



EASYKNIT INTERNATIONAL HOLDINGS LIMITED

永義國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1218)

**PROPOSED VOLUNTARY DELISTING OF
EASYKNIT INTERNATIONAL HOLDINGS LIMITED
FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED**

The Board proposes to seek a voluntary delisting of the Company from the Official List of the SGX-ST pursuant to Rule 1306 of the SGX-ST Listing Manual.

The voluntary delisting of the Company from the Official List of the SGX-ST will be conditional upon the approval of Shareholders at a SGM to be convened for the Shareholders to vote on the Delisting Resolution, and the grant of approval from the SGX-ST for the Delisting.

The Delisting Resolution, if approved by the Shareholders, will result in the delisting of the Company from the Official List of the SGX-ST. The Company will, however, continue to be listed on the Stock Exchange and the Shareholders can continue to trade their Shares on the Main Board of the Stock Exchange.

A notice of SGM and circular containing further details of the Delisting will be issued and despatched by the Company to its Shareholders as soon as practicable.

Introduction

The Board wishes to announce that the Board intends to seek a voluntary delisting of the Company from the Official List of the SGX-ST pursuant to Rule 1306 of the SGX-ST Listing Manual.

SGX-ST Listing Manual Provisions Pertaining to Voluntary Delisting

Under Rule 1306 of the SGX-ST Listing Manual, the SGX-ST may agree to an application to delist from the SGX-ST if:

- (a) the Company convenes a general meeting to obtain the approval of its Shareholders to the Delisting;
- (b) the Delisting Resolution is approved by a majority of at least 75% in nominal value of the Shares held by the Shareholders present and voting, on a poll either in person or by proxy at the meeting; and
- (c) the Delisting Resolution is not voted against by 10% or more in nominal value of the Shares held by the Shareholders present and voting, on a poll, either in person or by proxy at the meeting.

As the Company's listing on the SGX-ST is a secondary listing, and the Shares will continue to be traded on the Stock Exchange, there is no requirement for an exit alternative to be offered to the Shareholders.

Rationale for the Delisting Proposal

The Board has considered the benefits of the Shares being listed on two publicly traded stock exchanges and after due and careful consideration, are of the view that the Company no longer requires to maintain a listed status on the Official List of the SGX-ST as the low volume of trading of the Shares on the Official List of the SGX-ST is not, in the Board's view, commensurate with the relatively significant compliance costs and administrative burden in maintaining the Company's listed status on the Official List of the SGX-ST. As the Company will continue to maintain its primary listing in Hong Kong, it is of the view that the dispensation of such additional costs and burden will enable it to focus its resources on the business operations of the Company.

Implications of Delisting for Shareholders

The voluntary delisting of the Company from the Official List of the SGX-ST will be conditional upon the approval of the Shareholders at the SGM to be convened for the Shareholders to vote on the Delisting Resolution, and the grant of approval from the SGX-ST for the Delisting.

The Delisting Resolution, if approved by the Shareholders, will result in the delisting of the Company from the Official List of the SGX-ST. The Company will, however, continue to be listed on the Stock Exchange and the Shareholders can continue to trade their Shares on the Main Board of the Stock Exchange.

Under Rule 1306 of the SGX-ST Listing Manual, all Shareholders including the Directors who are also Shareholders are entitled to vote on the Delisting Resolution.

Notice of SGM and Circular

A notice of SGM and circular will be issued and despatched by the Company to the Shareholders as soon as practicable. The circular will include, among other things, further information regarding the Delisting, the actions to be taken by the Shareholders, and a notice of the SGM.

Further announcements will be made by the Company upon the Delisting Resolution being approved by the Shareholders at the SGM to be convened, and the grant of approval from the SGX-ST for the Delisting.

Definitions

“Board”	the board of Directors of the Company
“CDP”	the Central Depository (Pte) Limited in Singapore
“Company”	Easyknit International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed and traded on the Stock Exchange and the SGX-ST
“Delisting”	the voluntary delisting of the Company from the Official List of the SGX-ST pursuant to Rule 1306 of the SGX-ST Listing Manual
“Delisting Resolution”	the resolution of the Shareholders for approving the Delisting in the SGM to be convened
“Depositor”	shall have the meaning as ascribed in Section 130A of the Companies Act, Chapter 50 of Singapore
“Director(s)”	the director(s) of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“PRC”	The People’s Republic of China
“Securities Account(s)”	a securities account(s) or sub-account(s) maintained by a Depositor with CDP
“SGM”	the special general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving the Delisting
“SGX-ST”	The Singapore Exchange Securities Trading Limited
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the shareholders of the Company, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to those Shares, mean Depositors whose Securities Accounts are credited with those Shares

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

percentage or per centum

By Order of the Board
Easyknit International Holdings Limited
Tse Wing Chiu, Ricky
President and Chief Executive Officer

Hong Kong, 22 May 2006

** for identification only*

As at the date of this announcement, the Board comprises Mr. Tse Wing Chiu, Ricky and Ms. Lui Yuk Chu as executive directors and Mr. Wong Sui Wah, Michael, Mr. Tsui Chun Kong and Mr. Jong Koon Sang as non-executive Directors.