a branded wireless data services in Hong Kong. The key principal service was a GPRS (general packet radio service)-driven and entertainment focused wireless data service supported by international content providers, leading wireless games companies and major telecommunications carriers that accommodated the lifestyle of the Group's target users.

The Group launched its 2.5G MVNO (mobile virtual network operator) business in October 2002, under the trade name Noodle. Noodle's technical platform was based on GPRS, the most popular 2.5G data technology used in Hong Kong. It offered its customers a wide array of mobile content such as games, up-to-date news, horoscopes, sports and other entertainment topics. Noodle mainly targeted the younger market for its services.

In June 2003, Noodle transferred all the active customer accounts of its 2.5G MVNO business to SUNDAY. Hence, i100 Wireless (Hong Kong) Limited became a content provider to SUNDAY. However, the wireless communication business still suffered from huge losses.

### **Prospects**

The general economic climate affected the mobile communication business of the Group in Hong Kong. The Group will continue to streamline its operation in this business segment.

After the completion of the Po Cheong Acquisition (as defined in the section headed "Significant Corporate Events" below) on 17 May 2004, the bleaching and dyeing business of Po Cheong and its subsidiary is expected to contribute positively to the Group's profitability.

The Group will continue to explore potential investment projects or businesses with a view to diversify and expand its source of income.

### **Significant Corporate Events**

On 28 January 2003, Easyknit, through its wholly-owned subsidiary, Landmark Profits Limited, acquired approximately 55.27% equity interest of the Company and subsequently made a mandatory general offer for the shares that it did not own. The general offer resulted in Easyknit holding approximately 55.30% equity interest of the Company as at 14 April 2003. A series of disposal of the Company's shares in June 2003 brought Easyknit's interest in the Company down to approximately 51.73% as at 30 June 2003.

As a result of the capital reorganisation which came into effect on 10 February 2003, the then issued share capital of the Company was reduced from HK\$110,187,300 to HK\$11,018,730 comprising 1,101,873,000 shares of HK\$0.01 each.

On 8 September 2003, every 40 issued and unissued shares of the Company of HK\$0.01 each were consolidated into one consolidated share of HK\$0.40 each. Immediately following the share consolidation, the share capital of the Company comprised 27,546,825 issued shares of HK\$0.40 each and 722,453,175 unissued shares of HK\$0.40 each.



On 25 September 2003, the Company issued 13,773,412 rights shares at a price of HK\$1.00 per rights share (the “First Rights Issue”) and raised net proceeds of approximately HK\$13,300,000 for general working capital purposes.

On 17 November 2003, 8,264,047 shares of HK\$0.40 each were issued and allotted by the Company at a price of HK\$0.865 per placing share by way of placing (the “First Placing”). The net proceeds of the First Placing were approximately HK\$6,900,000 of which HK\$5,000,000 has been used for partial repayment of an unsecured interest-bearing loan of HK\$30,270,000 (“Easyknit Loan”) extended by Planetic International Limited (a wholly owned subsidiary of Easyknit) to the Group in February 2003 and approximately HK\$1,900,000 are used as general working capital.

On 22 December 2003, the Company issued and allotted 9,916,856 shares of HK\$0.40 each at a price of HK\$0.865 per placing share by way of placing (the “Second Placing”). Out of the net proceeds of the Second Placing of approximately HK\$8,400,000, HK\$4,000,000 has been used for partial repayment of Easyknit Loan. The remaining net proceeds of approximately HK\$4,400,000 are for general working capital purposes.

As a result of the First Rights Issue, the First Placing and the Second Placing, the then issued share capital of the Company were increased to HK\$23,800,456 comprising 59,501,140 shares of HK\$0.40 each. Subsequent to the completion of the First Placing and the Second Placing, Easyknit’s interest in the Company has been diluted to approximately 35.93% of the then issued share capital of the Company.

With effect from 19 November 2003, the name of the Company has been changed from “i100 Limited” to “Asia Alliance Holdings Limited” and the Chinese name “亞洲聯盟集團有限公司” has been adopted by the Company for identification purposes.

On 4 March 2004, the then issued share capital of the Company was reduced to HK\$5,950,114 consisting of 59,501,140 shares of HK\$0.10 each and the authorised share capital of the Company was increased to HK\$650,000,000 comprising 6,500,000,000 shares of HK\$0.10 each.

On 24 March 2004, the Company raised approximately HK\$73,200,000 (net of expenses) by way of the rights issue of 297,505,700 rights shares at a price of HK\$0.25 per rights share on the basis of five rights shares for every share held (the “Second Rights Issue”). Out of such proceeds, approximately HK\$22,000,000 has been used to repay the Easyknit Loan and the remaining balance of approximately HK\$51,000,000 has been applied for partial payment in respect of the Po Cheong Acquisition (as defined below). As a result of the Second Rights Issue, the issued share capital of the Company has been increased to HK\$35,700,684 comprising 357,006,840 shares of HK\$0.10 each.

On 17 May 2004, the acquisition of the entire issued share capital of Po Cheong International Enterprises Limited (“Po Cheong”) at a total consideration of HK\$65,000,000 (subject to adjustment) (the “Po Cheong Acquisition”) by Best Ability Limited, a wholly-owned

subsidiary of the Company, from Easyknit International Trading Company Limited, a wholly-owned subsidiary of Easyknit, was completed and Po Cheong has become a wholly-owned subsidiary of the Company. Po Cheong and its subsidiary are principally engaged in the business of bleaching and dyeing.

On 15 June 2004, the Company entered into an agreement (the “Agreement”) with each of Mr. Louie Tsz Chung and Ms. Koon Po Fun, pursuant to which, amongst other things, the Group has agreed to sell fabrics and provide bleaching and dyeing services to the companies controlled by Mr. Louie Tsz Chung/companies controlled by Ms. Koon Po Fun respectively for the period from 17 May 2004 to 31 March 2007 subject to respective caps. The respective transactions (the “Ongoing Connected Transactions”) contemplated under the Agreement with each of Mr. Louie Tsz Chung and Ms. Koon Po Fun constitute non-exempt continuing connected transactions of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and are subject to reporting and independent shareholders’ approval at the special general meeting of the Company to be held on 25 August 2004. Details of the Ongoing Connected Transactions are set out in the circular of the Company dated 26 July 2004.

On 25 June 2004, Copplestone Limited (“Copplestone”), a wholly owned subsidiary of the Company, and Arco Consulting Inc. (“Arco”), a third party independent of the Company, entered into a settlement agreement (the “Settlement Agreement”). Pursuant to the Settlement Agreement, inter alia, the facility agreement entered into on 6 January 2003 between Copplestone as borrower and Arco as lender relating to a term loan facility of up to HK\$4,000,000 (the “Facility Loan”) secured by all the shares in the share capital of i100 Wireless Corporation held by Copplestone was terminated and Copplestone transferred the entire issued share capital of i100 Wireless Corporation to Arco. The disposal of i100 Wireless Corporation constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Details of the Settlement Agreement and the disposal of i100 Wireless Corporation are set out in the announcement of the Company dated 14 July 2004.

### **Liquidity and Financial Resources**

During the period under review, the Group obtained the Easyknit Loan of HK\$30,270,000 which has been fully repaid in March 2004 and the Facility Loan of HK\$4,000,000. Both loans bore interest at market rate and were repayable on demand. The Group’s total borrowings at 31 March 2004 were HK\$4,000,000. During the period under review, the Group raised aggregate net proceeds of approximately HK\$101,800,000 from the First Rights Issue, the First Placing, the Second Placing and the Second Rights Issue. As at 31 March 2004, the remaining balance of the net proceeds was approximately HK\$65,856,000. During the fifteen months ended 31 March 2004, the Group’s operation was mainly financed by the Easyknit Loan, the Facility Loan and the net proceeds of the aforesaid fund raising exercises.

As at 31 March 2004, the Group had net current assets of approximately HK\$56,997,000 (net current liabilities as at 31 December 2002: approximately HK\$3,521,000) and cash and cash equivalents of approximately HK\$66,131,000 (31 December 2002: approximately HK\$1,822,000). The Group’s cash is primarily in Hong Kong and US dollars and placed in leading commercial banks as time deposits with various maturities.

As at 31 March 2004, the Group had a gearing ratio of 6.9%. The gearing ratio is calculated on the basis of the Group's total borrowings of HK\$4,000,000 over the shareholders' funds of HK\$57,856,000. As the Group had no borrowings as at 31 December 2002, no gearing ratio of the Group is presented at 31 December 2002.

The directors believe that the Group has sufficient working capital for its operations.

### **Exposure to Fluctuations in Exchange Rates and Related Hedges**

As at 31 March 2004, the Group had no significant exposure to fluctuations in exchange rates and any related hedges.

### **Capital Structure**

The Group had no debt securities or other capital instruments as at 31 March 2004 and up to the date of this announcement.

### **Material Acquisitions and Disposals**

Save as the Po Cheong Acquisition as set out in "Significant Corporate Events" above, the Group had no material acquisitions and disposals of subsidiaries or associates during the fifteen months ended 31 March 2004.

### **Charges on Group Assets**

As at 31 March, 2004, the Facility Loan of HK\$4,000,000 from an independent third party was secured by all the issued shares of i100 Wireless Corporation, a former wholly-owned subsidiary of the Company.

### **Capital Expenditure**

During the fifteen months ended 31 March 2004, the Group spent approximately HK\$12,125,000 on acquisition of property, plant and equipment.

### **Contingent Liabilities**

At at 31 March 2004, the Group did not have any contingent liabilities.

### **Significant Investment**

As at 31 March 2004, the Group did not have any significant investment held or any significant investment plans.

## **Employees and Remuneration Policies**

As at 31 March 2004, the Group employed approximately 29 full time management, technical and administrative staff in Hong Kong and elsewhere in the People's Republic of China. Employees' cost (including directors' emoluments) amounted to approximately HK\$12,737,000 for the period under review. The Group remunerates its employees based on their performance, experience and prevailing industry practice. The Group has share option schemes to motivate valued employees.

## **PURCHASE, SALE AND REDEMPTION OF SHARES**

There was no purchase, sale or redemption of the Company's shares by the Company or any of its subsidiaries during the fifteen months ended 31 March 2004.

## **AUDIT COMMITTEE**

The current audit committee comprises two members, Mr. Kan Ka Hon and Mr. Kwong Jimmy Cheung Tim, both of whom are independent non-executive directors of the Company. The audit committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters, including review of the interim and annual reports of the Group.

## **CORPORATE GOVERNANCE**

The Company has complied throughout the fifteen months ended 31 March 2004 with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange, except that the independent non-executive directors of the Company have not been appointed for specific terms as required by paragraph 7 of the Code but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's Bye-laws.

## **PUBLICATION OF ANNUAL REPORT ON THE STOCK EXCHANGE'S WEBSITE**

The 2004 Annual Report containing all the information required by paragraph 45(1) to 45(3) inclusive of Appendix 16 of the Rules Governing the Listing of Securities will be published on website of the Stock Exchange in due course.

By Order of the Board of  
**Asia Alliance Holdings Limited**  
**KOON, Wing Yee**  
*President and Chief Executive Officer*

Hong Kong, 26 July 2004

As of the date of this announcement, the executive directors of the Company are Mr. Koon Wing Yee, Mr. Tsang Yiu Kai and Ms. Lui Yuk Chu and the independent non-executive directors are Mr. Kan Ka Hon and Mr. Kwong Jimmy Cheung Tim.

\* *For identification only*

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