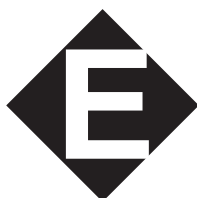

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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, 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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



EASYKNIT ENTERPRISES HOLDINGS LIMITED

永義實業集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 616)

**RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Easyknit Enterprises Holdings Limited to be held at 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong on Wednesday, 12 August 2009 at 9:00 a.m. is set out on pages 12 to 15 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the enclosed proxy form 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 holding of the meeting. Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you 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:

“2008 AGM”	annual general meeting of the Company held on 15 August 2008
“2009 AGM”	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 Wednesday, 12 August 2009 at 9:00 a.m., notice of which is set out on pages 12 to 15 of this circular
“Board”	board of Directors
“Bye-laws”	Bye-laws of the Company
“Company”	Easyknit Enterprises Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Easyknit International”	Easyknit International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange and the controlling Shareholder of the Company, currently holding approximately 31.70% of the Company’s issued share capital
“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
“Latest Practicable Date”	3 July 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“%”	per cent.

LETTER FROM THE BOARD



EASYKNIT ENTERPRISES HOLDINGS LIMITED

永義實業集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 616)

Executive Directors:

Mr. Kwong Jimmy Cheung Tim

(Chairman & Chief Executive Officer)

Ms. Lui Yuk Chu *(Deputy Chairman)*

Non-executive Director:

Mr. Tse Wing Chiu, Ricky

Independent Non-executive Directors:

Mr. Kan Ka Hon

Mr. Lau Sin Ming

Mr. Foo Tak Ching

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

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

8 July 2009

To the Shareholders

Dear Sir or Madam,

**RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to give you notice of the 2009 AGM, and information on matters to be dealt with at the 2009 AGM. These matters relate to: (i) re-election of Directors who are due to retire at the 2009 AGM; (ii) grant of a general mandate to issue Shares; and (iii) grant of a general mandate to repurchase Shares.

* *For identification only*

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

In accordance with Bye-law 99, Mr. Kwong Jimmy Cheung Tim and Mr. Kan Ka Hon will retire from office by rotation at the 2009 AGM and being eligible, have offered themselves for re-election.

Mr. Kan Ka Hon, being an independent non-executive Director eligible for re-election at the 2009 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. Kan has met the independence guideline set out in Rule 3.13 of the Listing Rules and is 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 2009 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, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong within the period from 9 July 2009 to 15 July 2009 (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.

Biographical details of the retiring Directors to be re-elected at the 2009 AGM are set out in Appendix I to this circular.

GENERAL MANDATE TO ISSUE SHARES

At the 2008 AGM, an ordinary resolution was passed to grant a general mandate to the Directors to issue Shares. This general mandate will lapse at the conclusion of the 2009 AGM. At the 2009 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% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of the resolution ("Issue Mandate"). 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 resolution for the Issue Mandate at the 2009 AGM, the Company will be allowed to allot, issue and deal with a maximum of 146,849,780 Shares, the aggregate nominal amount of which equals to HK\$1,468,497.80. In addition, if the resolution to authorise the repurchase of Shares is passed, an ordinary resolution will be proposed at the 2009 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.

LETTER FROM THE BOARD

GENERAL MANDATE TO REPURCHASE SHARES

At the 2008 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 2009 AGM. At the 2009 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% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of the resolution (“Repurchase Mandate”). 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 Appendix II 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 2009 AGM.

ANNUAL GENERAL MEETING

Notice of the 2009 AGM is set out on pages 12 to 15 of this circular. Proxy form for use at the 2009 AGM is enclosed. Whether or not you are able to attend the meeting, you 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 of the meeting. Completion and return of the proxy form will not preclude you from attending and voting in person at the 2009 AGM or any adjournment thereof should you so wish. In the event that a Shareholder having lodged a proxy form attends the 2009 AGM, his proxy form will be deemed to have been revoked.

VOTING BY POLL

Pursuant to Rule 13.39 of the Listing Rules, any votes of the Shareholders at a general meeting must be taken by poll. Therefore, the chairman of the 2009 AGM will demand a poll for all resolutions put forward at the 2009 AGM pursuant to Bye-law 70. The Company will appoint scrutineers to handle vote-taking procedures at the 2009 AGM. The results of the poll will be published on the websites of the Stock Exchange and the Company as soon as possible in accordance with Rule 13.39 of the Listing Rules.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the re-election of Directors and the granting of the Issue Mandate and the Repurchase Mandate are in the best interests of the Company and the Shareholders as a whole and accordingly recommend the Shareholders vote in favour of all the relevant resolutions to be proposed at the 2009 AGM.

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

The following are the particulars of the Directors standing for re-election at the 2009 AGM:

Mr. Kwong Jimmy Cheung Tim (“Mr. Kwong”)

Mr. Kwong, aged 66, is an executive director, Chairman and Chief Executive Officer of the Company and a member and Chairman of the Executive Committee of the Board. He is also an executive director, President and Chief Executive Officer, and a member and Chairman of the Executive Committee of the board of directors of Easyknit International. He serves as director of various subsidiaries of the Company and Easyknit International. Mr. Kwong 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. Mr. Kwong was appointed to the Board as an independent non-executive director in April 2003, and was subsequently re-designated as an executive director in April 2007. On 18 December 2007, Mr. Kwong was appointed as Chairman and Chief Executive Officer. Save as disclosed above, Mr. Kwong does not hold any other positions with the Company or any of its subsidiaries and did not hold any other directorships in listed companies in the last three years.

There is no service contract between the Company and Mr. Kwong and no fixed or proposed length of service with the Company. 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. Kwong is not subject to retirement by rotation under the Bye-laws due to his capacity as Chairman of the Company. However, Mr. Kwong 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. Total emoluments of Mr. Kwong for the year ended 31 March 2009 amounted to HK\$838,000. Mr. Kwong is also entitled to discretionary bonus payments as the Remuneration Committee of the Board may determine appropriate. His director’s emoluments are to be determined by the Board after recommendation from the Remuneration Committee pursuant to the authority to be sought from the Shareholders at the 2009 AGM by reference to his time commitment and responsibilities, the Company’s performance and the prevailing market conditions.

As at 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.

Save as disclosed above, there are no other matters concerning Mr. Kwong that need to be brought to the attention of the Shareholders and there is no information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

Mr. Kan Ka Hon (“Mr. Kan”)

Mr. Kan, aged 58, is an independent non-executive director of the Company and a member and Chairman of the Audit Committee of the Board and a member of the Remuneration Committee of the Board. Mr. Kan was appointed to the Board in April 2003. Mr. Kan 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 currently an independent non-executive director of Victory City International Holdings Limited (Stock Code: 539). He resigned as an executive director of Chevalier International Holdings Limited (Stock Code: 025) and Chevalier Pacific Holdings Limited (Stock Code: 508) on 31 March 2008. Save as disclosed above, Mr. Kan does not hold any other positions with the Company or any of its subsidiaries and did not hold any other directorships in listed companies in the last three years.

There is no service contract between the Company and Mr. Kan and no fixed or proposed length of service with the Company. However, Mr. Kan is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Bye-laws. The director’s emoluments payable to Mr. Kan are to be fixed at HK\$100,000 per annum, subject to approval by the Board. Mr. Kan is not entitled to any bonus payments (whether fixed or discretionary in nature). His director’s emoluments are to be determined by the Board after recommendation from the Remuneration Committee pursuant to the authority to be sought from the Shareholders at the 2009 AGM by reference to his time commitment and responsibilities, the Company’s performance and the prevailing market conditions.

As at 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 relationships with any Directors, senior management or substantial or controlling Shareholders of the Company.

Save as disclosed above, there are no other matters concerning Mr. Kan that need to be brought to the attention of the Shareholders and there is no information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

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 734,248,900 Shares.

On the basis that no further Shares are issued or repurchased by the Company prior to the 2009 AGM and resolution numbered 4(B) as set out in the notice of the 2009 AGM is duly passed, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 73,424,890 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 and otherwise in accordance with the Listing Rules. 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.

There might be a material adverse impact on the working capital requirements or gearing levels of the Company, as compared with the position disclosed in the latest published audited accounts as at 31 March 2009, in the event that the Repurchase Mandate was to be exercised in full at any time during the proposed purchase 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. TAKEOVERS CODE

As at the Latest Practicable Date, Landmark Profits Limited ("Landmark") held 232,790,657 Shares, representing approximately 31.70% of the issued share capital of the Company. Landmark was a wholly-owned subsidiary of Easyknit International. Magical Profits Limited ("Magical") was interested in approximately 36.74% of the issued share capital of Easyknit International. Magical was wholly-owned by Accumulate More Profits Limited ("Accumulate") which in turn was wholly-owned by Hang Seng Bank Trustee International Limited ("Hang Seng Bank Trustee") as trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu and her family members other than her spouse). Hang Seng Bank Trustee was a wholly-owned subsidiary of Hang Seng Bank Limited ("Hang Seng Bank"). Hang Seng Bank was owned as to approximately 62.14% by The Hongkong and Shanghai Banking Corporation Limited ("HSBC"). HSBC was wholly-owned by HSBC Asia Holdings BV ("HSBC Asia BV") which was a wholly-owned subsidiary of HSBC Asia Holdings (UK) ("HSBC Asia UK"). HSBC Asia UK was wholly-owned by HSBC Holdings BV ("HSBC BV") which in turn was wholly-owned by HSBC Finance (Netherlands) ("HSBC Finance"). HSBC Finance was a wholly-owned subsidiary of HSBC Holdings plc ("HSBC Holdings"). Easyknit International, Magical, Accumulate, Hang Seng Bank Trustee, Ms. Lui Yuk Chu and her spouse Mr. Koon Wing Yee, Hang Seng Bank, HSBC, HSBC Asia BV, HSBC Asia UK, HSBC BV, HSBC Finance and HSBC Holdings were taken to have an interest under the SFO in the same block of 232,790,657 Shares held by Landmark.

In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, then (if the present shareholdings otherwise remained the same) the attributable shareholdings of each of Landmark, Easyknit International, Magical, Accumulate, Hang Seng Bank Trustee, Ms. Lui Yuk Chu, Mr. Koon Wing Yee, Hang Seng Bank, HSBC, HSBC Asia BV, HSBC Asia UK, HSBC BV, HSBC Finance and HSBC Holdings in the Company would be increased by more than 2% from approximately 31.70% to approximately 35.23% 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:

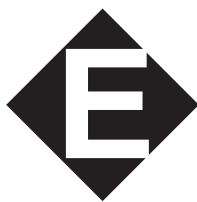
	PER SHARE	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2008		
June	0.427	0.345
July	0.391	0.318
August	0.336	0.227
September	0.227	0.173
October	0.188	0.158
November	0.177	0.150
December	0.520	0.161
2009		
January	0.340	0.132
February	0.183	0.135
March	0.150	0.120
April	0.168	0.133
May	0.220	0.106
June and July (up to and including the Latest Practicable Date)*	0.229	0.126

* Trading in Shares on the Stock Exchange were suspended at the request of the Company effective from 9:30 am on 30 June 2009 and remained suspended as at the Latest Practicable Date.

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).

NOTICE OF ANNUAL GENERAL MEETING



EASYKNIT ENTERPRISES HOLDINGS LIMITED

永義實業集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 616)

NOTICE IS HEREBY GIVEN that an Annual General Meeting (“AGM”) 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 Wednesday, 12 August 2009 at 9:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions:

1. To receive, consider and adopt the audited consolidated financial statements and the reports of the directors and auditor for the year ended 31 March 2009.
2. To re-elect retiring directors and to authorise the board of directors to fix the directors’ remuneration until the conclusion of the next annual general meeting.
3. To re-appoint Messrs. Deloitte Touche Tohmatsu as the auditor of the Company and to authorise the board of directors to fix their remuneration.
4. As special business, to consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:

Ordinary Resolutions

(A) “**THAT:**

- (a) subject to paragraph (c) 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 capital of the Company and to make or grant offers, agreements or options which would or might require the exercise of such powers, subject to and in accordance with all applicable laws and the Bye-laws of the Company (“Bye-laws”), be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements or options which would or might require the exercise of such powers after the end of the Relevant Period;

* *For identification only*

NOTICE OF ANNUAL GENERAL MEETING

(c) the aggregate nominal amount of share capital of the Company 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 paragraphs (a) and (b) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), (ii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws or (iii) the exercise of any option granted under the share option scheme of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution and the said approval shall be limited accordingly; and

(d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) 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
- (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.

“Rights Issue” means an offer of shares of the Company open for a period fixed by the directors of the Company to 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 exclusion 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 in any territory outside Hong Kong).”

(B) **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase its own shares, subject to and in accordance with all applicable laws and regulations, the Bye-laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

(b) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution and the said approval shall be limited accordingly; and

(c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) 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
- (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.”

(C) “**THAT**, subject to the passing of resolutions numbered 4(A) and numbered 4(B) above, the authority granted to the directors of the Company pursuant to resolution numbered 4(A) above be and is hereby extended by the addition to the aggregate nominal amount of share capital which may be allotted or agreed conditionally or unconditionally to be allotted pursuant to such authority an amount representing the aggregate nominal amount of shares repurchased by the Company under the authority granted pursuant to resolution numbered 4(B), provided that such extended amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution.”

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

Hong Kong, 8 July 2009

Notes:

1. Any shareholder of the Company 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.

NOTICE OF ANNUAL GENERAL MEETING

2. 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.
3. 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 seal or under the hand of an officer or attorney duly authorised.
4. 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 forty-eight hours before the time for holding the meeting and in default the instrument of proxy shall not be treated as valid.
5. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.