





# EASYKNIT ENTERPRISES HOLDINGS LIMITED

永義實業集團有限公司 \*

(Incorporated in Bermuda with limited liability)

(Stock Code: 0616)

19 December 2012

Dear Qualifying Shareholder(s),

In accordance with the terms set out in the rights issue prospectus (the "Prospectus") dated 19 December 2012 despatched to shareholders of **EASYKNIT ENTERPRISES HOLDINGS LIMITED** (the "Company"), the Directors have provisionally allotted to you Rights Shares on the basis of five Rights Share for every 1 Adjusted Shares of HK\$0.01 each registered in your name as at Monday, 17 December 2012 (the "Record Date") at a price of HK\$0.40 per Rights Share. Your holding of Shares as at the Record Date is set out in Box A and the number of Rights Shares provisionally allotted to you is set out in Box B. Terms defined in the Prospectus have the same meanings when used herein unless the context requires otherwise.

Documents issued in connection with the Rights Issue have not been registered or filed under or conformed to any applicable securities legislation of any jurisdictions other than Hong Kong, Bermuda, Macau and Malaysia. No action has been taken in any territory other than Hong Kong, Bermuda, Macau and Malaysia, to permit the offering of the Rights Shares or the distribution of any documents in connection with the Rights Issue. No person receiving the Prospectus, a provisional allotment letter or form of application for excess Rights Shares in any territory outside Hong Kong may treat this as an offer or an invitation to apply for Rights Shares, unless in the relevant territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements. Subject as referred to below, it is the responsibility of anyone outside Hong Kong wishing to make an application for Rights Shares to satisfy himself as to the observance of the laws and regulations of all relevant territories, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connection therewith.

The Company reserves the right to refuse to accept any application for Rights Shares if it believes, or has reason to believe, that such acceptance would violate the applicable securities or other laws or regulations of any territory. No application for Rights Shares will be accepted from any person who is a Non-Qualifying Shareholder.

The Rights Shares, when allotted, issued and fully-paid or credited as fully-paid, will rank pari passu in all respects with the Shares then in issue, including the right to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment of the Rights Issue.

## PROCEDURES FOR ACCEPTANCE

To take up your provisional allotment, you must lodge the whole of this provisional allotment letter intact with the Company's Hong Kong branch share registrar and transfer office, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (the "Registrar") together with a remittance for the full amount payable on acceptance, as set out in Box C, so as to be received by not later than 4:00 p.m. on Monday, 7 January 2013 (or under bad weather conditions, such later date as mentioned in the paragraph headed "Effect of bad weather" below). All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**Easyknit Enterprises Holdings Limited – Rights Issue Account**" and crossed "**Account Payee Only**". Such payment will constitute acceptance of the provisional allotment on the terms of this PAL and the Prospectus and subject to the Memorandum of Association and Bye-laws of the Company. No receipt will be given for such remittances.

It should be noted that unless this PAL, together with the appropriate remittance for the amount shown in Box C, has been physically received as described above by not later than 4:00 p.m. on Monday, 7 January 2013 (or, under bad weather conditions, such later date as mentioned in the paragraph headed "Effect of bad weather" below) whether from the original allottee or any person in whose favour the rights have been transferred, this provisional allotment and all rights hereunder will be deemed to have been declined and will be cancelled.

Completion and return of this provisional allotment letter will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant territories other than Hong Kong, in connection with the provisional allotment letter and any acceptance of it, have been, or will be, duly complied with.

## EXCESS RIGHTS SHARES

If you wish to apply for any Rights Shares in addition to your provisional allotment hereunder, you must complete and sign the accompanying form of application for excess Rights Shares as indicated thereon and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar by not later than 4:00 p.m. on Monday, 7 January 2013 (or, under bad weather conditions, such later date as mentioned in the paragraph headed "Effect of bad weather" below). All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**Easyknit Enterprises Holdings Limited – Excess Application Account**" and crossed "**Account Payee Only**". It should be noted that the allotment of excess Rights Shares will be made by the Directors on a fair and reasonable basis but Shareholders are not guaranteed to be allotted all or any of the excess Rights Shares applied for.

## TRANSFER

If you wish to transfer all of your Rights Shares provisionally allotted to you hereunder, you must complete and sign the form of transfer and nomination (Form B) and hand this PAL to the person(s) to or through whom you are transferring your rights. The transferee(s) must then complete and sign the registration application form (Form C) and lodge this provisional allotment letter intact together with a remittance for the full amount payable on acceptance as set out in Box C with the Registrar so as to be received by not later than 4:00 p.m. on Monday, 7 January 2013. It should be noted that Hong Kong stamp duty is payable in connection with the transfer of your rights to subscribe for the relevant Rights Shares.

## SPLITTING

If you wish to accept only part of your provisional allotment or transfer a part of your right to subscribe for the Rights Shares provisionally allotted under the provisional allotment letter or to transfer all of your such right, the original provisional allotment letter must be surrendered by not later than 4:00 p.m. on Thursday, 27 December 2012 to the Registrar who will cancel the original PAL and issue new PALs in the denominations required.

## EFFECT OF BAD WEATHER

The latest time for acceptance and payment for the Rights Shares will not take effect if there is a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Acceptance Time, instead, the latest time of acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Acceptance Time, instead, the latest time of acceptance of and payment for the Rights Share will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares does not take place on the Acceptance Time, the dates mentioned in this section may be affected. The Company will notify Shareholders by way of announcement of any changes to the expected timetable as soon as practicable.

## TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriter may terminate the arrangements set out in the Underwriting Agreement by notice in writing given by the Underwriter to the Company at any time prior to 4:00 p.m. on Friday, 11 January 2013, being the Settlement Date, if:

- (1) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by: (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or (c) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (2) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions for the purpose of the Underwriting clause includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the absolute opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (3) the Prospectus when published contains information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which in the absolute opinion of the Underwriter is material to the Group as a whole upon completion of the Rights Issue and is likely to affect materially and adversely the success of the Rights Issue; or
- (4) any material breach of the warranties under the Underwriting Agreement comes to the knowledge of the Underwriter.

If the Underwriter exercises such right, the Rights Issue will not proceed.

Dealings in the Rights Shares in the nil-paid form will take place from Friday, 21 December 2012 to Wednesday, 2 January 2013 (both dates inclusive) whilst the conditions to which the Rights Issue is subject remain unfulfilled. Any Shareholders or other persons dealing in the Shares from now up to the date on which all conditions to which the Rights Issue is subject are fulfilled (which is expected to be Friday, 11 January 2013), or in the Rights Shares in the nil-paid form during the period from Friday, 21 December 2012 to Wednesday, 2 January 2013, being the respective first and the last day of dealings in the nil-paid Rights Shares (both dates inclusive), will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. If the Rights Issue fails to proceed, the subscription monies received will be returned to the applicants by cheques without interest. Any Shareholders or other persons contemplating selling or purchasing Shares and/or Rights Shares in the nil-paid form during such periods who are in any doubt about their position are recommended to consult their professional advisers.

## CHEQUES AND CASHIER'S ORDERS

All cheques and cashier's orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. If any cheque or cashier's order does not meet all the remittance requirements stated in this form or is dishonoured on first presentation, this provisional allotment letter is liable to be rejected, and in that event the provisional allotment and all Rights Shares given pursuant to it will be deemed to have been declined and will be cancelled.

## CERTIFICATES FOR RIGHTS SHARES AND REFUND

It is expected that certificates for the Rights Shares in their fully-paid form will be despatched by ordinary post to those entitled at their own risk on or before Wednesday, 16 January 2013.

You will receive one Share certificate for all the Rights Shares issued to you.

If the Underwriter exercises the right to terminate or rescind the Underwriting Agreement or if the conditions of the Rights Issue are not fulfilled, the monies received in respect of the acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred or, in case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders at the registered address or such other persons on or about Wednesday, 16 January 2013.

## GENERAL

Lodgement of this PAL with, where relevant, the form of transfer and nomination purporting to have been signed by the person(s) in whose favour it has been issued shall be conclusive evidence of the title of the party or parties lodging it to deal with the same and to receive split letters of allotment and/or certificates for Shares.

This PAL and any acceptance of the offer contained in it shall be governed by, and construed in accordance with, Hong Kong law.

Further copies of the Prospectus giving details of the Rights Issue are available from the head office and 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 and the Registrar at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong during normal business hours.

Yours faithfully,  
For and on behalf of  
Easyknit Enterprises Holdings Limited  
**Kwong Jimmy Cheung Tim**  
Chairman and Chief Executive Officer

\* for identification only

IN THE EVENT OF TRANSFER OF RIGHTS, AD VALOREM STAMP DUTY IS PAYABLE ON EACH SALE AND EACH PURCHASE, A GIFT OR TRANSFER OF BENEFICIAL INTEREST OTHER THAN BY WAY OF SALE IS ALSO LIABLE TO AD VALOREM STAMP DUTY, EVIDENCE OF PAYMENT OF AD VALOREM STAMP DUTY WILL BE REQUIRED BEFORE REGISTRATION OF ANY TRANSFER OF THE ENTITLEMENTS TO THE RIGHTS SHARE(S) REPRESENTED BY THIS DOCUMENT. 於轉讓供股權時，每一宗買賣均須繳付從價印花稅。除出售之外，饋贈或轉讓實益擁有之權益亦須繳付從價印花稅。於本文件所指之任何供股股份轉讓權登記之前，須出示已繳付從價印花稅之證明。

## FORM OF TRANSFER AND NOMINATION

Form B  
表格乙

### 轉讓及提名表格

(To be completed and signed only by the Qualifying Shareholder(s) who wish(es) to transfer his/their right(s))  
(只供擬轉讓其權利之合資格股東填寫及簽署)

To: The Directors,  
**EASYKNIT ENTERPRISES HOLDINGS LIMITED**

致：永義實業集團有限公司  
列位董事 台照

Dear Sirs,

I/We hereby transfer all my/our rights to the Rights Shares comprised in this provisional allotment letter to the person(s) accepting the same and signing the registration application form (Form C) below.  
敬啟者：

本人/吾等茲將本暫定配額通知書所列本人/吾等之供股股份之權利悉數轉讓予接受此權利並簽署下列登記申請表格(表格丙)之人士。

1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_ 4. \_\_\_\_\_  
Signature(s) (all joint shareholders must sign) 簽署(所有聯名股東均須簽署)

Date 日期: \_\_\_\_\_

NOTE: Hong Kong stamp duty is payable in connection with the transfer of your rights to subscribe for Rights Shares.  
附註：有關轉讓 閣下之供股股份認購權須繳付香港印花稅。

## REGISTRATION APPLICATION FORM

Form C  
表格丙

### 登記申請表格

(To be completed and signed only by the person(s) to whom the rights to subscribe for the Rights Shares are being transferred)  
(只供供股股份認購權之承讓人填寫及簽署)

To: The Directors,  
**Easyknit Enterprises Holdings Limited**

致：永義實業集團有限公司  
列位董事 台照

Dear Sirs,

I/We request you to register the number of the Rights Shares mentioned in Box B of Form A in my/our name(s) and I/we agree to accept the same on the terms set out in this provisional allotment letter and the accompanying Prospectus and subject to the Memorandum of Association and Bye-laws of the Company.

敬啟者：

本人/吾等謹請 閣下將表格甲內乙欄所列之供股股份數目登記於本人/吾等名下，本人/吾等同意依照本暫定配額通知書及隨附之章程內所載條款並在 貴公司之公司組織章程大綱及公司細則之限制下接納此等股份。

To be completed in block letters in ENGLISH. Joint applicants should give the address of the first-named applicant only. 請用英文正楷填寫。聯名申請人僅須填寫排名首位之申請人之地址。				
Name in English 英文姓名	Family Name 姓氏	Other Names 名字	Name in Chinese 中文姓名	
Full Name(s) and Title(s) of Applicant or Joint Applicants 申請人或聯名申請人 全名及職銜				
Address 地址				
Occupation 職業		Tel No.: 電話號碼:		
Dividend Instructions 派息指示				
Name & Address of Bank 銀行名稱及地址			Bank Account No. 銀行賬戶號碼	

1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_ 4. \_\_\_\_\_  
Signature(s) (all joint applicants must sign) 簽署(所有聯名申請人均須簽署)

Date 日期: \_\_\_\_\_

NOTE: Hong Kong stamp duty is payable in connection with the transfer of your rights to subscribe for Rights Shares.  
附註：有關轉讓 閣下之供股股份認購權須繳付香港印花稅。