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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 International 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 INTERNATIONAL HOLDINGS LIMITED**

**永義國際集團有限公司 \***

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 1218)**

**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 International 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, 21 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 officer 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*

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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 6 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, 21 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 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
“Director(s)”	director(s) of the Company
“Easyknit Enterprises”	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
“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”	18 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
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of par value HK\$0.10 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.



**EASYKNIT INTERNATIONAL HOLDINGS LIMITED**

**永義國際集團有限公司\***

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 1218)**

*Executive Directors:*

Mr. Kwong Jimmy Cheung Tim  
*(President & Chief Executive Officer)*  
Ms. Lui Yuk Chu  
*(Vice President)*  
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. Tsui Chun Kong  
Mr. Jong Koon Sang  
Mr. Hon Tam Chun

23 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 on 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, Ms. Lui Yuk Chu, Mr. Tsui Chun Kong (“Mr. Tsui”) and Mr. Jong Koon Sang (“Mr. Jong”) will retire from office by rotation at the 2014 AGM and being eligible, have offered themselves for re-election.

Each of Mr. Tsui and Mr. Jong, being independent non-executive Directors, eligible for re-election at the 2014 AGM, have provided an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that Mr. Tsui and Mr. Jong have met the independence guideline set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of those guidelines.

Mr. Tsui and Mr. Jong have served the Board for more than 9 years. As independent non-executive Directors with extensive experience and knowledge in finance and management, Mr. Tsui and Mr. Jong have expressed views and given independent guidance to the Company over the years. The Nomination Committee considers that the long service of Mr. Tsui and Mr. Jong would not affect their exercise of independent judgement and is satisfied that Mr. Tsui and Mr. Jong have the required character, integrity and experience to continue fulfilling the role of independent non-executive Directors. The Board considers that the re-election of Mr. Tsui and Mr. Jong as Directors 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 24 July 2014 to 30 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. 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 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 15,884,080 Shares, the aggregate nominal amount of which equals to HK\$1,588,408. 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.

The Directors have no present intention to issue or allot any new Shares.

### 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 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.

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## LETTER FROM THE BOARD

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### 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, any vote of 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.

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.easyknit.com](http://www.easyknit.com)).

### RESPONSIBILITY OF THE DIRECTORS

This circular for which the Directors collectively and individually accept full responsibility includes particular given in compliance with the Listing Rules 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.

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## LETTER FROM THE BOARD

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### 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 International Holdings Limited**  
**Kwong Jimmy Cheung Tim**  
*President and Chief Executive Officer*



The following are the particulars of the Directors standing for re-election at the 2014 AGM:

**Ms. Lui Yuk Chu (“Ms. Lui”)**

Ms. Lui, aged 56, is a co-founder of the Group, an executive director and vice president of the Company and a member of the Executive Committee. She is also an executive director and deputy chairman, and a member of the Executive Committee of Easyknit Enterprises. Ms. Lui has been involved in the textiles industry for over 30 years and has extensive experience in design, manufacturing, marketing and distribution of apparel. She serves as director of various subsidiaries of the Company and Easyknit Enterprises. Ms. Lui was appointed to the Board as an executive Director in 1994. In 2006, Ms. Lui was appointed as vice president. Ms. Lui is the wife of Mr. Koon Wing Yee, the co-founder of the Group and substantial shareholder of the Company. She is also the mother of Ms. Koon Ho Yan Candy, an executive director of the Company. Ms. Lui is the paternal sister-in-law of Mr. Lai Law Kau, a non-executive director of the Company.

There is a service contract between the Company and Ms. Lui for a term of 3 years and she 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 Ms. Lui for the year ended 31 March 2014 amounted to HK\$1,560,000. Ms. Lui is also entitled to discretionary bonus payments as the Remuneration Committee may determine appropriate. Her director’s emoluments are to be determined by the Board after the recommendation from the Remuneration Committee pursuant to the authority to be sought from the Shareholders at the 2014 AGM by reference to her time commitment and responsibilities, the Company’s performance and the prevailing market conditions.

As at the Latest Practicable Date, Ms. Lui was deemed to have an interest in 46,609,144 Shares, representing approximately 58.69% of the issued share capital of the Company, within the meaning of Part XV of the SFO. Out of 46,609,144 Shares, 17,429,664 Shares which represents approximately 21.95% of the issued shares of the Company were beneficially owned by Sea Rejoice Limited which is wholly-owned by Ms. Lui. The remaining 29,179,480 Shares, representing approximately 36.74% of the issued shares of the Company, held by Magical Profits Limited, which is wholly-owned by Accumulate More Profits Limited which in turn is wholly-owned by The Winterbotham Trust Company Limited as the new trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui and her family members other than her spouse) with effect from 3 June 2014. Ms. Lui is also a director of Sea Rejoice Limited and Magical Profits Limited, which are substantial shareholders of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, (i) Ms. Lui 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) she has not held any other positions in the Company and its subsidiaries; (iii) she does not have any other relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company; and (iv) she 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 Ms. Lui 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 for over 20 years and has extensive experience in design, manufacturing, marketing and distribution of apparel. He is also a non-executive director of Easyknit Enterprises. Mr. Lai is a paternal brother-in-law of Ms. Lui Yuk Chu, the vice president 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. Tsui Chun Kong (“Mr. Tsui”)**

Mr. Tsui, aged 63, is an independent non-executive director of the Company since 2004. He is also a member and chairman of the Audit Committee; a member of the Remuneration Committee and Nomination Committee. He obtained a Master’s Degree in Business Administration from the Oklahoma City University in the United States in 1991 and is a fellow member of both The Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants. Mr. Tsui has over 40 years of experience in the public accounting profession and the commercial sector, especially the travel industry. He has experience in the preparation for the listing of shares on the Stock Exchange and worked for a few listed companies. Mr. Tsui is now practising as a public accountant under his own name.

There is a service contract between the Company and Mr. Tsui 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. Tsui are fixed at HK\$130,000 per annum. Mr. Tsui 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 the 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. Tsui 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. Tsui 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. Jong Koon Sang (“Mr. Jong”)**

Mr. Jong, aged 65, is an independent non-executive director of the Company since 2005. He is also a member and chairman of the Remuneration Committee; a member of the Audit Committee and Nomination Committee. Currently, Mr. Jong is a fellow member of The Hong Kong Institute of Certified Public Accountants and The Association of International Accountants, England; a fellow member of the Chartered Management Institute, England; a fellow member of The Taxation Institute of Hong Kong; the accountant ambassador of The Hong Kong Institute of Certified Public Accountants; Honorary Vice President of Accounting Student Society of Hong Kong University of Science and Technology; and a member of the Regional Advisory Committee of Hong Kong Hospital Authority. He is, the only Hong Kong Citizen, recently elected as UK Council member of the Association of International Accountant, England. In the years of 2011 and 2012, Mr. Jong was the President of The Association of International Accountants, Hong Kong Branch. Mr. Jong has over 40 years of management experience in the financial, industrial and property business. He is currently the director and a shareholder of East Rise Corporation Limited which is a company trading in certified non conflict African minerals.

There is a service contract between the Company and Mr. Jong 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. Jong are fixed at HK\$130,000 per annum. Mr. Jong 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 the 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. Jong 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. Jong 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 79,420,403 Shares.

On the basis that no further Shares are issued or repurchased by the Company prior to the 2014 AGM and resolution numbered 9(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 7,942,040 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 29,179,480 Shares, representing 36.74% of the total number of Shares of the Company in issue. Apart from the foregoing, Ms. Lui Yuk Chu held 17,429,664 Shares through Sea Rejoice Limited in which she beneficially owns the entire issued share capital. For the purpose of the Takeovers Code, Ms. Lui Yuk Chu and Ms. Koon Ho Yan Candy are concert parties and are taken to have an interest in a total of 46,609,144 Shares, representing 58.69% 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. 9(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 65.21% of the total number of the Shares of the Company in issue. In the opinion of the Directors, such increase would not give rise to any 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.

**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	4.85	4.58
August	4.88	4.18
September	4.48	4.14
October	4.42	4.30
November	4.80	4.10
December	4.59	4.20
<b>2014</b>		
January	4.60	4.13
February	4.41	4.12
March	4.39	4.13
April	4.38	4.13
May	4.35	4.20
June	4.55	4.30
July (up to and including the Latest Practicable Date)	4.60	4.20

**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 INTERNATIONAL HOLDINGS LIMITED

永義國際集團有限公司 \*

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 1218)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Annual General Meeting (the “**Meeting**”) of Easyknit International 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, 21 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 declare a final dividend for the year ended 31 March 2014.
3. To consider and approve the re-election of Ms. Lui Yuk Chu as an executive director of the Company.
4. To consider and approve the re-election of Mr. Lai Law Kau as a non-executive director of the Company.
5. To consider and approve the re-election of Mr. Tsui Chun Kong as an independent non-executive director of the Company.
6. To consider and approve the re-election of Mr. Jong Koon Sang as an independent non-executive director of the Company.
7. To authorize the board of directors of the Company to fix the fees of all directors for the year ending 31 March 2015.
8. To re-appoint Messrs. Deloitte Touche Tohmatsu as the auditor of the Company and to authorise the board of directors to fix their remuneration.
9. 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 Company to allot, issue and deal with additional shares

\* *for identification only*



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## NOTICE OF ANNUAL GENERAL MEETING

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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 9(A) and numbered 9(B) above, the authority granted to the directors of the Company pursuant to resolution numbered 9(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 9(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 International Holdings Limited**  
**Kwong Jimmy Cheung Tim**  
*President and Chief Executive Officer*

Hong Kong, 23 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.
6. The register of members of the Company will be closed on 28 August 2014 to 29 August 2014 during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend recommended for approval at the Meeting, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 27 August 2014.