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EASYKNIT INTERNATIONAL HOLDINGS LIMITED

永義國際集團有限公司*

(Incorporated in Bermuda with limited liability)

Stock code : 1218

RIGHTS ISSUE

**OF NOT LESS THAN 441,224,462 RIGHTS SHARES
OF HK\$0.10 EACH AT HK\$0.11 PER RIGHTS SHARE
ON THE BASIS OF ONE RIGHTS SHARE
FOR EVERY TWO SHARES HELD**

Joint Financial Advisers

ALTUS CAPITAL LIMITED



Underwriter of the Rights Issue



The Company proposes to raise approximately HK\$48.5 million before expenses (assuming no exercise of Options on or before Tuesday, 25 May, 2004) or approximately HK\$53.4 million before expenses (assuming all the Options are exercised on or before Tuesday, 25 May, 2004) by way of the Rights Issue of not less than 441,224,462 Rights Shares and not more than 485,224,462 Rights Shares at a price of HK\$0.11 per Rights Share.

The Company will provisionally allot one Rights Share in nil-paid form for every two Shares held by the Qualifying Shareholders on the Record Date. The Rights Issue will not be available to non-Qualifying Shareholders. At the date of this announcement, there are Options outstanding to subscribe for 88,000,000 Shares.

The estimated net proceeds of the Rights Issue will be approximately HK\$47.5 million (assuming no exercise of Options on or before Tuesday, 25 May, 2004) or approximately HK\$52.4 million (assuming all the Options are exercised on or before Tuesday, 25 May, 2004). The Company plans to use approximately HK\$40.0 million of the proceeds to repay outstanding bank borrowings and the balance as general working capital.

The Rights Issue is conditional upon the satisfaction of the conditions referred to below in the section headed “Conditions of the Rights Issue”. If the conditions are not fulfilled, the Rights Issue will not proceed.

Magical Profits, which owns approximately 36.7% of the issued share capital of the Company, has irrevocably undertaken to the Company and the Underwriter that the Shares beneficially owned by it will not be disposed of or transferred from the date of the undertaking to the Record Date and that its entitlement under the Rights Issue will be taken up in full.

Pursuant to the Underwriting Agreement, the Rights Shares (other than the Rights Shares to be allotted in respect of the Shares beneficially owned by Magical Profits) have been fully underwritten by the Underwriter. The last day for dealing in the Shares on a cum-rights basis is Friday, 21 May, 2004. The Shares will be dealt in on an ex-rights basis from Monday, 24 May, 2004.

To qualify for the Rights Issue, a Qualifying Shareholder’s name must appear on the register of members of the Company on the Record Date. In order for their owners to be registered as members on the Record Date, any transfers of the Shares (with the relevant share certificates) must be lodged for registration by 4:00 p.m. on Tuesday, 25 May, 2004.

WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES

The Rights Shares will be dealt in in their nil-paid form from Tuesday, 1 June, 2004 to Wednesday, 9 June, 2004 (both dates inclusive).

It should be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate its obligations on the occurrence of certain events including force majeure. Please refer to the paragraph headed “Termination of the Underwriting Agreement” for further details.

Any Shareholders or other persons dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during the period from Tuesday, 1 June, 2004 to Wednesday, 9 June, 2004 (both dates inclusive) will bear the risk that the Rights Issue may not become unconditional or may not proceed. If in any doubt, investors are recommended to consult their professional advisers.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 30 April, 2004 and on the SGX-ST at 9:00 a.m. on the same day pending the release of this announcement. Application has been made to the Stock Exchange and the SGX-ST for the resumption of trading in the Shares from 9:30 a.m. and 9:00 a.m. respectively on 12 May, 2004. The Company will apply to the Stock Exchange and the SGX-ST for the listings of, and permission to deal in, the Rights Shares.

1. The proposed Rights Issue

Issue statistics

- Basis of the Rights Issue : One Rights Share for every two Shares held on the Record Date
- Number of Shares in issue : 882,448,924 Shares (or 970,448,924 Shares upon full exercise of the Options by their holders)
- Number of Rights Shares : Not less than 441,224,462 Rights Shares and not more than 485,224,462 Rights Shares (assuming full conversion of the Options)
- Subscription price per Rights Share : HK\$0.11

As at the date of this announcement, there are outstanding Options to subscribe for an aggregate of 88,000,000 Shares.

Qualifying Shareholders

The Company will send the Prospectus to all Shareholders and will send the Prospectus, PALs and EAFs to Qualifying Shareholders only.

To qualify for the Rights Issue, a Shareholder must:

1. be registered as a member of the Company on the Record Date; and
2. have an address either in Hong Kong, Singapore or Bermuda, or in another jurisdiction in which the Directors determine that it is expedient to make the Rights Issue available, which appears on the register of members of the Company on the Record Date.

In order to be registered as members of the Company on the Record Date, owners of Shares must lodge any transfers of Shares (together with the relevant share certificates) with the Company's branch registrar in Hong Kong, Secretaries Limited, at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration no later than 4:00 p.m. on Tuesday, 25 May, 2004.

Holders of outstanding Options who wish to participate in the Rights Issue should exercise their Options in accordance with their respective terms before 4:00 p.m. on Tuesday, 25 May, 2004 so as to enable them to be registered as Shareholders on or before the Record Date.

Closure of register of members

The register of members of the Company will be closed from Wednesday, 26 May, 2004, to Friday, 28 May, 2004 (both dates inclusive). No transfers of Shares will be registered during this period.

Subscription price for the Rights Shares

The subscription price for the Rights Shares is HK\$0.11 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares or, where applicable, on application for excess Rights Shares under the Rights Issue. Such subscription price represents:

	<i>HK\$ Discount (%)</i>	
(a) Closing price quoted on the Stock Exchange on the Last Trading Day	0.124	11.3
(b) Theoretical ex-rights price calculated based on the closing price on the Last Trading Day	0.119	7.6
(c) Average closing price for the last 10 full trading days up to and including the Last Trading Day	0.123	10.6

Such subscription price was determined after arm's length negotiations between the Company and the Underwriter. The Directors consider the terms of the Rights Issue to be fair and reasonable and in the best interests of the Company and the Shareholders.

Basis of provisional allotment

One Rights Share for every two Shares. Acceptances of all or any part of a Qualifying Shareholder's provisional allotment can be made only by completing the PAL and lodging the same with a remittance for the Rights Shares being accepted.

Status of the Rights Shares

The Rights Shares, when allotted and fully-paid, will rank pari passu in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares.

Rights of non-Qualifying Shareholders

Based on the register of members of the Company as at the date of this announcement, all its Shareholders have registered addresses in Hong Kong save that there are two Shareholders with registered addresses in Australia and four Shareholders with registered addresses in Macau. The Company has made enquiry regarding the feasibility of extending the Rights Issue to Shareholders with registered addresses in Australia and Macau. The Company's legal adviser on Macau Law advised that the Prospectus Documents are not required to be registered with the Monetary Authority of Macau as the Rights Issue will only be offered to those four Shareholders; accordingly, the Directors consider it expedient to extend the Rights Issue to Shareholders with registered addresses in Macau. On the other hand, based on the Company's legal adviser on Australian Law, the Prospectus Documents are required to be registered if the Rights Issue were to be offered to the Shareholders with registered addresses in Australia. The

Directors are therefore of the view that it is not expedient to make available the Rights Issue to these two Shareholders due to the substantial costs involved to ensure compliance with Australian law and that such costs outweigh the possible benefits to the relevant Shareholders and the Company.

The Prospectus Documents will not be registered under the applicable securities legislation of any jurisdictions other than Hong Kong, Singapore and Bermuda. Accordingly, no provisional allotment of Rights Shares will be made to non-Qualifying Shareholders. The Company will send the Prospectus to non-Qualifying Shareholders for their information only and will not send PALs or EAFs to non-Qualifying Shareholders.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of more than HK\$100 will be paid pro rata to the non-Qualifying Shareholders. The Company will retain individual amounts of HK\$100 or less. Any unsold entitlement of non-Qualifying Shareholders, together with any Rights Shares provisionally allotted but not accepted, will be available for application on EAFs by Qualifying Shareholders.

Fractions of Rights Shares

The Company will not provisionally allot fractions of Rights Shares. All fractions of Rights Shares will be aggregated and all nil-paid Rights Shares arising from such aggregation will be sold in the market, if a premium (net of expenses) can be achieved, and the Company will retain the proceeds from such sale(s).

Application for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the non-Qualifying Shareholders and for any Rights Shares provisionally allotted but not accepted.

Applications for excess Rights Shares can be made only by completing an EAF and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis but will give preference to topping-up odd lots to whole board lots.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange and the SGX-ST for the listings of, and permission to deal in the Rights Shares, in both their nil-paid and fully-paid forms.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms registered in the branch register of members of the Company in Hong Kong will be subject to the payment of stamp duty in Hong Kong.

Conditions of the Rights Issue

The Rights Issue is conditional upon, among other things, each of the following events being fulfilled:

1. the Listing Committees of the Stock Exchange and the SGX-ST each agreeing to grant listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms, either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any) by no later than the dates specified in such approvals and not having withdrawn or revoked such listings and permission on or before 4:00 p.m. on the second Business Day after the Acceptance Date;
2. the delivery to the Stock Exchange and filing and registration of all documents relating to the Rights Issue required by law to be filed, with the Registrars of Companies in Hong Kong and Bermuda respectively and, if required, the Registrar of Companies and Businesses in Singapore;
3. the obtaining of the permission of the Bermuda Monetary Authority for the issue of the Rights Shares, if necessary;
4. the obtaining of all regulatory approvals under the laws of Singapore necessary to give effect to the Rights Issue, if any; and
5. the compliance by the Company with all its obligations under the Underwriting Agreement.

The Rights Issue will not proceed if the Underwriting Agreement is terminated.

In the event that the conditions of the Rights Issue are not fulfilled on or before the respective dates determined in the Underwriting Agreement (or such later date as the Company and the Underwriter may agree), neither the Underwriter nor the Company will have any rights or be subject to any obligations arising from the Underwriting Agreement and the irrevocable undertaking by Magical Profits to accept its entitlement under the Rights Issue will lapse and the Rights Issue will not proceed.

2. Underwriting Agreement dated 29 April, 2004

The Underwriter has agreed to underwrite not less than 279,116,236 Rights Shares and not more than 323,116,236 Rights Shares (excluding the 162,108,226 Rights Shares to be issued to and accepted by Magical Profits). The Underwriter does not have any shareholdings in the Company and is an independent third party not connected with the Company, the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries, or their respective associates.

Commission

The Company will pay the Underwriter an underwriting commission of 1.0% of the aggregate subscription price of the Rights Shares underwritten by it, out of which the Underwriter will pay any sub-underwriting fees. The Directors believe that the underwriting commission accords with market rates.

Undertaking from Magical Profits

As at the date of this announcement, Magical Profits, which is beneficially owned by the Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu, a Director, and members of her family) is interested in 324,216,452 Shares, representing approximately 36.7% of the total issued share capital of the Company. Magical Profits has irrevocably undertaken to the Company and the Underwriter that the Shares beneficially owned by it will not be disposed of or transferred from the date of the undertaking, being the date of the Underwriting Agreement, to the Record Date and that the Rights Shares to be allotted in respect of those Shares will be taken up in full, representing 162,108,226 Rights Shares. Magical Profits will not apply for any excess Rights Shares.

Termination of the Underwriting Agreement

The Underwriter may terminate the arrangements set out in the Underwriting Agreement by notice in writing given by it to the Company at any time prior to 4:00 p.m. on the second Business Day following the Acceptance Date if there occurs:

1. (a) an introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof); or
- (b) any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not such are of the same nature as any of the foregoing) or of the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market; or
- (c) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or

and in the reasonable opinion of the Underwriter, such change would have a material and adverse effect on the business, financial or trading position or prospects of the Group as a whole or the success of the Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue; or

2. the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed to be assumed by it under the Underwriting Agreement which breach or omission will have a material and adverse effect on its business, financial or trading position; or

3. the Underwriter receives the relevant notification pursuant to the Underwriting Agreement upon the Company becoming aware of any untrue or inaccurate representations or warranties contained in the Underwriting Agreement, or shall otherwise become aware of, the fact that any of the representations or warranties contained in the Underwriting Agreement was, when given, untrue or inaccurate or would be untrue or inaccurate if repeated as provided in the Underwriting Agreement, and the Underwriter shall, in its reasonable opinion, determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the business, financial or trading position or prospects of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Rights Issue; or
4. the Prospectus Documents, when published, contain information which would be untrue or inaccurate in any material respect and the Company has failed to send out promptly any announcements or circulars (after the despatch of the Prospectus Documents), in such manner (and as appropriate with such contents), as the Underwriter may reasonably request for the purpose of preventing the creation of a false market in the securities of the Company.

Upon the giving of notice of termination, all obligations of the Underwriter under the Underwriting Agreement shall cease and neither party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriter the fees and expenses payable under it (other than the underwriting commission). If the Underwriter exercises such right, the Rights Issue will not proceed.

3. WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND RIGHTS SHARES

The Shares will be dealt in on an ex-rights basis from Monday, 24 May, 2004. Dealings in the Rights Shares in the nil-paid form will take place from Tuesday, 1 June, 2004 to Wednesday, 9 June, 2004 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated, the Rights Issue will not proceed.

Any Shareholders or other persons dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during the period from Tuesday, 1 June, 2004 to Wednesday, 9 June, 2004 (both dates inclusive) will bear the risk that the Rights Issue may not become unconditional or may not proceed. If in any doubt, investors are recommended to consult their professional advisers.

4. **Expected timetable**

The expected timetable for the Rights Issue in Hong Kong is set out below:

2004

Last day of dealings in Shares on a cum-rights basis	Friday, 21 May
First day of dealings in Shares on an ex-rights basis	Monday, 24 May
Latest time for lodging transfers of Shares in order to qualify for Rights Issue	4:00 p.m., Tuesday, 25 May
Register of members closes	Wednesday, 26 May to Friday, 28 May (both dates inclusive)
Record Date	Friday, 28 May
Prospectus Documents to be posted	Friday, 28 May
Register of members to be re-opened	Monday, 31 May
First day of dealings in nil-paid Rights Shares	Tuesday, 1 June
Latest time and date for splitting of nil-paid Rights Shares	4:00 p.m. on Friday, 4 June
Last day of dealings in nil-paid Rights Shares	Wednesday, 9 June
Latest time and date for payment for and acceptance of Rights Shares	4:00 p.m. on Friday, 11 June
Rights Issue expected to become unconditional	after 4:00 p.m. on Wednesday, 16 June
Announcement of results of acceptance and excess application of the Rights Issue	Friday, 18 June
Despatch of refund cheques for wholly and partially unsuccessful excess applications	Friday, 18 June
Despatch of certificates for fully-paid Rights Shares	Friday, 18 June
Dealings in fully-paid Rights Shares commence	Wednesday, 23 June

Dates or deadlines specified in this announcement for events in the timetable for (or otherwise in relation to) the Rights Issue are indicative only and may be varied by agreement between the Company and the Underwriter. Any changes to the expected timetable will be notified to Shareholders.

5. Shareholding of substantial Shareholder

Assuming there is **no exercise of Options on or before Tuesday, 25 May, 2004**, the shareholdings in the Company before the Rights Issue and immediately after completion of the Rights Issue are and will be as follows:

	Immediately before completion of the Rights Issue		After completion of Rights Issue (assuming all Rights Shares are taken up by Qualifying Shareholders)		After completion of the Rights Issue (assuming only Magical Profits takes up its Rights Shares)	
	Shares	%	Shares	%	Shares	%
Magical Profits	324,216,452	36.7%	486,324,678	36.7%	486,324,678	36.7%
Public	558,232,472	63.3%	837,348,708	63.3%	558,232,472	42.2%
Underwriter	—	0.0%	—	0.0%	279,116,236	21.1%
Total	882,448,924	100.0%	1,323,673,386	100.0%	1,323,673,386	100.0%

Assuming **all the Options are exercised on or before Tuesday, 25 May, 2004**, the shareholding in the Company before and immediately after completion of the Rights Issue will be as follows:

	Immediately before completion of the Rights Issue		After completion of Rights Issue (assuming all Rights Shares are taken up by Qualifying Shareholders)		After completion of the Rights Issue (assuming only Magical Profits takes up its Rights Shares)	
	Shares	%	Shares	%	Shares	%
Magical Profits	324,216,452	33.4%	486,324,678	33.4%	486,324,678	33.4%
Public	646,232,472	66.6%	969,348,708	66.6%	646,232,472	44.4%
Underwriter	—	0.0%	—	0.0%	323,116,236	22.2%
Total	970,448,924	100.0%	1,455,673,386	100.0%	1,455,673,386	100.0%

6. Reasons for the Rights Issue and use of proceeds

The Company is an investment holding company and, through its subsidiaries and its associate, Asia Alliance Holdings Limited, is engaged in the sourcing and export of cotton-based knitted garments for women, children and infants, bleaching and dyeing, property investments and provision of wireless communication services.

The estimated expenses of the Rights Issue amount to approximately HK\$1.0 million and will be borne by the Company. The estimated net proceeds of the Rights Issue will be approximately HK\$47.5 million (assuming no exercise of Options on or before **Tuesday, 25 May, 2004**) or approximately HK\$52.4 million (assuming all the Options are exercised on or before **Tuesday, 25 May, 2004**). The Company plans to use approximately HK\$40.0 million of the proceeds to repay outstanding bank borrowings and the balance as general working capital. The Directors consider the Rights Issue appropriate as it will reduce the Group's liabilities and hence its gearing ratio as well as strengthening the equity base of the Company.

As the Rights Issue will allow Qualifying Shareholders to maintain their respective pro rata shareholdings in the Company, the Directors consider that it is in the interests of the Company and its Shareholders as a whole to raise capital through the Rights Issue.

The Company has not conducted any fund raising exercise in the twelve months preceding the date of this announcement.

7. Resumption of trading

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 30 April, 2004 and on the SGX-ST at 9:00 a.m. on the same day pending the release of this announcement. Application has been made to the Stock Exchange and the SGX-ST for the resumption of trading in the Shares from 9:30 a.m. and 9:00 a.m. respectively on 12 May, 2004. The Company will apply to the Stock Exchange and the SGX-ST for the listings of, and permission to deal in, the Rights Shares.

8. General

The Prospectus containing full details of the Rights Issue will be despatched to the Shareholders as soon as practicable. Shareholders and potential investors should exercise caution in dealing in the Shares of the Company.

As of the date of this announcement, the executive directors of the Company are Mr. Koon Wing Yee, Mr. Tsang Yiu Kai and Ms. Lui Yuk Chu and the independent non-executive directors are Mr. Wong Sui Wah, Michael and Mr. Pun Hei, Hectar.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“Acceptance Date”	4:00 p.m. on 11 June, 2004 (or such other date as the Underwriter may agree in writing with the Company as the date for acceptance of, and payment of, Rights Shares)
“associate(s)”	the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which banks generally are open for business for more than five hours in Hong Kong
“Company”	Easyknit International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the securities of which are listed on the Stock Exchange and the SGX-ST
“Director(s)”	director(s) of the Company

“EAF(s)”	the excess application form(s) to be issued in connection with the Rights Issue
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	29 April, 2004, being the last trading day before the suspension of the trading of the Shares
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Magical Profits”	Magical Profits Limited, a company incorporated in the British Virgin Islands with limited liability
“Option(s)”	the share option(s) granted to the employee(s) of the Group under the employee share option scheme of the Company adopted on 18 February, 2002
“PAL(s)”	the provisional allotment letter(s) to be issued in connection with the Rights Issue
“Prospectus”	a prospectus containing details of the Rights Issue to be issued in connection with the Rights Issue
“Prospectus Documents”	the Prospectus, PAL and EAF
“Qualifying Shareholder(s)”	Shareholder(s) whose names appear on the register of members of the Company at the close of business on the Record Date and whose addresses, as shown on the register of members of the Company, are in Hong Kong, Singapore or Bermuda or in a jurisdiction in which the Directors determined it is expedient to make the Rights Issue available
“Record Date”	28 May, 2004, being the date by reference to which entitlements to the Rights Issue are expected to be determined
“Rights Issue”	the issue by way of rights of one Rights Share for every two Shares at a price of HK\$0.11 per Rights Share
“Rights Share(s)”	Share(s) to be issued and allotted under the Rights Issue, being not less than 441,224,462 Rights Shares or not more than 485,224,462 Rights Shares
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Shareholder(s)”	holder(s) of Share(s)

“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Underwriter”	Get Nice Investment Limited, who is independent of, and not connected with, the Directors, chief executive or substantial shareholders of the Company, any of its subsidiaries or any of their respective associates (which term has the meaning ascribed thereto under the Listing Rules)
“Underwriting Agreement”	the underwriting agreement dated 29 April, 2004 entered into between the Company and the Underwriter in relation to the underwriting and certain other arrangements in respect of the Rights Issue
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By order of the Board of
Easyknit International Holdings Limited
Koon Wing Yee
President and Chief Executive Officer

Hong Kong, 11 May, 2004

** For identification only*

Please also refer to the published version of this announcement in The Standard.