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ASIA ALLIANCE HOLDINGS LIMITED

亞洲聯盟集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 616)

ANNOUNCEMENT — HIGH CONCENTRATION OF SHAREHOLDING AND SHARE PRICE MOVEMENT UNUSUAL PRICE MOVEMENT

This announcement is issued at the request of the Stock Exchange.

The Board was recently informed by the Stock Exchange that, on the basis of information provided by the SFC to the Stock Exchange, as at 15 March 2006, there was a concentration of Shares in the hands of a small number of shareholders with 236,240,118 Shares, representing approximately 60.16% of the Company's issued share capital being held by 19 shareholders. When the holdings of such 19 persons were aggregated with the Shares held by the controlling shareholder of the Company, they accounted for 96.09% of the Company's issued Shares, which implied that only 3.91% of the Company's issued Shares were held by other small shareholders.

The Board also noted that the price of the Shares quoted on the Stock Exchange increased from a close of HK\$0.57 on 28 February 2006 to a high of HK\$2.60 on 29 March 2006, which represented an increase of 356% in one month. The average daily turnover also increased to 724,000 Shares from 101,000 Shares during the three months from December 2005 to February 2006. As stated in the announcements issued by the Company in March 2006, the Company is not aware of any reasons for such increases.

In view of the high concentration of the Shares in the hands of a small number of shareholders, the price of the Shares could fluctuate substantially even with a small number of Shares traded. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

The Board has noted the recent increases in the price of the Shares and wish to state that the Board is not aware of any reasons for such increases.

This announcement is issued at the request of The Stock Exchange of Hong Kong Limited ("Stock Exchange").

On 18 April 2006, Asia Alliance Holdings Limited ("Company") was informed by the Stock Exchange that, on the basis of the information provided by the Securities and Futures

Commission (“SFC”) to the Stock Exchange, as at 15 March 2006, a large proportion of the Company’s ordinary shares (“Shares”) was held by a small number of shareholders with 236,240,118 Shares, representing approximately 60.16% of the issued share capital of the Company being held by 19 shareholders.

When the holdings of such 19 persons were aggregated with the Shares held by the controlling shareholder of the Company, Landmark Profits Limited, they accounted for 96.09% of the Company’s issued Shares, which implied that only 3.91% of the Company’s issued Shares were held by other small shareholders.

According to the latest notifications received by the Company in respect of disclosure of interests under the Securities and Futures Ordinance and having made all reasonable enquiries, as at the date of this announcement, the shareholding structure of the Company is as follows:-

| Shareholders | No. of Shares held | % |
|--|-------------------------------|----------------------|
| Landmark Profits Limited (<i>Note 1</i>) | 141,085,252 | 35.93 |
| Au Yeung Man Yin (<i>Note 2</i>) | 29,762,413 | 7.58 |
| Other Shareholders | <u>221,859,859</u> | <u>56.49</u> |
| Total | <u><u>392,707,524</u></u> | <u><u>100.00</u></u> |

Notes:

- (1) Landmark Profits Limited is a wholly-owned subsidiary of Easykmit International Holdings Limited (“Easykmit”). Magical Profits Limited is interested in approximately 36.74% of the issued share capital of Easykmit. 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 Yuk Chu, a director of the Company, and her family members other than spouse).
- (2) A friend of Ms. Lui Yuk Chu, a director of the Company.

Save as disclosed above, to the best of the directors’ knowledge, information and belief having made all reasonable enquiries, the Company has no knowledge of the identities of the 19 shareholders as informed by the Stock Exchange and their respective shareholdings in the Company and whether any of them are (i) connected persons of the Company or (ii) related to/connected with each other and/or any of the connected persons of the Company.

The board of directors of the Company (“Board”) confirms that to the best of the directors’ knowledge, information and belief, based on the information available to the Company, the Company is in compliance with Rule 13.32 and 8.08 of the Rules Governing the Listing of Securities on the Stock Exchange with respect to public float in its Shares. The public float as at 31 March 2006 was 251,622,272 Shares, representing approximately 64.07% of the issued ordinary share capital of the Company.

Given that a large proportion of the issued Shares is held by a small number of shareholders, the price of the Shares might be volatile even with a small number of Shares traded.

The Board also notes that the price of the Shares quoted on the Stock Exchange increased from a close of HK\$0.57 on 28 February 2006 to a high of HK\$2.60 on 29 March 2006, which represented an increase of 356% in one month. The average daily turnover also increased to 724,000 Shares from 101,000 Shares during the three months from December 2005 to February 2006. As stated in the announcements issued by the Company in March 2006, the Company is not aware of any reasons for such increases.

In view of the high concentration of the Shares in the hands of a small number of shareholders, the price of the Shares could fluctuate substantially even with a small number of Shares traded. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

The Board has also noted the recent increases in the price of the Shares and wishes to state that the Board is not aware of any reasons for such increases.

The Board also confirms that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Made by the order of the Board the directors of which individually and jointly accept responsibility for the accuracy of this statement.

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

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.

Hong Kong, 19 April 2006

** for identification only*

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