

**EASYKNIT INTERNATIONAL HOLDINGS LTD:  
EASY COME, EASY GO**

Easyknit International Holdings Ltd (Code: 1218, Main Board, The Stock Exchange of Hongkong Ltd) is not, exactly, many people's cup of tea – at least, not if one is an investor, who is looking for a go-go company which, from time to time, rewards its shareholders with dividends.

In fact, in view of this company's history, over the past 3 years or so, one may be forgiven for saying that it and its President and Chief Executive Officer, Mr Koon Wing Yee, cannot be loved by a great many people in the investment world – other than underwriters and fund managers, of course.

It was not long after Easyknit International went public that it engaged in a policy of having annual Rights Issues and, then, executing little share capital reorganisation games, also known as share capital consolidation, the effect of which has been to water down the holdings of minority shareholders to the benefit and interests of the President and Chief Executive Officer, who has been able to bolster his shareholdings in the company.

From 1998 to 2002 (Financial Year ended March 31, 2002), Easyknit International's management team has lost about \$HK1.73 billion.

For the 6 months, ended September 30, 2002, the company did it again: It reported a Loss Attributable to Shareholders of about \$HK25.71 million.

While Management was merrily losing money, it was topping up the company's coffers with Rights Issues, reducing the Par Value of the company's shares, consolidating its Share Capital, only to be followed by more Rights Issues.

Between November 1, 1999 and August 22, 2002, Easyknit International raised a total of \$HK309 million.

The doozy, however, came in the Interim Report of this company, which seems to be doing everything and nothing, depending on the year of the President's statement, in that Easyknit International executed another Share Consolidation, followed by another Rights Issue.

The President said, on December 18, 2002:

*'On 17 July 2002, the Company proposed the share consolidation pursuant to which every 10 issued and unissued existing shares will be consolidated into 1 consolidated share. Immediately following the share consolidation and based on the existing shares in issue, the share capital of the Company will comprise 220,612,231 issued consolidated shares of HK\$0.10 each and 29,779,387,769 unissued consolidated shares of HK\$0.10 each. Upon the share consolidation becoming effective, the Company proposed to raise approximately HK\$79.4 million before expenses (assuming no exercise of options on or before 22 August 2002, the record date) by way of rights issue of 661,836,693 rights shares at a price of HK\$0.12 per rights share'*

That is not, quite, the end of the story, however, because, just last Friday, it was announced that Easyknit

International was to take over i100 Ltd ... [CLICK TO ORDER FULL ARTICLE](#)

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