



# Easyknit Enterprises Holdings Limited

## 永義實業集團有限公司\*

*(Incorporated in Bermuda with limited liability)*

(Stock code: 616)

### NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a Special General Meeting (“SGM”) of Easyknit Enterprises Holdings Limited (“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 Monday, 22 September 2008 at 9:00 a.m. for the purpose of considering and, if thought fit, passing the following special resolution:

#### SPECIAL RESOLUTION

“**THAT** with effect from 9:30 a.m. on 23 September 2008 (Hong Kong time):

- (a) the issued share capital of the Company be reduced by cancelling the paid up capital to the extent of HK\$0.0099 on each issued share such that the nominal value of all the issued shares will be reduced (the “Issued Capital Reduction”) from HK\$0.01 each to HK\$0.0001 each;
- (b) the nominal value of all shares in the authorised share capital of the Company be reduced from HK\$0.01 each to HK\$0.0001 each, resulting in the reduction of the authorised share capital from HK\$200,000,000 to HK\$2,000,000 divided into 20,000,000,000 shares of HK\$0.0001 each (the “Authorised Capital Reduction”);
- (c) upon the Issued Capital Reduction and the Authorised Capital Reduction becoming effective, every one hundred (100) issued and unissued shares of HK\$0.0001 each in the issued and unissued share capital of the Company be consolidated (the “Share Consolidation”) into one (1) share of HK\$0.01 each (“Consolidated Share”);
- (d) upon the Issued Capital Reduction, the Authorised Capital Reduction and the Share Consolidation becoming effective, the authorised share capital of the Company be increased from HK\$2,000,000 divided into 200,000,000 Consolidated Shares of HK\$0.01 each to HK\$200,000,000 divided into 20,000,000,000 Consolidated Shares of HK\$0.01 each by the creation of 19,800,000,000 new Consolidated Shares (the “Authorised Capital Increase”);
- (e) upon the Issued Capital Reduction, the Authorised Capital Reduction, the Share Consolidation and the Authorised Capital Increase becoming effective, the credit amount arising from the Issued Capital Reduction be transferred to the contributed surplus account of the Company and a sum of HK\$66,082,401 in the contributed surplus account of the Company be applied to set off

against the accumulated losses of the Company, which amounted to HK\$131,747,676.06 as at 31 March 2008, and the Directors be authorised to utilise the remaining credit balance in the contributed surplus account in accordance with the bye-laws of the Company and all applicable laws; and

- (f) the Directors be and are hereby authorised to do all things and acts and sign all documents which they consider necessary, desirable, or expedient in connection with the implementation of the above.”

By order of the Board of  
**Easyknit Enterprises Holdings Limited**  
**Kwong Jimmy Cheung Tim**  
*Chairman and Chief Executive Officer*

Hong Kong, 29 August 2008

**Notes:**

1. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
2. Any shareholder of the Company entitled to attend and vote at the meeting of the Company or a meeting of the holders of any class of shares in the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.
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 deposited at 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 48 hours before the time for holding the meeting or the adjourned meeting or poll (as the case may be) at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
4. 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, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.

As at the date of this notice, the board of directors of the Company comprises Mr. Kwong Jimmy Cheung Tim and Ms. Lui Yuk Chu as executive directors, Mr. Tse Wing Chiu, Ricky as non-executive director and Mr. Kan Ka Hon, Mr. Lau Sin Ming and Mr. Foo Tak Ching as independent non-executive directors.

*\* For identification only*