



## ASIA ALLIANCE HOLDINGS LIMITED

亞洲聯盟集團有限公司\*

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 616)

### ANNOUNCEMENT

The board of directors (the “Board”) of Asia Alliance Holdings Limited (the “Company”) announces that Mr. Koon Wing Yee (“Mr. Koon”) has resigned and ceased to be Chairman, Chief Executive Officer, executive director and authorised representative of the Company and a member and Chairman of the Executive Committee and the Remuneration Committee of the Board with effect from 20 January 2006.

Reference is made to the announcement issued by Easyknit International Holdings Limited (“Easyknit”) dated 5 December 2005 in respect of the findings of the Insider Dealing Tribunal (“Tribunal”) identifying Mr. Koon as an insider dealer. On 19 January 2006, the Tribunal made orders against Mr. Koon pursuant to which, amongst other things, Mr. Koon is disqualified to act as a director or take part in the management of a listed company for a period of 5 years. Mr. Koon intends to lodge an appeal against certain aspects of the Tribunal’s orders.

Save as disclosed above, Mr. Koon has confirmed that he has no disagreement with the Board and he is not aware of any matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company.

The Board would like to express its gratitude to Mr. Koon for his contribution to the Company and offers its best wishes to him.

The Board also announces that Mr. Tse Wing Chiu, Ricky (“Mr. Tse”) has been re-designated from Vice Chairman to Chairman of the Company and appointed as Chief Executive Officer of the Company and Chairman of the Executive Committee and Remuneration Committee of the Board with effect from 20 January 2006.

Mr. Tse, aged 47, is an executive director, Chairman, Chief Executive Officer and authorised representative of the Company and a member and Chairman of the Remuneration Committee and Executive Committee of the Board. He was appointed to the Board in November 2005. He is also an executive director, President, Chief Executive Officer and authorised representative of Easyknit. Mr. Tse obtained a Master Degree in Business Administration from Adam Smith University of America in the United States in 1996. He has over 29 years experience in garment manufacturing and merchandising. He serves as director of various subsidiaries of the Company and Easyknit. Mr. Tse did not hold any other directorships in listed public companies in the last three years.

There is no service contract entered into between the Company and Mr. Tse. Mr. Tse is not appointed for a specified term. In accordance with the Company's Special Act, Mr. Tse, Chairman of the Company, shall not be subject to retirement by rotation. He will receive remuneration and discretionary bonus, to be determined by the Board with reference to his duties and responsibilities, the performance of the Company and the prevailing market conditions.

Save as disclosed above, Mr. Tse does not hold any other positions with the Company or any of its subsidiaries. He is not connected with any directors, senior management or substantial and controlling shareholders of the Company. As at the date hereof, Mr. Tse does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO").

The Board also announces that Ms. Lui Yuk Chu ("Ms. Lui") has been appointed as Deputy Chairman of the Company and a member of the Remuneration Committee of the Board with effect from 20 January 2006.

Ms. Lui, aged 48, is an executive director and Deputy Chairman of the Company and a member of the Executive Committee and Remuneration Committee of the Board. She was appointed to the Board in March 2003. She is also an executive director and Vice President of Easyknit. Ms. Lui has been involved in the textiles industry for more than 27 years and has extensive experience in design, manufacturing, marketing and distribution of apparel. She serves as director of various subsidiaries of the Company and Easyknit. Ms. Lui did not hold any other directorships in listed public companies in the last three years.

As at the date hereof, Ms. Lui is deemed to have an interest in 141,085,252 shares, representing approximately 35.93% of the issued share capital of the Company, within the meaning of Part XV of the SFO. The 141,085,252 shares are beneficially owned by Landmark Profits Limited which is a wholly-owned subsidiary of Easyknit. Magical Profits Limited is wholly-owned by Accumulate More Profits Limited which in turn is wholly-owned by Trustcorp Limited as trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui and her family members other than spouse). She is also a director of Landmark Profits Limited, Easyknit, Magical Profits Limited and Accumulate More Profits Limited, which are substantial shareholders of the Company with the meaning of Part XV of the SFO.

There is no service contract entered into between the Company and Ms. Lui. Ms. Lui is not appointed for a specified term but is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-Laws of the Company. She did not receive any emoluments for the year ended 31 March 2005. The emoluments of the directors are determined by the Board with reference to the directors' duties and responsibilities, the performance of the Company and the prevailing market conditions.

Save as disclosed above, Ms. Lui does not hold any other positions with the Company or any of its subsidiaries. She is the spouse of Mr. Koon and is otherwise not connected with any directors, senior management or substantial and controlling shareholders of the Company.

Save as disclosed above, there are no other matters in relation to the aforesaid re-designation and appointments that need to be brought to the attention of the shareholders of the Company.

The Board also announces that Mr. Chan Po Cheung (“Mr. Chan”) has been appointed as an authorised representative of the Company with effect from 20 January 2006. Mr. Chan is the Chief Financial Officer of the Company. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and has over 20 years experience in the accountancy field.

By order of the Board  
**Asia Alliance Holdings Limited**  
**Tse Wing Chiu, Ricky**  
*Chairman and Chief Executive Officer*

Hong Kong, 23 January 2006

*As at the date of this announcement, the Board comprises Mr. Tse Wing Chiu, Ricky and Ms. Lui Yuk Chu as executive directors and Mr. Kan Ka Hon, Mr. Kwong Jimmy Cheung Tim and Mr. Lau Sin Ming as independent non-executive directors.*

*\* for identification only*

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