



Asia Alliance Holdings Limited

亞洲聯盟集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 616)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of the shareholders of Asia Alliance Holdings Limited (the “Company”) will be held at 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong on Tuesday, 6 September, 2005 at 9:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions:

SPECIAL RESOLUTION

1. **“THAT**, conditional upon (a) the Listing Committee of The Stock Exchange of Hong Kong Limited (**“Stock Exchange”**) granting listing of, and permission to deal in, the Consolidated Shares (as defined below) and (b) compliance by the Company with the relevant legal procedures and requirements under the Company’s Bye-laws and the Companies Act 1981 of Bermuda (as amended) to effect the Capital Reorganisation (as defined below):
 - (i) the par value of the authorised, issued and unissued share capital of the Company be reduced from HK\$0.10 to HK\$0.001 which results in the (a) reduction of authorised share capital of the Company from HK\$650,000,000 divided into 6,500,000,000 ordinary shares of HK\$0.10 each (**“Shares”**) to HK\$6,500,000 divided into 6,500,000,000 ordinary shares of HK\$0.001 each (**“Reduced Shares”**); and (b) reduction of issued share capital of the Company from a level of issued capital in the range of HK\$35,700,684 divided into 357,006,840 Shares (based on a total of 357,006,840 Shares in issue as at the date of the notice convening the meeting at which this resolution is considered) to HK\$36,263,184 divided into 362,631,840 Shares (based on a total of 362,631,840 Shares in issue upon exercise in full of the subscription rights attaching to the outstanding options issued by the Company) by not less than HK\$35,343,677.16 and not more than HK\$35,900,552.16 to not less than HK\$357,006.84 divided into 357,006,840 Reduced Shares (based on a total of 357,006,840 Shares in issue as at the date of the notice convening the meeting at which this resolution is considered) and not more than HK\$362,631.84 divided into 362,631,840 Reduced Shares (based on a total of 362,631,840 Shares in issue upon exercise in full of the subscription rights attaching to the outstanding options issued by the Company) (collectively referred

to as “**Capital Reduction**”) and the amount of the cancelled paid-up capital in the sum of between HK\$35,343,677.16 to HK\$35,900,552.16 arising from the Capital Reduction (depending on the Shares in issue at the time of the Capital Reduction, as above described) to be credited to a capital reserve account of the Company;

- (ii) thereafter, every ten issued and unissued Reduced Shares be consolidated (“**Share Consolidation**”) into one share of HK\$0.01 each (“**Consolidated Share**”) resulting in an authorised share capital of HK\$6,500,000 divided into 650,000,000 Consolidated Shares of which there are between 35,700,684 Consolidated Shares to 36,263,184 Consolidated Shares issued;

(the Capital Reduction and the Share Consolidation are collectively referred to as “**Capital Reorganisation**”); and

- (iii) the directors of the Company be and are hereby authorised generally to do all such acts, deeds and things as they may, in their absolute discretion, deem necessary, desirable or appropriate to effect and implement any of the foregoing.”

ORDINARY RESOLUTIONS

- 2. “**THAT** conditional on (a) the passing of Special Resolution No. 1 as set out in the notice convening the special general meeting at which this resolution is proposed and the Capital Reorganisation (as defined in the said Special Resolution No.1) becoming effective and (b) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Rights Shares (as defined below) in their nil-paid and fully-paid forms:

- (i) the underwriting agreement dated 18 July, 2005 (“**Underwriting Agreement**”) between the Company and Get Nice Investment Limited (“**Underwriter**”) (a copy of the Underwriting Agreement has been produced to this meeting and marked “**A**” and initialled by the chairman of the meeting for the purpose of identification) be and is hereby confirmed, approved and ratified;
- (ii) the issue of not less than 357,006,840 Consolidated Shares and not more than 362,631,840 Consolidated Shares (“**Rights Shares**”) pursuant to an offer by way of rights to holders of Consolidated Shares in the Company at HK\$0.40 per Rights Share (“**Rights Issue**”) in the proportion of ten Rights Shares for every one Consolidated Share held by holders of Consolidated Shares (“**Shareholders**”) whose names appear on the register of members of the Company on 6 September, 2005 (or such other date as the Underwriter may be agreed in writing with the Company) (“**Record Date**”) other than those Shareholders whose addresses on the register of members of the Company are outside Hong Kong on the Record Date and whom the directors of the Company, based on legal opinions provided by legal advisers, consider it necessary or expedient not to offer the Rights Issue to such Shareholders on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, on and subject to the terms and conditions set out in a prospectus to be sent to the Shareholders of the Company in respect of the Rights

Issue (“**Prospectus**”) (a final version of the Prospectus has been produced to this meeting and marked “**B**” and initialled by the chairman of the meeting for the purpose of identification) and on such other terms and conditions as may be determined by the directors of the Company be and is hereby approved; and

(iii) the directors of the Company be and are hereby authorised to issue and allot the Rights Shares on terms as set out in the Prospectus and to do all such acts and things, to sign and execute all such further documents and to take such steps as the directors of the Company may in their absolute discretion consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Rights Issue and the Underwriting Agreement or any of the transactions contemplated thereunder.”

3. “**THAT** conditional on the passing of Special Resolution No.1 and Ordinary Resolution No. 2 as set out in the notice convening the special general meeting at which this resolution is proposed and the completion of the Capital Reorganisation (as defined in the said Special Resolution No. 1) and the Rights Issue (as defined in the said Ordinary Resolution No. 2):-

(a) if the ordinary resolution no. 4(A) as set out in the notice (“AGM Notice”) convening the annual general meeting of the Company held on 18 August, 2005 (“AGM”) was passed at the AGM, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and deal with the shares pursuant to such ordinary resolution be and is hereby revoked (without prejudice to any valid exercise of such general mandate prior to the date on which this resolution becomes effective);

(b) subject to paragraph (d) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;

(c) the directors of the Company be and are hereby authorised during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period (as hereinafter defined);

(d) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (b) above, otherwise than pursuant to: (i) a General Rights Issue (as hereinafter defined); (ii) the exercise of rights of subscription or conversion under the terms of any securities which are convertible into shares of the Company; (iii) the exercise of options granted under the share option scheme adopted by the Company; or (iv) an issue of shares as scrip dividends pursuant to the bye-laws of the Company from time to time, shall not exceed 20% of the aggregate nominal

amount of the share capital of the Company in issue following the Capital Reorganisation becoming effective and as enlarged by the issue of the Rights Shares (as defined in Ordinary Resolution No.2), and the said approval shall be limited accordingly; and

- (e) for the purposes of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company; or
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law of Bermuda to be held; or
 - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“General Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to the holders of shares of the Company on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange).”

4. **“THAT** conditional on the passing of Special Resolution No.1 and Ordinary Resolution No.2 as set out in the notice (“**Notice**”) convening the special general meeting at which this resolution is proposed and the completion of the Capital Reorganisation (as defined in the said Special Resolution No.1) and the Rights Issue (as defined in the said Ordinary Resolution No. 2):-

- (a) if the ordinary resolution no. 4(B) as set out in the AGM Notice (as defined in Ordinary Resolution No. 3) was passed at the AGM (as defined in Ordinary Resolution No. 3), the general mandate granted to the directors of the Company to exercise the powers of the Company to purchase issued shares of the Company pursuant to such ordinary resolution be and is hereby revoked (without prejudice to any valid exercise of such general mandate prior to the date on which this resolution becomes effective);
- (b) subject to paragraph (d) below, the exercise by the directors of the Company during the Relevant Period (as defined in Ordinary Resolution No.2 as set out in the Notice) of all the powers of the Company to purchase issued shares of the Company on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) or any other stock exchange on which the shares of the Company may be listed and recognised

by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Stock Exchange or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

- (c) the approval in paragraph (b) shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors of the Company on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by the directors of the Company; and
 - (d) the aggregate nominal amount of shares of the Company which are authorised to be purchased by the Company pursuant to the approval in paragraph (b) above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company in issue following the Capital Reorganisation becoming effective and as enlarged by the issue of the Rights Shares (as defined in Ordinary Resolution No.2), and the said approval shall be limited accordingly.”
5. **“THAT** conditional upon the passing of Special Resolution No.1 and Ordinary Resolutions No.2, 3 and 4 in the notice (“**Notice**”) convening the special general meeting at which this resolution is proposed, the aggregate nominal amount of the shares in the capital of the Company which are purchased by the Company pursuant to and in accordance with the said Ordinary Resolution No.4 shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with Ordinary Resolution No.3 set out in the Notice.”

By order of the board of
Asia Alliance Holdings Limited
Koon Wing Yee
Chairman and Chief Executive Officer

Hong Kong, 15 August, 2005

Notes:

1. Any shareholder entitled to attend and vote at the meeting convened by the above notice is entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
3. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be delivered to the Company’s principal place of business in Hong Kong at 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan,

Kowloon, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting (as the case may be) at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

4. Completion and return of the instrument appointing a proxy will not preclude shareholders from attending and voting in person at the meeting convened by the above notice or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the instrument appointing the proxy shall be deemed to be revoked.
5. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, then one of the said persons so present whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.

As of the date hereof, 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, Mr. Kwong Jimmy Cheung Tim and Mr. Lau Sin Ming.

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