
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 licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Easyknit Enterprises Holdings Limited (永義實業集團有限公司)*, you should at once hand this circular with the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**EASYKNIT ENTERPRISES HOLDINGS LIMITED****永義實業集團有限公司****(Incorporated in Bermuda with limited liability)***(Stock code: 0616)****PROPOSAL FOR REFRESHMENT OF
GENERAL MANDATE TO ISSUE SHARES
AND
NOTICE OF SPECIAL GENERAL MEETING****Independent financial adviser to the Independent Board Committee
and the Independent Shareholders****大有融資有限公司****MESSIS CAPITAL LIMITED**

A letter of recommendation from the Independent Board Committee to the Independent Shareholders is set out on page 13 of this circular. A letter of advice from Messis Capital Limited to the Independent Board Committee and the Independent Shareholders on the grant of the Issue Mandate is set out on pages 14 to 21 of this circular.

A notice convening the SGM to be held at Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong on Tuesday, 20 May 2014 at 9:30 a.m. is set out on pages 22 to 24 of this circular. Whether or not you intend to attend the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for holding the SGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish and in such event, the form of proxy shall be deemed to be revoked.

28 April 2014

* for identification only

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 2 August 2013
“Announcement”	an announcement of the Company dated 11 September 2013 in respect of the Placing
“associate”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company
“Convertible Note”	the 2% per annum coupon rate convertible note issued by the Company on 27 March 2014 in the aggregate principal amount of HK\$100,000,000 conferring rights to convert Shares on the basis of a conversion price of HK\$0.68 per Share (subject to adjustment), of which HK\$20,000,000 has already been converted
“Company”	Easyknit Enterprises Holdings Limited (永義實業集團有限公司), an exempted company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Existing General Mandate”	the general mandate granted by the Shareholders at the AGM to the Directors to allot, issue and deal in 329,553,200 Shares, representing 20% of the issued share capital of the Company as at the date of AGM
“Goodco”	Goodco Development Limited, a company incorporated in the British Virgin Islands with limited liability, being a substantial shareholder (as defined in the Listing Rules) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Independent Board Committee”	an independent committee of the Board comprising all three independent non-executive Directors formed for the purpose of advising the Independent Shareholders on the grant of Issue Mandate
“Independent Financial Adviser” or “Messis”	Messis Capital Limited, a corporation licensed under the SFO to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Refreshment of General Mandate
“Independent Shareholder(s)”	the Shareholder(s) other than the controlling Shareholders and their respective associates or, if there is no controlling Shareholder, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates
“Independent Third Party(ies)”	third parties independent of and not connected with the Directors, chief executive and substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates
“Issue Mandate”	the new mandate proposed to be sought at the SGM to authorise the Directors to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of the relevant resolution at the SGM
“Kingston Securities”	Kingston Securities Limited, a licensed corporation to carry out business in Type 1 (dealing in securities) regulated activity under the SFO
“Landmark Profits”	Landmark Profits Limited, a company incorporated in the British Virgin Islands with limited liability, being a substantial shareholder (as defined in the Listing Rules) of the Company
“Latest Practicable Date”	23 April 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Placing”	placing of 329,540,000 Shares under the Existing General Mandate, details of which are set out in the Announcement
“PRC”	The People’s Republic of China
“Refreshment of General Mandate”	the proposed refreshment of the Existing General Mandate to the grant of the Issue Mandate
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“SGM”	the special general meeting of the Company to be held at Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong on Tuesday, 20 May 2014 at 9:30 a.m. for the purpose of considering and, if thought fit, approving, the Refreshment of General Mandate
“Share(s)”	the ordinary share(s) with a nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Project”	the acquisition and redevelopment of the Target Property and the buildings located at No. 11, 13 and 15 Matheson Street, Causeway Bay, Hong Kong
“Target Property”	Ground Floor of No. 15 Matheson Street, Causeway Bay, Hong Kong and is now occupied as a retail shop
“%”	per cent.

In the event of any inconsistency, the English texts of this circular and the enclosed proxy form shall prevail over the Chinese texts. Such denominations in Hong Kong dollars have been translated into RMB at the rate HK\$1 = RMB0.79 and vice versa.

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: 0616)

Executive Directors:

Mr. Kwong Jimmy Cheung Tim
(Chairman and Chief Executive Officer)
Ms. Lui Yuk Chu *(Deputy Chairman)*
Ms. Koon Ho Yan Candy

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Non-executive Directors:

Mr. Tse Wing Chiu Ricky
Mr. Lai Law Kau

*Head office and principal place of
business in Hong Kong:*

Block A, 7th Floor
Hong Kong Spinners Building, Phase 6
481-483 Castle Peak Road
Cheung Sha Wan
Kowloon
Hong Kong

Independent Non-executive Directors:

Mr. Kan Ka Hon
Mr. Lau Sin Ming
Mr. Foo Tak Ching

28 April 2014

To the Shareholders

Dear Sir or Madam,

**PROPOSAL FOR REFRESHMENT OF
GENERAL MANDATE TO ISSUE SHARES
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

The Directors propose a refreshment of the Existing General Mandate by way of granting the Issue Mandate.

The purpose of this circular is to provide you with (i) information relating to the Refreshment of General Mandate; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Refreshment of General Mandate; and (iv) the notice of the SGM to be convened and held for purpose of considering and, if thought fit, approving the Refreshment of General Mandate.

* for identification only

LETTER FROM THE BOARD

REFRESHMENT OF GENERAL MANDATE

Background of and reasons for the Refreshment of General Mandate

The Group is principally engaged in property investments, garment sourcing and export businesses, investment in listed securities and loan financing.

At the AGM, the Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Existing General Mandate to allot, issue and deal with up to 329,553,200 Shares, representing 20% of the issued share capital of the Company as at the date of the AGM.

During the period from the grant of the Existing General Mandate to the Latest Practicable Date, the Existing General Mandate had been utilised as to 329,540,000 Shares, representing 99.99% of the Existing General Mandate. As disclosed in the Announcement, the Company had entered into a placing agreement with Kingston Securities, under which Kingston Securities has agreed to place 329,540,000 new Shares. The aggregate net proceeds raised from the Placing amounted to approximately HK\$20,000,000 and had been fully deployed as at the Latest Practicable Date as general working capital.

As set out in the Company's circular dated 20 February 2014, the Company and Goodco entered into a subscription agreement on 16 January 2014, in which the Company conditionally agreed to issue, and Goodco conditionally agreed to subscribe for the Convertible Note in the aggregate principal amount of HK\$100,000,000. The Independent Shareholders approved the grant of specific mandate on 7 March 2014 and the Convertible Note was issued on 27 March 2014. The Company intends to apply those funds for the acquisition and redevelopment of the Target Project.

As at the Latest Practicable Date, the conversion rights attaching to Convertible Note have been partially exercised for HK\$20,000,000 and 29,411,764 Shares were issued as conversion. There has been no refreshment of the Existing General Mandate since the AGM.

As the refreshment of the Existing General Mandate is to be proposed to the Shareholders before the Company's next annual general meeting, pursuant to the Listing Rules, the refreshment of the Existing General Mandate is subject to the Independent Shareholders' approval by way of poll at the SGM.

Reasons and benefits of the Refreshment of Existing General Mandate

The reasons for the Refreshment of General Mandate are as follows:

The acquisition and redevelopment of Target Project

No. 11, 13 and 15 Matheson Street

The Company is the majority owner of a building located at No. 15 Matheson Street, Causeway Bay, Hong Kong, which exceeds 50 years of age. The building comprises five units on the first to fifth floors (approximately 83.3% of the undivided shares of that building) with the Target Property on the ground floor. The Company completed the acquisitions of the aforesaid five units in June 2012. In December 2012, the Company had, pursuant to section 3(1) of the

LETTER FROM THE BOARD

Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545), filed an application to the Lands Tribunal for an order to sell all the undivided shares in that building for the purposes of redevelopment, with a view to acquiring the Target Property. The Lands Tribunal has fixed the hearing of the above from 7 to 12 May 2014. If the Lands Tribunal makes an order for sale of the lot, the trustees of the Lands Tribunal will arrange for public auction and sale of the lot within three months from the date of the sale order. If successful in that auction, the Company may receive possession of the Target Property in September 2014. As a reference, the asking price indicated in early November 2012 by a property agent purportedly acting on behalf of the owner of the Target Property was HK\$230 million.

No. 13 Matheson Street is located next to No.15 Matheson Street which is described above. The building consists of five residential units and a retail unit on the ground floor with a cockloft. This retail unit is owned by the Company. The residential units are owned by third parties who are independent of (i) the Company; and (ii) connected persons of the Company.

The building No. 11 Matheson Street, located next to No. 13 Matheson Street, consists of five residential units on the first to fifth floors and a retail unit on the ground floor with a cockloft. This entire building is owned by third parties who are independent of (i) the Company; and (ii) connected persons of the Company.

The Target Project

The Company intends to consolidate its ownership of the entire buildings of No. 11, 13 and 15 Matheson Street, with a view of redeveloping the site. This will entail acquiring the Target Property, the five residential units at 13 Matheson Street, as well as the entire block of 11 Matheson Street from third parties who are independent of the Company. The Company had previously initiated discussions with the relevant incorporated owners expressing its interests, and intends to commence more active negotiations, which up to the Latest Practicable Date have remained in preliminary stage (save for the Target Property which is now subject to hearing by the Lands Tribunal as described above), as the Directors believe that the softening of the Hong Kong property market in the recent months may be an opportune time for this. The Causeway Bay region, host to several most sought-after prime retail streets in the world, had always been a target region for the Company, which currently holds three ground-floor retail units in the region. As at the Latest Practicable Date, in view of the continuous strong tenant demand in this region (substantiated by the demand observed for the retail units of the Company mentioned above) the Directors believed the outlook of the property market in the surrounding region of the Target Project to be positive over the medium-to-long term.

The Directors estimate that the acquisitions of the above properties will require financial resources of between HK\$550 million and HK\$600 million at current prices. Thereafter, additional financial resources are needed to redevelop the site into a single high rise complex building with the properties for residential and/or commercial uses, which the Directors estimate will take approximately three years. Redevelopment costs will be required for planning and design, demolition, foundation works, superstructure construction and interior works, and is currently estimated to be between HK\$150 million and HK\$200 million at current prices. Out of these redevelopment costs, about 10% is estimated to be utilised in the pre-construction phase, which would involve developing of plans, drawing up specifications, obtaining financing, financial budgets and obtaining relevant permits. Thereafter

LETTER FROM THE BOARD

costs incurred in the initial construction phase, involving demolition and the building of foundation and framework of the building are estimated to account for about 60% of the redevelopment costs. The finishing phase, including work such as installation of interior components like mechanical systems as well as furnishings, is estimated to account for 20% of the redevelopment costs with the post construction phase (involving final finishing and inspections) accounting for the remaining 10% of the redevelopment costs.

Method of financing the Target Project

The Company needs immediate access to cash resources for the above acquisition of properties as agreements may be reached with the sellers at any time during the negotiation process, which the Company will have to act upon promptly. The need to have ready cash access is argued by the softening of the Hong Kong property market in the recent months, which may prove to be a timely development in favour of the Company in the negotiation process. Meanwhile, bank financing for property acquisitions (especially the residential units) is not readily available and if available, the loan amounts are likely to be low relative to the acquisition prices given the age and run-down states for the properties in question. In the meantime, bank financing will likely be available for the redevelopment phase of the Target Project.

The Company's current financial resources

Over the past 15 months, the Company had conducted various equity fund-raising exercises for the acquisition of the Target Property and the related redevelopment. Details of these fund-raising exercises are set out in the section headed "Equity fund-raising activities of the Company in the past 12 months" in this letter. The Group had unaudited cash and cash equivalent of approximately HK\$621 million as at 31 March 2014, of which, RMB61 million (equivalent to approximately HK\$77 million) is tied up in the PRC since 2012 as investment capital which it is in practice not possible to transfer back to Hong Kong. Of the balance of HK\$544 million, approximately HK\$479.7 million has been earmarked for the acquisition and redevelopment of the Target Project, leaving the balance funds is approximately HK\$64.3 million. In addition, as at 31 March 2014, the Company had a portfolio of securities investment with fair value of approximately HK\$103 million.

As shown above, the Company currently does not have sufficient cash resources to complete the acquisition of the relevant properties under the Target Project.

Given the lack of available bank financing described in previous paragraphs, the Directors consider the possible avenues of funding resources for the Company, including but not limited to the Group's internal cash flow and equity fund-raising activities such as issue of Shares, warrants, convertible notes or other kind of securities of the Company, it will normally take a minimum of approximately 2 to 3 weeks to conduct and complete an equity fund-raising activity. Therefore, in the event that the Board considers that an equity fund-raising is the best option for the Company to raise the necessary funding, the Company will need to have the flexibility and capacity to be able to conduct such equity fund-raising activity in a timely manner. However, as at the Latest Practicable Date, the Company had already utilized 99.99% of the Existing General Mandate and the next annual general meeting of the Company will only held in around August 2014 for, inter alia, refreshing the Existing General Mandate, the

LETTER FROM THE BOARD

Board considers that for the needs immediate access to cash resources for the acquisition of the remaining properties of the Target Project may be reached with the sellers at any time during the negotiation process and the lack of available bank financing, the Directors is of the view that it is in the interests of the Company and its Shareholders as a whole if the Board can be granted the Issue Mandate at the SGM to be held in May 2014 instead of the annual general meeting to be held in August 2014.

If the Company is unsuccessful in acquiring the Target Property, the Company will still carry on the negotiations with the relevant owners to acquire the remaining properties of No. 11 and 13 Matheson Street and to redevelop the site.

Based on the foregoing, the Board notes that the aggregate of the Group's total cash and cash equivalents that is immediately available to the Group amounted to approximately HK\$544 million as at 31 March 2014, while approximately HK\$550 million to HK\$600 million is needed for the acquisition of the properties of the Target Project and approximately HK\$150 million to HK\$200 million is needed for redeveloping the site into properties for residential or/and commercial uses at current prices according to Directors' estimation. In light of this, additional financial resources are needed.

The Board is of the view if the Company issues new Shares under the Issue Mandate at the current market price, the Company will raise approximately HK\$30,000,000; and the Directors confirmed that such funds will be utilised for the acquisition of the Target Project, or should the acquisition fails to materialize, for acquisition of other properties at the time when the Company has insufficient financial resources to fund such activities in a timely manner.

Save for the acquisition and redevelopment costs of the Target Project, the existing cash resources and working capital of the Group are sufficient to conduct daily operations and to meet its present working capital requirements in the coming 12 months.

Issue Mandate

As at the Latest Practicable Date, the Company had an aggregate of 326,007,664 Shares in issue. Subject to the passing of the ordinary resolution for the approval of the refreshment of the Existing General Mandate and on the basis that no further Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to the date of the SGM, the Company would be allowed under the Issue Mandate to allot and issue up to 65,201,532 new Shares, being 20% of the aforesaid total issued share capital of the Company as at the date of the SGM.

The Issue Mandate will, if granted, remain effective until the earliest 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 to be held in accordance with the Bye-Laws or any applicable laws of Bermuda; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

LETTER FROM THE BOARD

Equity fund-raising activities of the Company in the past 12 months

Brief particulars of equity fund-raising activities of the Company in the past 12 months are set out below:

Date of announcement	Event	Net proceeds (<i>approximate</i>)	Intended use of net proceeds	Actual use of net proceeds (<i>approximate</i>)
5 April 2013	Rights issue of Shares	HK\$122 million	For the acquisition of the Target Property	To be applied as intended
11 September 2013	Placing of new Shares under general mandate	HK\$20 million	For general working capital	General working capital of the Group HK\$20 million
3 October 2013	Rights issue of Shares	HK\$146 million	HK\$102 million – for future redevelopment cost of the Target Property	To be applied as intended
			HK\$44 million – for general corporate purposes	General corporate purposes of the Group HK\$44 million
16 January 2014	Issue of Convertible Note with an aggregated principal amount of HK\$100,000,000, which may be converted into 147,058,823 Shares at the conversion price of HK\$0.68 per Share (subject to adjustment)	HK\$98.7 million	For the acquisition and redevelopment of Target Project	To be applied as intended

Save as disclosed in this section, the Company had not conducted any other equity fund-raising activities in the past 12 months immediately prior to the Latest Practicable Date.

Potential dilution to shareholding of the existing public Shareholders

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) upon full utilization of the Issue Mandate (assuming that no other Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to the date of the SGM); and (iii) upon full utilization of the Issue Mandate (assuming that the remaining

LETTER FROM THE BOARD

conversion rights attaching to the Convertible Note are exercised in full before the date of the SGM and no other Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to the date of the SGM):

	As at the Latest Practicable Date		Upon full utilization of the Issue Mandate (assuming that no other Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to the date of the SGM)		Upon full utilization of the Issue Mandate (assuming that the conversion rights attaching to the Convertible Note are exercised in full before the date of the SGM and no other Shares are issued and/or repurchased by the Company)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Substantial Shareholders:						
Landmark Profits	47,140,104	14.5	47,140,104	12.0	47,140,104	8.8
Goodco	89,853,334	27.6	89,853,334	23.0	207,500,392	39.0
Sub-total	136,993,438	42.1	136,993,438	35.0	254,640,496	47.8
Public:						
Public Shareholders	189,014,226	57.9	189,014,226	48.3	189,014,226	35.5
Shares available to be issued under the Issue Mandate	–	–	65,201,532	16.7	88,730,944	16.7
Total	<u>326,007,664</u>	<u>100.0</u>	<u>391,209,196</u>	<u>100.0</u>	<u>532,385,666</u>	<u>100.0</u>

Maximum dilution effect on shareholding of existing public Shareholders

As illustrate in the table above, existing Shareholders will be subject to dilution of their shareholding in the Company upon full utilization of the Issue Mandate. The shareholding of the existing public Shareholders would decrease from approximately 57.9% as at the Latest Practicable Date (i) to approximately 48.3% upon full utilization of the Issue Mandate, which represent a 9.6% dilution (assuming no other Shares are issued or repurchased by the Company from the Latest Practicable Date up to the date of the SGM); and (ii) to approximately 35.5% upon full utilization of the Issue Mandate, which represents a 22.4% dilution (assuming that the still-exercisable conversion rights attaching to the Convertible Note are exercised in full before the date of the SGM and no other Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to the date of the SGM).

Taking into account that the Refreshment of the Existing General Mandate (i) allows the Company to raise capital by allotment and issuance of new Shares before the next annual general meeting; (ii) would provide an alternative to increase the amount of capital which may be raised thereunder; (iii) would provide more flexibility and options of financing to the Group for the acquisition of the properties for the Target Project; the above flexibility outweigh the dilution effect of the existing Shareholders as the Company is able to respond in a timely and effective manner to take advantages of any business opportunities for the benefit

LETTER FROM THE BOARD

of the Company and its Shareholders as a whole; and (iv) the fact that the shareholdings of all Shareholders will be diluted proportionately to their respective shareholding upon any utilization of the refreshed Existing General Mandate, the Board considers that such potential dilution to the shareholdings of the existing public Shareholders is acceptable.

Details on Convertible Note, Warrants and Options

The holder, issue date and maturity of the Convertible Note are summarized as follows:

Holder of the Convertible Note	:	Goodco
Outstanding principal amount as at the Latest Practicable Date	:	HK\$80,000,000
Issue Date	:	27 March 2014
Maturity Date	:	27 March 2019

As at the Latest Practicable Date, the Company had no options, warrants or convertible securities in issue other than the aforementioned Convertible Note.

As at the Latest Practicable Date, Landmark Profits and Goodco are interested in 136,993,438 Shares.

RECOMMENDATION

The Independent Board Committee has been established to advise the Independent Shareholders on whether the refreshment of the Existing General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Group and the Shareholders as a whole. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in connection therewith. The text of the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 14 and 21 of this circular and the text of the letter from the Independent Board Committee to the Independent Shareholders is set out on page 13 of this circular.

The Directors consider that the refreshment of the Existing General Mandate as set out in the notice of the SGM is in the interests of the Company and the Shareholders as a whole. Accordingly the Directors recommend all Shareholders to vote in favour of the resolution to be proposed at the SGM.

Your attention is drawn to the letter from the Independent Board Committee set out on page 13 of this circular. Your attention is also drawn to the letter of advice from the Independent Financial Adviser which sets out the recommendation in respect of the refreshment of the Existing General Mandate and the principal factors and reasons considered by it in arriving at such recommendation. The text of the letter from the Independent Financial Adviser is set out on pages 14 to 21 of this circular.

LETTER FROM THE BOARD

SGM

A notice convening the SGM to be held at Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong on Tuesday, 20 May 2014 at 9:30 a.m. is set out on pages 22 to 24 of this circular.

Regardless of your ability to attend the meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for holding the SGM. Completion and return of the form of proxy shall not preclude you from attending and voting at the SGM or any adjournment thereof (as the case may be) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

In compliance with Rule 13.36(4) of the Listing Rules, Landmark Profits, Goodco and their respective associates will abstain from voting on the resolution regarding the Refreshment of General Mandate. In compliance with Rule 13.39(4) of the Listing Rules, the vote of the Independent Shareholders in respect of the Refreshment of General Mandate at the SGM will be taken by way of poll.

CONSENT

Messis has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter set out therein and reference to its name in the form and context in which they appear respectively.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility, for the accuracy of the information contained in this circular and confirm having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement in this circular misleading.

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



EASYKNIT ENTERPRISES HOLDINGS LIMITED

永義實業集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 0616)

28 April 2014

To the Independent Shareholders

Dear Sir or Madam,

**PROPOSAL FOR REFRESHMENT OF
GENERAL MANDATE TO ISSUE SHARES**

We refer to the circular of the Company dated 28 April 2014 (the “Circular”) of which this letter forms part. Unless the context specifies otherwise, capitalised terms used herein have the same meanings as defined in the Circular.

We have been appointed to advise the Independent Shareholders in connection with the Refreshment of General Mandate. Messis has been appointed to advise the Independent Board Committee and the Independent Shareholders in this respect.

We are of the view, after taking into account the advice of Messis as set out on pages 14 to 21 of the Circular, that the Refreshment of General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to approve the Refreshment of General Mandate.

Yours faithfully,

Independent Board Committee

Kan Ka Hon

Lau Sin Ming

Foo Tak Ching

Independent Non-executive Directors

* *for identification only*

LETTER FROM INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from the Independent Financial Adviser which sets out its advice to the Independent Board Committee and the Independent Shareholders for inclusion in this circular.



大有融資有限公司
MESSIS CAPITAL LIMITED

28 April 2014

*To: The Independent Board Committee and the Independent Shareholders of
Easyknit Enterprises Holdings Limited*

Dear Sir/Madam,

REFRESHMENT OF EXISTING GENERAL MANDATE TO ISSUE AND ALLOT SHARES

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the refreshment of the Existing General Mandate, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular (the “**Circular**”) of the Company to the Shareholders dated 28 April 2014, of which this letter forms part. Terms used in this letter have the same meanings as defined in the Circular unless the context otherwise requires.

The Directors propose to refresh the Existing General Mandate by way of granting the Issue Mandate.

Pursuant to Rule 13.36(4)(a) of the Listing Rules, refreshment of the Existing General Mandate will be subject to the Independent Shareholders’ approval by way of an ordinary resolution at the SGM at which any of the controlling Shareholders and their associates, or where there are no controlling Shareholders, all Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolution regarding the refreshment of the Existing General Mandate to be proposed at the SGM. To the best of the Company’s information and belief after having made reasonable enquiries, as at the Latest Practicable Date, Easyknit International Holdings Limited, through Landmark Profits and Goodco, are interested in 136,993,438 Shares representing approximately 42.1% of the issued share capital of the Company. Accordingly, Landmark Profits, Goodco and together with their respective associates will abstain from voting in favour of the proposed resolution approving the Refreshment of the Existing General Mandate at the SGM.

The Independent Board Committee comprising Mr. Kan Ka Hon, Mr. Lau Sin Ming and Mr. Foo Tak Ching, all being independent non-executive Directors, has been established to advise whether the refreshment of the Existing General Mandate is in the interest of the Company and the Independent Shareholders as a whole and to advise the Independent Shareholders on how to vote. We, Messis Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR ADVICE

In arriving at our recommendation, we have relied on the information and facts provided by the Company and have assumed that any representations made to us are true, accurate and complete. In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Company, Directors and management of the Company. We have assumed that all information, representations and opinions contained or referred to in the Circular, which have been provided by the Company, Directors and management of the Company and for which they are solely and wholly responsible, were true and accurate at the time when they were made and continue to be true as at the Latest Practicable Date, and should there be any material changes to our opinion after the Latest Practicable Date, Shareholders would be notified as soon as possible.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular the omission of which would make any statement in the Circular, misleading. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any facts or circumstances which would render the information provided and representations made to us untrue, inaccurate or misleading. We have not, however, carried out any independent verification of the information provided by the Directors and the management of the Company, nor have we conducted an independent investigation into the business and affairs of the Group.

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the refreshment of the Existing General Mandate, and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion to the Independent Board Committee and the Independent Shareholders in respect of the refreshment of the Existing General Mandate, we have taken the following principal factors and reasons into consideration:

1. Background of and reasons for the Refreshment of the General Mandate

The Group is principally engaged in property investments, garment sourcing and export businesses, investment in listed securities and loan financing.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

At the annual general meeting of the Company held on 2 August 2013 (the “AGM”), the Shareholders approved, among other things, an ordinary resolution to approve the grant of the Existing General Mandate to the Directors to allot, issue and deal with up to 329,553,200 Shares, being 20% of the entire issued share capital of the Company of 1,647,766,000 Shares as at the date of the AGM. Since the date of the AGM to the Latest Practicable Date, the Existing General Mandate has not been refreshed.

Subsequently to the AGM, as disclosed in the announcement of the Company dated 11 September 2013, the Company had entered into a placing agreement with Kingston Securities, under which Kingston Securities has agreed to place 329,540,000 new Shares. The aggregate net proceeds raised from the Placing amounted to approximately HK\$20,000,000 and had been utilised by the Group as general working capital. The 329,540,000 placing Shares represent approximately 99.99% of the Existing General Mandate and the Directors would only be allowed to allot and issue 13,200 Share of the Existing General Mandate from the Latest Practicable Date to the date of the next annual general meeting of the Company if the Existing General Mandate is not refreshed. As the refreshment of the Existing General Mandate is to be proposed to the Shareholders before the Company’s next annual general meeting, pursuant to the Listing Rules, the refreshment of the Existing General Mandate is subject to the Independent Shareholders’ approval by way of poll at the SGM.

According to the Company’s circular dated 20 February 2014, the Company and Goodco has entered into a subscription agreement on 16 January 2014, of which the Company conditionally agreed to issue, and Goodco conditionally agreed to subscribe for the Convertible Note in the aggregate principal amount of HK\$100,000,000. The issuing of a Convertible Note was completed on 27 March 2014. The Company intends to apply those funds for the acquisition and redevelopment of the Target Project. As at the Latest Practicable Date, the conversion rights attaching to Convertible Note have been partially exercised for HK\$20,000,000 and 29,411,764 Shares were issued as conversion.

As disclosed in the Letter from the Board, as at 31 March 2014, the Group had unaudited cash and cash equivalent of approximately HK\$621 million, of which RMB61 million (equivalent to approximately HK\$77 million) is tied up in the PRC since 2012 as investment capital which is in practice not feasible to be transferred back to Hong Kong. Of the balance of HK\$544 million, approximately HK\$479.7 million has been earmarked for the acquisition and redevelopment of the Target Project, leaving the balance of the funds is approximately HK\$64.3 million. In addition, as at 31 March 2014, the Company had a portfolio of securities investment with fair value of approximately HK\$103 million.

As mentioned in the Company’s circular dated 20 February 2014, the Lands Tribunal has fixed the date for the hearing of the application for compulsory sale and redevelopment of the Target Property from 7 to 12 May 2014; and the Company intends to consolidate its ownership of the entire buildings of No. 11, 13 and 15 Matheson Street, with a view of redeveloping the site.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

As the Latest Practicable Date, neither definitive agreement nor terms have been entered into with the owner of the Target Property and/or the owners of the premises of No. 11 and 13 Matheson Street.

Based on the foregoing, we note that the aggregate of the Group's total cash and cash equivalents that is immediately available to the Group amounted to approximately HK\$544 million as at 31 March 2014, while approximately HK\$550 million to HK\$600 million is needed for the acquisition of the properties of the Target Project and approximately HK\$150 million to HK\$200 million is needed for redeveloping the site into properties for residential or/and commercial uses at current prices according to Directors' estimation. As shown above, the Company currently does not have sufficient cash resources to complete the acquisition of the relevant properties under the Target Project. In light of this, additional financial resources are needed.

As advised by the management, the Company has already commenced negotiations with the current owners of the properties, and intends to commence more active negotiations as the Directors believe that the softening of the Hong Kong property market in the recent months may be an opportune time for this and the agreements may be reached at any time. As there is a possibility that the agreements may be reached in the four months before the annual general meeting, given that bank financing for property acquisitions (especially the residential units) is not readily available, and if available, the loan amounts are likely to be low relative to the acquisitions prices given the age and run-down states for the properties in question, refreshment of General Mandate provides an alternative for the Company to obtain sufficient fund resources in a timely manner once the acquisitions are reached. In light of this, we concur with the view of the Directors that once the agreements of the acquisitions are reached, the Company will need immediate access to additional cash resources in order to complete the acquisitions.

The Board considers the possible avenues of funding resources for the Company, including but not limited to the Group's internal cash flow and equity fund-raising activities such as issue of Shares, warrants, convertible notes or other kind of securities of the Company. As a market practice, it will normally take approximately a minimum of 2 to 3 weeks to conduct and complete an equity fund-raising activity. Therefore, in the event that the Board considers that an equity fund-raising is the best option for the Company to raise the necessary funding, the Company will need to have the flexibility and capacity to be able to conduct such equity fund-raising activity in a timely manner. However, as at the Latest Practicable Date, the Company had already utilised 99.99% of the Existing General Mandate and the next annual general meeting of the Company will only held in around August 2014. The Board considers that it will be in the interests of the Company and its Shareholders as a whole if the Board can be granted the Issue Mandate at the SGM to be held in May 2014.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

Taking into account that the (i) Group's current cash reserves on hand remain unable to cover all the acquisition and redevelopment cost aforementioned; (ii) possible equity financing carried out under the refreshed Existing General Mandate is interest free and security free by nature which would serve as a cost effective mean if raising additional capital for the company to fulfill the immediate funding needs arising in a timely manner; (iii) next annual general meeting will not be held until around August 2014, which is around four months period from the Latest Practicable Date; (iv) the Refreshment of the General Mandate will provide the Group additional options and flexibility to raise funds in a timely manner, if and when required, for financing the acquisition and redevelopment for the Target Project; and (v) any granting of specific mandate is subject to the approval of the then Independent Shareholders which may cause undue delay if the Group wishes to carry out timely investments, we therefore concur with the Directors' view that the Refreshment of General Mandate is in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, the Company had an aggregate of 326,007,664 Shares in issue. Subject to the passing of the ordinary resolution for the approval of the Issue Mandate and on the basis that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the SGM, the Directors would be authorized to allot and issue up to a maximum of 65,201,532 new Shares, representing 20% of the total number of Shares in issue under the Issue Mandate as at the date of the SGM.

The Issue Mandate will, if granted, remain effective until the earliest 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 to be held in accordance with the Bye-Laws or any applicable laws of Bermuda; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

2. Fund raising activities of the Company during the past twelve months

Set out below is the fund raising activity of the Company during the past twelve months immediately prior to the Latest Practicable Date:

Date of Announcement	Fund-raising activities	Net proceeds (approximate)	Intended use of Proceeds	Actual use of Proceeds as at the Latest Practicable Date
5 April 2013	Rights issue of Shares	HK\$122 million	For the acquisition of the Target Property	To be applied as intended.
11 September 2013	Placing of new Shares under general mandate	HK\$20 million	For general working capital	HK\$20 million for general working capital of the Group

LETTER FROM INDEPENDENT FINANCIAL ADVISER

Date of Announcement	Fund-raising activities	Net proceeds (<i>approximate</i>)	Intended use of Proceeds	Actual use of Proceeds as at the Latest Practicable Date
3 October 2013	Rights issues of Shares	HK\$146 million	HK\$102 million – for future redevelopment cost of the Target Property HK\$44 million – for general corporate purpose	To be applied as intended. HK\$44 million for general corporate purpose of the Group.
16 January 2014	Issue of Convertible Note with an aggregated principal amount of HK\$100,000,000, which may be converted into 147,058,823 Shares at the conversion price of HK\$0.68 per Share (subject to adjustment)	HK\$98.7 million	For the acquisition and redevelopment of the Target Project	To be applied as intended.

Save as and except the above, the Company had not conducted any other equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

3. Flexibility in financing

According to the Letter from the Board, the Directors consider that (i) the Refreshment of General Mandate will provide the Group with additional options and flexibility when considering future fund raising activities; (ii) it is necessary to refresh the Existing General Mandate to reflect the actual number of Shares to be allotted subsequent to and as a result of the Placing; and (iii) any granting of specific mandate, which is subject to the approval of the then Independent Shareholders, may cause undue delay if the Group has to carry out its investments in a timely manner.

Based on the above, we consider that (i) any share placement exercise is dependent, to a large extent, on prevailing market conditions and such opportunities for share placement exercise may not always arise; and (ii) the refreshment of the Existing General Mandate would provide the Company with the flexibility to issue and allot new Shares for equity fund raising activities, such as placing of new Shares, or as consideration for potential investments in the future as and when such opportunities arise, we therefore consider that the refreshment of the Existing General Mandate is in the interests of the Shareholders and the Company as a whole. As such, we concur with the Directors' view that it is fair and reasonable to infer that there are reasonable grounds for the Directors to propose the Refreshment of General Mandate in the SGM in order to give the Company greater flexibility in the issuance of new Shares in future as and when the Company considers desirable for the benefit of the development of the Company.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

4. Other financing alternatives

We understand that it is the Directors' belief that the Refreshment of General Mandate will provide the Company with an additional alternative of equity funding. It is anticipated that the Refreshment of General Mandate could enhance the financing flexibility of the Company to raise funds, if and required, by way of issuance of new Shares for part of the acquisition and redevelopment cost. The Directors, after considering various methods of fund raising exercises, are of the view that equity financing is in the interest of the Company and the Shareholders as a whole given that equity financing under general mandate (i) does not incur interest obligations on the Group as compared with bank financing; (ii) is less costly and time-consuming than raising funds by way of rights issue or open offer; and (iii) equips the Company with the ability to capture any capital raising or prospective investment opportunities in a timely manner.

In view of the above, we consider that the Refreshment of the General Mandate is in the interests of the Company and the Shareholders as a whole.

5. Potential dilution to Independent Shareholders' shareholdings

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) the date upon the full utilization of the Issue Mandate:

	As at the Latest Practicable Date		Upon full utilization of the Issue Mandate (assuming that no other Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to the date of the SGM)		Upon full utilization of the Issue Mandate (assuming that the conversion rights attaching to the Convertible Note are exercised in full before the date of the SGM and no other Shares are issued and/or repurchased by the Company)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Substantial Shareholders:						
Landmark Profits	47,140,104	14.5	47,140,104	12.0	47,140,104	8.8
Goodco	89,853,334	27.6	89,853,334	23.0	207,500,392	39.0
Sub-total	136,993,438	42.1	136,993,438	35.0	254,640,496	47.8
Public:						
Existing public Shareholders	189,014,226	57.9	189,014,226	48.3	189,014,226	35.5
Shares to be issued under the refreshed Existing Mandate	-	-	65,201,532	16.7	88,730,944	16.7
Total	326,007,664	100	391,209,196	100	532,385,666	100

LETTER FROM INDEPENDENT FINANCIAL ADVISER

The table above illustrates that the shareholding of the existing public Shareholders will be decreased from approximately 57.9% as at the Latest Practicable Date (i) to approximately 48.3% upon full utilization of the Issue Mandate, which represent a 9.6% dilution (assuming no other Shares are issued or repurchased by the Company from the Latest Practicable Date up to the date of the SGM); and (ii) to approximately 35.5% upon full utilization of the Issue Mandate, which represent a 22.4% dilution (assuming that the still-exercisable conversion rights attaching to the Convertible Note are exercised in full before the date of the SGM and no other Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to the date of the SGM).

Notwithstanding that the Company has carried out various fund raising activities in the past 12 months as set out in section headed “Fund raising activities of the Company during the past twelve months” above, and shareholding of the existing Shareholders will be diluted by 9.6% upon full utilisation of the refreshed General Mandate; taking into account that the Refreshment of the Existing General Mandate (i) allows the Company to raise capital by allotment and issuance of new Shares before the next annual general meeting; (ii) would provide an alternative to increase the amount of capital which may be raised thereunder; (iii) would provide more flexibility and options of financing to the Group for the acquisition for the Target Project; the above flexibility outweigh the dilution effect of the existing Shareholders as the Company is able to respond in a timely and effective manner to take advantages of any business opportunities for the benefit of the Company and its Shareholders as a whole; and (iv) the fact that the shareholdings of all Shareholders will be diluted proportionately to their respective shareholding upon any utilization of the refreshed Existing General Mandate, we consider that such potential dilution to the shareholdings of the existing public Shareholders is acceptable.

RECOMMENDATIONS

Having taken into account the principal factors and reasons referred to the above, we are of the opinion that the terms of the grant of refreshment of the Existing General Mandate are fair and reasonable so far as the Independent Shareholders are concerned and the grant of refreshment of the Existing General Mandate is in the interests of the Company and the Shareholders as a whole. Accordingly, we would recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolution(s) to be proposed at the SGM to approve the refreshment of the Existing General Mandate.

Yours faithfully,
For and on behalf of
Messis Capital Limited
Robert Siu
Managing Director

NOTICE OF THE SGM



EASYKNIT ENTERPRISES HOLDINGS LIMITED

永義實業集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 0616)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**Meeting**”) of Easyknit Enterprises Holdings Limited (the “**Company**”) will be held at Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong on Tuesday, 20 May 2014 at 9:30 a.m. for the purpose of considering and, if thought fit, passing the following resolution, with or without amendments, as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT:

- (a) subject to paragraph (c) below, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company (the “**Shares**”) and to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorizations given to the Directors and shall authorise the Directors during the Relevant Period (as defined in paragraph (d) below) to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of the share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option, a conversion or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined in paragraph (d) below);

* for identification only

NOTICE OF THE SGM

- (ii) the exercise of rights of subscription or conversion under terms of any warrants issued by the Company or any securities which are convertible into Shares;
- (iii) the exercise of any option under the share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Shares or rights to acquire Shares; and
- (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on the Shares in accordance with the by-laws of the Company in force from time to time,

shall not exceed the aggregate of 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest 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 Bermuda law or the Company’s by-laws 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; and

NOTICE OF THE SGM

“Rights Issue” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of Shares or any class thereof on the register of members on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusions or other arrangements as the Directors 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 stock exchange in any territory outside Hong Kong).”

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

Hong Kong, 28 April 2014

Notes:

1. 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 its seal or under the hand of any officer or attorney duly authorised.
2. Any shareholder of the Company entitled to attend and vote at the Meeting convened by the above notice shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company.
3. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queens Road East, Hong Kong not less than 48 hours before the time appointed for holding of the above Meeting.
4. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the Meeting convened or at any adjourned meeting (as the case may be) and in such event, the form of proxy will be deemed to be revoked.
5. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the Meeting, whether in person or by proxy, the most senior shall alone be entitled to vote. For this purpose, seniority shall be determined by the order in which the names stand on the register of members of the Company in respect of the joint holding.