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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**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.

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

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A notice convening the annual general meeting of Easyknit Enterprises Holdings Limited 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 Thursday, 7 August 2014 at 9:30 a.m. is set out on pages N-1 to N-4 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 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 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 and in such event, the form of proxy shall be deemed to be revoked.

\* *for identification only*

Hong Kong, 9 July 2014



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## DEFINITIONS

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

“2013 AGM”	the annual general meeting of the Company held on 2 August 2013
“2014 AGM”	the annual 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 Thursday, 7 August 2014 at 9:30 a.m., notice of which is set out on pages N-1 to N-4 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 35.02% 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 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

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## DEFINITIONS

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“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of par value 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”	The Codes on Takeovers and Mergers and Share Repurchases
“%”	per cent.

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Kwong Jimmy Cheung Tim  
*(Chairman & 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

9 July 2014

*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 2014 AGM, and information on matters to be dealt with at the 2014 AGM, *inter alia*, (i) re-election of retiring Directors at the 2014 AGM; (ii) grant of a general mandate to issue Shares; and (iii) grant of a general mandate to repurchase Shares.

\* *for identification only*

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## LETTER FROM THE BOARD

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### RE-ELECTION OF DIRECTORS

Pursuant to Bye-Law 102(B), as Mr. Lai Law Kau was appointed as a non-executive Director with effect from 1 December 2013, Mr. Lai Law Kau will hold office as a Director until the 2014 AGM and subject to re-election. Mr. Lai Law Kau, being eligible, has offered himself for re-election.

In accordance with Bye-Law 99, Mr. Tse Wing Chiu Ricky and Mr. Lau Sin Ming (“Mr. Lau”) will retire from office by rotation at the 2014 AGM and being eligible, have offered themselves for re-election.

Mr. Lau, being an independent non-executive Director, eligible for re-election at the 2014 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. Lau 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.

Mr. Lau has served the Board for more than 9 years. As an independent non-executive Director with extensive experience and knowledge in finance and management, Mr. Lau has expressed views and given independent guidance to the Company over the years. The Nomination Committee considers that the long service of Mr. Lau would not affect his exercise of independent judgement and is satisfied that Mr. Lau has the required character, integrity and experience to continue fulfilling the role of an independent non-executive Director. The Board considers that the re-election of Mr. Lau as Director is in the best interest of the Company and Shareholders as a whole.

Any Shareholder who wishes to nominate a person to stand for election as a Director at the 2014 AGM must lodge with the Company at its head office at Block A, 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 Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong within the period from 10 July 2014 to 16 July 2014 (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.

The resolution in relation to the proposed re-election of the retiring directors will be put forward at the 2014 AGM as separate ordinary resolutions.

Biographical details of the retiring Directors to be re-elected at the 2014 AGM are set out in Appendix I to this circular.

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## LETTER FROM THE BOARD

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### GENERAL MANDATE TO ISSUE SHARES

At the 2013 AGM, an ordinary resolution was passed to grant a general mandate to the Directors to issue Shares (“**2013 General Mandate**”).

On 11 September 2013, the Company announced that it has entered into a placing agreement to place 329,540,000 Shares under the 2013 General Mandate to not less than six independent placees. Pursuant to that announcement, the aggregate net proceeds raised from the placing amounted to approximately HK\$20,000,000, which has been fully deployed as general working capital of the Group as at the Latest Practicable Date. As such, the 2013 General Mandate was almost fully utilised.

On 16 January 2014, the Company announced that it has entered into a subscription agreement to issue a convertible note in the aggregate principal amount of HK\$100,000,000 to Goodco Development Limited, which is a substantial shareholder of the Company, under a specific mandate, which was approved by the independent Shareholders at the special general meeting held on 7 March 2014. A net proceeds of approximately HK\$98,700,000 raised from the issue of convertible note are mainly for the acquisition and redevelopment of the buildings located at No. 11, 13 and 15 Matheson Street, Causeway Bay, Hong Kong.

At the special general meeting held on 20 May 2014, an ordinary resolution was passed by the independent Shareholders for the refreshment of the 2013 General Mandate and extension thereof to the Directors to allot, issue and deal with additional 65,201,532 Shares (the “**Refreshment Mandate**”), representing 20% of the issued share capital of the Company as at the date of passing the resolution. Further details of the Refreshment Mandate are set out in the Company’s circular dated 28 April 2014.

On 6 June 2014, the Company announced that it has entered into a placing agreement to place 65,200,000 Shares under the Refreshment Mandate to not less than six independent placees. Pursuant to that announcement, the aggregate net proceeds raised from the placing amounted to approximately HK\$22,500,000, which is intended to be applied as general working capital of the Group. As such, the Refreshment Mandate was almost fully utilised.

As at the Latest Practicable Date, the total number of Shares in issue was 391,207,664 Shares.

At the 2014 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 prior to the date of the 2014 AGM and subject to the passing of the resolution for the Issue Mandate at the 2014 AGM, the Company will be allowed to allot, issue and deal with a maximum of 78,241,532 Shares, the aggregate nominal amount of which equals to HK\$782,415. In addition, if the resolution to authorise the repurchase of Shares is passed, an ordinary resolution will be proposed at the 2014 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.

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## LETTER FROM THE BOARD

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### GENERAL MANDATE TO REPURCHASE SHARES

At the 2013 AGM, an ordinary resolution was passed to grant a general mandate to the Directors to repurchase Shares. As at the Latest Practicable Date, this general mandate has not been utilized and will lapse at the conclusion of the 2014 AGM. At the 2014 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 2014 AGM.

### ANNUAL GENERAL MEETING

Notice of the 2014 AGM is set out on pages N-1 to N-4 of this circular. Proxy form for use at the 2014 AGM is enclosed. 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 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 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 2014 AGM or any adjournment thereof should you so wish. In the event that a Shareholder having lodged a proxy form attends the 2014 AGM, his proxy form will be deemed to have been revoked.

### VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at a general meeting must be taken by poll save for purely procedural or administrative matters. The chairman of the 2014 AGM will therefore exercise his power under Bye-Law 70 of the Company’s bye-law to put each of the resolutions to be proposed at the 2014 AGM to the vote by way of poll.

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## LETTER FROM THE BOARD

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On a poll, every Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by a proxy shall have one vote for each Share registered in his/her name in the register of members of the Company. A Shareholder entitled to more than one vote needs not use all his/her votes or cast all the votes he/she uses in the same way.

After the conclusion of the 2014 AGM, the poll results will be published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.easyknitenterp.com](http://www.easyknitenterp.com)).

### RESPONSIBILITY OF THE DIRECTORS

This circular for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rule, for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### RECOMMENDATION

The Directors consider that the re-election of Directors, the granting of the Issue Mandate and the Repurchase Mandate are in the best interests of the Company and the Shareholders as a whole and accordingly recommend the Shareholders to vote in favour of all the relevant resolutions to be proposed at the 2014 AGM.

### GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular. The English text shall prevail over the Chinese text in this circular.

Yours faithfully,  
By Order of the Board  
**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 2014 AGM:

**Mr. Tse Wing Chiu Ricky (“Mr. Tse”)**

Mr. Tse, aged 56, is a non-executive director of the Company. He is also a non-executive director of Easyknit International. Mr. Tse obtained a Master’s Degree in Business Administration from Adam Smith University of America in the United States in 1996. He has more than 30 years of experience in garment manufacturing and merchandising. Mr. Tse was appointed to the Board as an executive director and vice chairman in 2005, and was subsequently re-designated from vice chairman to chairman and appointed as chief executive officer in 2006. In 2007, Mr. Tse was re-designated from an executive director to a non-executive director of the Company and resigned as chairman and chief executive officer.

There is a service contract between the Company and Mr. Tse for a term of 3 years and he 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 of Mr. Tse are fixed at HK\$130,000 per annum. Mr. Tse 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 2014 AGM by reference to his time commitment and responsibilities, the Company’s performance and the prevailing market conditions.

Save as disclosed above, (i) Mr. Tse has not held any other directorships in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) he has not held any other positions in the Company and its subsidiaries; (iii) he does not have any other relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company; and (iv) he does not have any interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there is no information concerning Mr. Tse that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

**Mr. Lai Law Kau (“Mr. Lai”)**

Mr. Lai, aged 53, is a non-executive director of the Company since December 2013. He has been involved in the textiles industry over 20 years and has extensive experience in design, manufacturing, marketing and distribution of apparel. He is also a non-executive director of Easyknit International. Mr. Lai is a paternal brother-in-law of Ms. Lui Yuk Chu, the deputy chairman of the Company, and he is also an uncle of Ms. Koon Ho Yan Candy, an executive director of the Company.

There is a service contract between the Company and Mr. Lai for a term of 3 years and he 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 of Mr. Lai are fixed at

HK\$130,000 per annum. Mr. Lai 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 2014 AGM by reference to his time commitment and responsibilities, the Company's performance and the prevailing market conditions.

Save as disclosed above, (i) Mr. Lai has not held any other directorships in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) he has not held any other positions in the Company and its subsidiaries; (iii) he does not have any other relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company; and (iv) he does not have any interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there is no information concerning Mr. Lai that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

**Mr. Lau Sin Ming (“Mr. Lau”)**

Mr. Lau, aged 52, is an independent non-executive director of the Company since 2004. He is also a member and chairman of the Remuneration Committee, a member of the Audit Committee and Nomination Committee. He 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 auditing and is now practicing in his own name as certified public accountant.

There is a service contract between the Company and Mr. Lau for a term of 3 years and he 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 of Mr. Lau are fixed at HK\$130,000 per annum. Mr. Lau 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 2014 AGM by reference to his time commitment and responsibilities, the Company's performance and the prevailing market conditions.

Save as disclosed above, (i) Mr. Lau has not held any other directorships in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) he has not held any other positions in the Company and its subsidiaries; (iii) he does not have any other relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company; and (iv) he does not have any interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there is no information concerning Mr. Lau that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

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 391,207,664 Shares.

On the basis that no further Shares are issued or repurchased by the Company prior to the 2014 AGM and resolution numbered 7(B) as set out in the notice of the 2014 AGM is duly passed, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 39,120,766 Shares, representing 10% of the issued share capital of the Company as at the date of passing the resolution, 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 as a whole.

## **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 for the year ended 31 March 2014, 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, each of Ms. Lui Yuk Chu, Ms. Koon Ho Yan Candy and The Winterbotham Trust Company Limited as the trustee of The Magical 2000 Trust is taken to have an interest under the SFO in the same block of 136,993,438 Shares, representing 35.02% of the total number of Shares of the Company in issue. In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to ordinary resolution no. 7(B), then (if the present shareholdings otherwise remained the same) the attributable shareholding of Ms. Lui Yuk Chu and Ms. Koon Ho Yan Candy would be increased to 38.91% of the total number of the Shares of the Company in issue. In the opinion of the Directors, such increase may give rise to an obligation to make a mandatory offer under Rules 26 and 32 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 12 months preceding the Latest Practicable Date were as follows:

	Share price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2013</b>		
July	1.160	1.027
August	1.060	0.953
September	1.167	0.907
October	0.933	0.780
November	1.530	0.780
December	0.840	0.490
<b>2014</b>		
January	0.680	0.530
February	0.670	0.560
March	0.630	0.540
April	0.630	0.500
May	0.520	0.405
June	0.460	0.345
July (up to and including the Latest Practicable Date)	0.365	0.350

*Note:* The share price for the period from 1 July 2013 to the Latest Practicable Date are adjusted for the effect of (i) the capital reorganization effective from 19 November 2013; and (ii) the rights issue which was approved by the Shareholders at the special general meeting of the Company held on 18 November 2013, and dealings in the Shares pursuant to the rights issue commenced on 19 December 2013.

## 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).

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## NOTICE OF ANNUAL GENERAL MEETING

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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)

#### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Annual 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 Thursday, 7 August 2014 at 9:30 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 2014.
2. To consider and approve the re-election of Mr. Tse Wing Chiu Ricky as a non-executive director of the Company.
3. To consider and approve the re-election of Mr. Lai Law Kau as a non-executive director of the Company.
4. To consider and approve the re-election of Mr. Lau Sin Ming as an independent non-executive director of the Company.
5. To authorise the board of directors of the Company to fix the fees of all directors for the year ending 31 March 2015.
6. To re-appoint Messrs. Deloitte Touche Tohmatsu as the auditor of the Company and to authorise the board of directors to fix their remuneration.
7. As special business, to consider and, if thought fit, pass the following resolutions, with or without amendments, as ordinary resolutions of the Company:

#### 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

\* for identification only

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## NOTICE OF ANNUAL GENERAL MEETING

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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;
- (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).”

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## NOTICE OF ANNUAL GENERAL MEETING

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(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;
- (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 7(A) and numbered 7(B) above, the authority granted to the directors of the Company pursuant to resolution numbered 7(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 7(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  
**Easyknit Enterprises Holdings Limited**  
**Kwong Jimmy Cheung Tim**  
*Chairman and Chief Executive Officer*

Hong Kong, 9 July 2014

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## NOTICE OF ANNUAL GENERAL MEETING

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*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.
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 of members of the Company 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 branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 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.