



# EASYKNIT INTERNATIONAL HOLDINGS LIMITED

永義國際集團有限公司\*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1218)

## NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a special general meeting of the shareholders of Easyknit International Holdings Limited (“**Company**”) will be held at Unit A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong on Monday, 16 October 2006 at 9:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions:

### SPECIAL RESOLUTION

1. “**THAT**, conditional upon:

- (a) the Listing Committee of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) granting listing of, and permission to deal in, the Adjusted Shares (as defined below); and
- (b) the publication of a notice in relation to the share capital reduction (as set out in paragraph (ii)(a) below) in accordance with the Companies Act 1981 of Bermuda (as amended),

with effect from 9:00 am on 17 October 2006 (“**Effective Date**”):

- (i) every ten issued and unissued ordinary shares of the Company of HK\$0.10 par value each (“**Shares**”) be consolidated (“**Share Consolidation**”) into one share of HK\$1.00 par value each (“**Consolidated Share**”);
- (ii) thereafter, (a) the par value of all issued Consolidated Shares be reduced from HK\$1.00 to HK\$0.01 by cancelling their paid-up capital to the extent of HK\$0.99 per issued Consolidated Share resulting in the reduction of issued share capital of the Company from HK\$198,551,007 divided into 198,551,007 Consolidated Shares to HK\$1,985,510.07 divided into 198,551,007 shares of HK\$0.01 par value each (“**Adjusted Shares**”); (b) each authorised but unissued Consolidated Share of HK\$1.00 par value each be sub-divided into 100 unissued Adjusted Shares of HK\$0.01 par value each); and (c) the credit arising from the cancellation of paid-up capital of HK\$196,565,496.93 be transferred to the capital reserve account of the Company which may be used for such purpose as the Directors may think fit (collectively referred to as “**Capital Reduction**”);

(the Share Consolidation and the Capital Reduction are collectively referred to as “**Capital Reorganisation**”); and

- (iii) the directors of the Company be and are hereby authorised generally to do all such acts, deeds and things as they may, in their absolute discretion, deem necessary, desirable or appropriate to effect and implement any of the foregoing.”

### ORDINARY RESOLUTION

2. “**THAT** conditional on (a) the passing of Special Resolution No. 1 as set out in the notice convening the special general meeting at which this resolution is proposed and the Capital Reorganisation referred to therein becoming effective; (b) the obligations of Get Nice Investment Limited (“**Underwriter**”) and the Company under the underwriting agreement dated 28 August 2006 (“**Underwriting Agreement**”) (a copy of the Underwriting Agreement has been produced to this meeting and marked “A” and initialled by the chairman of the meeting for the purpose of identification) becoming unconditional; and (c) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Rights Shares (as defined below) in their nil-paid and fully-paid forms:
- (i) the Underwriting Agreement be and is hereby confirmed, approved and ratified;
- (ii) the issue of 595,653,021 new Adjusted Shares (“**Rights Shares**”) pursuant to an offer by way of rights to holders of the Adjusted Shares in the Company at HK\$0.35 per Rights Share (“**Rights Issue**”) in the proportion of three Rights Shares for every Adjusted Share held by holders of Adjusted Shares (“**Shareholders**”) whose names appear on the register of members of the Company on 16 October 2006 (or such other date as the Underwriter may be agreed in writing with the Company) (“**Record Date**”) other than those Shareholders whose addresses on the register of members of the Company are outside Hong Kong on the Record Date and whom the directors of the Company, after making relevant enquiry, consider it necessary or expedient not to offer the Rights Issue to such Shareholders on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, on and subject to the terms and conditions set out in the circular to the Shareholders dated 22 September 2006 (“**Circular**”) and on such other terms and conditions as may be determined by the directors of the Company be and is hereby approved; and
- (iii) the directors of the Company be and are hereby authorised to issue and allot the Rights Shares on terms as set out in the Circular and to do all such acts and things, to sign and execute all such further documents and to take such steps as the directors of the Company may in their absolute discretion consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Rights Issue and the Underwriting Agreement or any of the transactions contemplated thereunder.”

By order of the board of  
**Easyknit International Holdings Limited**  
**Tse Wing Chiu, Ricky**  
*President and Chief Executive Officer*

Hong Kong, 22 September 2006

*Notes:*

1. Any shareholder of the Company entitled to attend and vote at the meeting of the Company 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. 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.
3. 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 principal place of business in Hong Kong at Unit A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong not less than forty-eight hours before the time for holding the meeting or poll (as the case may be) at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
4. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the meeting or upon the poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. 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 in respect of such share shall alone be entitled to vote in respect thereof.

As of the date hereof, the executive directors of the Company are Mr. Tse Wing Chiu, Ricky and Ms. Lui Yuk Chu and the independent non-executive directors are Mr. Wong Sui Wah, Michael, Mr. Tsui Chun Kong and Mr. Jong Koon Sang.

\* *For identification only*