

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Easyknit Enterprises Holdings Limited (formerly known as Asia Alliance Holdings Limited), you should at once hand this circular together with the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker, or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Easyknit Enterprises Holdings Limited

永義實業集團有限公司*

(Formerly known as Asia Alliance Holdings Limited 亞洲聯盟集團有限公司*)

(Incorporated in Bermuda with limited liability)

(Stock Code: 616)

**RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO ISSUE NEW SHARES AND
REPURCHASE SHARES
AND
CHANGE OF COMPANY NAME**

A notice convening the Annual General Meeting of the Company to be held at 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong on Friday, 18 August 2006 at 9:00 a.m. is set out in the Company's 2006 Annual Report to be despatched to Shareholders together with this circular. Whether or not Shareholders are able to attend the 2006 AGM, they are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the principal place of business of the Company in Hong Kong at 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding the 2006 AGM. Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the 2006 AGM or any adjournment if they so wish.

* For identification only

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“2005 AGM”	the annual general meeting of the Company held on 18 August 2005
“2006 AGM”	the annual general meeting of the Company to be held at 7th Floor, Hong Kong Spinner Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong on Friday, 18 August 2006 at 9:00 a.m., notice of which is set out on pages 68 to 70 of the Annual Report 2006 of the Company
“Board”	the board of Directors
“Bonus Shares”	the new Shares issued and allotted to Shareholders under the Bonus Issue, which was approved by the Shareholders at a special general meeting held on 19 June 2006
“Bonus Issue”	the bonus issue of Bonus Shares to the Shareholders whose names appeared on the register of members of the Company at the close of business on 19 June 2006 on the basis of nine (9) Bonus Shares for every existing Share held on that day
“Bye-laws”	the bye-laws of the Company
“Company”	Easyknit Enterprises Holdings Limited (formerly known as Asia Alliance Holdings Limited), an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandates”	the general mandate to be sought at 2006 AGM to authorise the Directors to exercise the powers of the Company to allot, issue and deal with additional Shares in the manner as set out in the notice of the 2006 AGM
“Latest Practicable Date”	5 July 2006, being the latest practicable date for ascertaining certain information in this circular prior to its publication

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Repurchase Mandate”	the general mandate to be sought at 2006 AGM to authorise the Directors to exercise the powers of the Company to repurchase Shares in the manner as set out in the notice of the 2006 AGM
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers



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(Formerly known as Asia Alliance Holdings Limited 亞洲聯盟集團有限公司*)

(Incorporated in Bermuda with limited liability)

(Stock Code: 616)

Executive Directors:

Mr. Tse Wing Chiu, Ricky

(Chairman & Chief Executive Officer)

Ms. Lui Yuk Chu

(Deputy Chairman)

Independent Non-executive Directors:

Mr. Kan Ka Hon

Mr. Kwong Jimmy Cheung Tim

Mr. Lau Sin Ming

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

Head office and principal place

of business in Hong Kong:

7th Floor

Hong Kong Spinners Building, Phase 6

481-483 Castle Peak Road

Cheung Sha Wan

Kowloon

Hong Kong

7 July 2006

To the shareholders

Dear Sir or Madam,

**RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO ISSUE NEW SHARES AND
REPURCHASE SHARES
AND
CHANGE OF COMPANY NAME**

INTRODUCTION

The purpose of this circular is to give you information on matters to be dealt with at the 2006 AGM. These matters relate to: (i) re-election of Directors who are due to retire at the 2006 AGM; (ii) grant of a general mandate to issue shares of HK\$0.01 each in the capital of the Company ("Shares"); (iii) grant of a general mandate to repurchase Shares.

* For identification only

LETTER FROM THE BOARD

PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Bye-law 102(B), Mr. Tse Wing Chiu, Ricky, who was appointed as an executive director of the Company in November 2005, will hold office until the 2006 AGM and being eligible, will offer himself for re-election.

In accordance with Bye-law 99, Mr. Kwong Jimmy Cheung Tim and Mr. Kan Ka Hon will retire from office by rotation at the 2006 AGM and being eligible, have offered themselves for re-election.

Each of Mr. Kwong and Mr. Kan, being independent non-executive Directors eligible for re-election at the 2006 AGM, has provided an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that Mr. Kwong and Mr. Kan have met the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of those guidelines.

Any Shareholder who wishes to nominate a person to stand for election as a Director at the 2006 AGM must lodge with the Company at its head office at 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong or at its Hong Kong branch share registrar and transfer office, Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong within the period from 8 July 2006 to 10 August 2006 (both days inclusive), (i) his notice of intention to propose such person for election ("nominated candidate"), (ii) a notice executed by the nominated candidate of his willingness to be appointed as Director and (iii) the biographical details of such nominated candidate as required under Rule 13.51(2) of the Listing Rules for publication by the Company.

Brief biographies of the Directors to be re-elected at the 2006 AGM are set out below.

Mr. Tse Wing Chiu. Ricky ("Mr. Tse")

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

As at the Latest Practicable Date, Mr. Tse did not have any interests in the Shares of the Company within the meaning of Part XV of the SFO. He has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company. There is no information required to be disclosed in relation to Mr. Tse in accordance with Rule 13.51(2)(h) to (v) of the Listing Rules.

LETTER FROM THE BOARD

There is no service contract between the Company and Mr. Tse. Mr. Tse is not appointed for a specified term. Subsequent to Mr. Tse's appointment, he was re-designated by the Board from Deputy Chairman to Chairman of the Company on 20 January 2006. He is entitled to receive a monthly basic salary, currently being HK\$100,000 per month plus a discretionary bonus which will be determined by the remuneration committee of the Company with reference to the prevailing market conditions. In accordance with the Company's Bye-law 99, every Director, including those appointed for a specific term, shall (save and except for the Managing Director and the Chairman) be subject to retirement by rotation at the annual general meeting no later than the third annual general meeting after he was elected or re-elected. Therefore, Mr. Tse is not subject to retirement by rotation under the Bye-laws due to his capacity as Chairman of the Company. However, Mr. Tse will voluntarily offer himself to do so, if necessary, to comply with the provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules. His emoluments are to be determined by the remuneration committee of the Company by reference to the Company's performance and the prevailing market conditions.

Mr. Kwong Jimmy Cheung Tim ("Mr. Kwong")

Kwong Jimmy Cheung Tim, aged 63, graduated from The University of Hong Kong in 1965 and was admitted as Barrister-at-law in the United Kingdom in 1970 and Hong Kong in 1973 respectively. He has over 30 years of experience in the legal field and is now a practising Barrister. Save as his directorship in the Company, Mr. Kwong did not hold any other directorships in listed companies in the last three years. Mr. Kwong was appointed to the Board in April 2003.

As the Latest Practicable Date, Mr. Kwong did not have any interests in the Shares of the Company within the meaning of Part XV of the SFO. He has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company. There is no information required to be disclosed in relation to Mr. Kwong in accordance with Rule 13.51(2)(h) to (v) of the Listing Rules. The Director's fee for Mr. Kwong is currently HK\$100,000 per annum. He is not entitled to any discretionary bonus. His emoluments are to be determined by the Board pursuant to the authority to be sought from by the Shareholders at the 2006 AGM reference to the Company's performance and the prevailing market conditions.

There is no service contract between the Company and Mr. Kwong. Mr. Kwong is not appointed for a specified term but is subject to retirement by rotation at least once every three years and in accordance with the Bye-laws.

Mr. Kan Ka Hon ("Mr. Kan")

Kan Ka Hon, aged 55, holds a Bachelor Degree in Science from The University of Hong Kong and is a fellow member of The Association of Chartered Certified Accountants and a member of The Hong Kong Institute of Certified Public Accountants. He has over 30 years of experience in accounting and finance. Mr. Kan is an executive director of Chevalier International Holdings Limited and Chevalier iTech Holdings Limited. He is also an independent non-executive director of Victory City International Holdings Limited. Save as disclosed above, Mr. Kan did not hold any other directorships in listed companies in the last three years. Mr. Kan was appointed to the Board in April 2003.

LETTER FROM THE BOARD

As the Latest Practicable Date, Mr. Kan did not have any interests in the Shares of the Company within the meaning of Part XV of the SFO. He has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company. There is no information required to be disclosed in relation to Mr. Kan in accordance with Rule 13.51(2)(h) to (v) of the Listing Rules. The Director's fee for Mr. Kan is currently HK\$100,000 per annum. He is not entitled to any discretionary bonus. His emoluments are to be determined by the Board pursuant to the authority to be sought from the Shareholders at the 2006 AGM reference to the Company's performance and the prevailing market conditions.

There is no service contract between the Company and Mr. Kan. Mr. Kan is not appointed for a specified term but is subject to retirement by rotation at least once every three years and in accordance with the Bye-laws.

Save as disclosed above, the Board is not aware of any other matters that need to be brought to the attention of Shareholders in respect of each of Mr. Tse, Mr. Kwong & Mr. Kan.

REFRESHMENT OF GENERAL MANDATE TO ISSUE NEW SHARES

At the 2005 AGM, an ordinary resolution was passed to grant a general mandate to the Directors to issue Shares not exceeding 20% of the issued share capital of the Company as at 18 August 2005, being the date of the 2005 AGM. As at 18 August 2005, the issued share capital comprised of 357,006,840 Shares of HK\$0.10 each. This general mandate which has been refreshed at the Company's special general meeting on 6 September 2005, will lapse at the conclusion of the 2006 AGM.

At the special general meeting of the Company held on 6 September 2005, among other things, a special resolution was passed to approve a capital reorganisation (the "Capital Reorganisation"), and an ordinary resolution was passed to approve the rights issue of the Company (the "Rights Issue"). Details of the Capital Reorganisation and the Rights Issue are set out in the Company's circular dated 15 August 2005.

At the special general meeting of the Company dated 19 May 2006, ordinary resolutions were passed, among other things, (a) to increase the authorised share capital of the Company from HK\$6,500,000 to HK\$200,000,000 by the creation of an additional 19,350,000,000 new Shares; (b) an amount of not less than HK\$35,343,677.16 standing to the credit of the share premium account of the Company to be capitalized; and (c) to issue 3,534,367,716 Bonus Shares pursuant to the Bonus Issue. Subsequent to the Bonus Issue and as at the Latest Practicable Date, the issued share capital of the Company comprised of 3,927,075,240 Shares of HK\$0.01 each. At the 2006 AGM, an ordinary resolution will be proposed that the Directors be given a general and unconditional mandate to allot, issue and deal with additional Shares up to a maximum of 20 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of the resolution. On the basis that no further Shares are issued or repurchased by the Company after the Latest Practicable Date and subject to the passing of the resolutions for the Issue Mandate at the 2006 AGM, the Company will be allowed to allot, issue and deal with a maximum of 785,415,048 Shares, the aggregate nominal

LETTER FROM THE BOARD

amount of which equals to HK\$7,854,150.48. In addition, if the resolution to authorise the repurchase of Shares is passed, an ordinary resolution will be proposed at the 2006 AGM to authorise the Directors to allot and issue further Shares up to an amount equal to the aggregate nominal amount of the Shares purchased under the authority to repurchase.

The Directors have no present intention to issue or allot any new Shares.

GENERAL MANDATE TO REPURCHASE SHARES

At the 2005 AGM, an ordinary resolution was passed to grant a general mandate to the Directors to repurchase Shares. This general mandate will lapse at the conclusion of the 2006 AGM. At the 2006 AGM, an ordinary resolution will be proposed that the Directors be given a general and unconditional mandate to exercise all powers of the Company to repurchase Shares up to a maximum of 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of the resolution. The Company's authority is restricted to purchases made on the Stock Exchange and otherwise in accordance with the Listing Rules.

The Directors have no present intention to repurchase any Shares.

The Repurchase Mandate and the Issue Mandate, if passed, would continue in force until the conclusion of the next annual general meeting of the Company or until the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable law to be held or until revoked, renewed or varied by an ordinary resolution of the Shareholders in general meeting prior to the next annual general meeting, whichever occurs first.

An explanatory statement, as required by the Listing Rules to be sent to the Shareholders in connection with the Repurchase Mandate, is set out in the Appendix to this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote for or against the ordinary resolution to approve the Repurchase Mandate at the 2006 AGM.

ANNUAL GENERAL MEETING

Notice of the 2006 AGM is set out in the Company's 2006 Annual Report to be sent to the Shareholders together with this circular and a proxy form for use at the 2006 AGM. Whether or not Shareholders are able to attend the 2006 AGM, they are requested to complete the proxy form in accordance with the instructions printed thereon and return it 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 as soon as possible and in any event not less than 48 hours before the time appointed for holding the 2006 AGM. Completion and return of the proxy form will not preclude Shareholders from attending and voting at the 2006 AGM or any adjournment thereof if they so wish. In the event that a Shareholder having lodged a proxy form attends the 2006 AGM, his proxy form will be deemed to have been revoked.

LETTER FROM THE BOARD

RIGHT TO DEMAND A POLL

Pursuant to Bye-law 70, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (a) by the Chairman of the meeting; or
- (b) by at least three Shareholders present in person or by duly authorised corporate representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by any Shareholder or Shareholders present in person or by duly authorised corporate representative or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (d) by any Shareholder or Shareholders present in person or by duly authorised corporate representative or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

Unless a poll be so demanded and the demand is not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.

RECOMMENDATION

The Directors consider that the re-election of Directors, the granting of the Issue Mandate and the Repurchase Mandate are in the best interests of the Company and the Shareholders and accordingly recommend the Shareholders to vote in favour of all the relevant resolutions to be proposed at the 2006 AGM.

CHANGE OF COMPANY NAME

References are made to the announcement of the Company dated 2 May 2006 and the circular of the Company dated 19 May 2006 in relation to, among others, the proposed change of name of the Company.

At the special general meeting of the Company held on 19 June 2006, a special resolution was passed by shareholders to approve the change of name of the Company from “Asia Alliance Holdings Limited” to “Easyknit Enterprises Holdings Limited”, subject to the approval of the Registrar of Companies in Bermuda, and on such change becoming effective the new Chinese name of “永義實業集團有限公司” will be adopted to replace the existing Chinese name of “亞洲聯盟集團有限公司” for identification purposes only.

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A copy of the certificate of change of name dated 28 June 2006 issued by the Registrar of Companies in Bermuda was received by the Company on 5 July 2006. The Company will shortly submit an application to the Companies Registry in Hong Kong to apply for a certificate of registration of change of name of oversea company. As soon as practicable after the Company receives the certificate of registration of change of name of oversea company from the Companies Registry in Hong Kong, the Company will publish an announcement in relation to the new stock short name to be adopted.

The above change of name of the Company will not affect any of the rights of the shareholders of the Company. All existing share certificates in issue bearing the former name of the Company continue to be evidence of title to the shares in the Company and continue to be valid for trading, settlement, delivery and registration for the same number of shares in the new name of the Company. The Company will publish an announcement regarding the arrangement in relation to free exchange of share certificates in the new name of the Company.

Yours faithfully,
By order of the Board of
Easyknit Enterprises Holdings Limited
(formerly known as Asia Alliance Holdings Limited)
Tse Wing Chiu, Ricky
Chairman and Chief Executive Officer

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide all the information in relation to the Repurchase Mandate for the Shareholders' consideration.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 3,927,075,240 Shares.

On the basis that no further Shares are issued or repurchased by the Company after the Latest Practicable Date and prior to the 2006 AGM and resolution numbered 4(B) as set out in the notice of the 2006 AGM is duly passed, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 392,707,524 Shares during the period in which the Repurchase Mandate remains in force.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to seek the Repurchase Mandate which enables the Directors to repurchase Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association, Bye-laws, the Listing Rules and the applicable laws of Bermuda. Under Bermuda law, any repurchases will be made out of funds of the Company legally permitted to be utilised in this connection, including capital paid up on the Shares to be repurchased, funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of shares made for the purpose; and in the case of premiums payable on repurchase, out of the funds of the Company which would otherwise be available for dividend or distribution or sums standing to the share premium account of the Company.

The Directors consider that there might be a material adverse impact on the working capital requirements of the Company, as compared with the position disclosed in the latest published audited accounts as at 31 March 2006, in the event that the Repurchase Mandate was to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels that in the opinion of the Directors are from time to time appropriate for the Company.

4. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with its Bye-laws, the Listing Rules and the applicable laws of Bermuda.

5. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors, to the best of their knowledge having made all reasonable enquiries, nor their associates (as defined in the Listing Rules) have any present intention to sell Shares to the Company or its subsidiaries under the Repurchase Mandate if such is approved by the Shareholders.

No connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

6. HONG KONG CODE ON TAKEOVERS AND MERGERS

If as a result of a repurchase of Shares a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. If the Company were to repurchase Shares up to the permitted maximum of 10% of the issued share capital, such parties may together with any other parties acting in concert with them become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Landmark Profits Limited ("Landmark") held 1,410,852,520 Shares, representing approximately 35.93% of the issued share capital of the Company. Landmark is a wholly-owned subsidiary of Easyknit. Magical Profits Limited ("Magical") is interested in approximately 36.74% of the issued share capital of Easyknit. Magical is wholly owned by Accumulate More Profits Limited ("Accumulate") which in turn is wholly owned by Trustcorp Limited ("Trustcorp") as trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu and her family members other than spouse). Trustcorp is a wholly-owned subsidiary of Newcorp Ltd. ("Newcorp"), which in turn is wholly-owned by Newcorp Holdings Limited ("Newcorp Holdings"). Each of Mr. David Henry Christopher Hill and Mr. David William Roberts was interested in 35% of the issued share capital of Newcorp Holdings. Easyknit, Magical, Accumulate, Trustcorp, Ms. Lui Yuk Chu and his spouse Mr. Koon Wing Kee, Newcorp, Newcorp Holdings, Mr. David William Roberts, Mr. David Henry Christopher Hill and his spouse Mrs. Rebecca Ann Hill are taken to have an interest under the SFO in the same block of 1,410,852,520 Shares held by Landmark.

In the event that the Company were to repurchase Shares up to the maximum of 10% of the issued share capital of the Company under the Repurchase Mandate, then (if the present shareholdings otherwise remained the same) the attributable shareholdings of each of Landmark, Easyknit, Magical, Accumulate, Trustcorp, Ms. Lui Yuk Chu, Mr. Koon Wing Yee, Newcorp, Newcorp Holdings, Mr. David Henry Christopher Hill, Mrs. Rebecca Ann Hill and Mr. David William Roberts in the Company

would be increased by more than 2% from approximately 35.93% to approximately 39.92% of the issued share capital of the Company immediately after the full exercise of the Repurchase Mandate. Such increase will trigger the Takeovers Code and the parties stated above may together with any other parties acting in concert with them become obliged to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no present intention to exercise the Repurchase Mandate to such an extent as would result in takeover obligations.

7. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	PER SHARE	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2005		
June	0.046	0.045
July	0.046	0.040
August	0.048	0.040
September	0.044	0.038
October	0.042	0.037
November	0.044	0.039
December	0.048	0.040
2006		
January	0.049	0.041
February	0.057	0.048
March	0.250	0.056
April	0.4280	0.1770
May	0.5700	0.4100
June	1.0700	0.4100
July (up to the Latest Practicable Date)	0.4500	0.4300

8. SHARE REPURCHASES MADE BY THE COMPANY

During the six months preceding the Latest Practicable Date, no Shares have been repurchased by the Company (whether on the Stock Exchange or otherwise).