

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



EASYKNIT ENTERPRISES HOLDINGS LIMITED

永義實業集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 616)

**RESULTS OF THE RIGHTS ISSUE
OF 1,963,537,620 RIGHTS SHARES OF HK\$0.01 EACH
AT HK\$0.052 PER RIGHTS SHARE ON THE BASIS OF
ONE RIGHTS SHARE FOR
EVERY TWO SHARES HELD**

The Board is pleased to announce that as at 4:00 p.m. on Tuesday, 15 January 2008, being the latest time for payment for and acceptance of the Rights Shares, a total of 52 valid acceptances and applications had been received for a total of 1,979,288,655 Rights Shares, which comprise: (a) 30 valid acceptances of provisional allotments in respect of a total of 1,067,972,540 Rights Shares; and (b) 22 valid applications for excess Rights Shares in respect of a total of 911,316,115 Rights Shares. In aggregate, they represent approximately 100.8% of the total number of 1,963,537,620 Rights Shares available under the Rights Issue.

The Rights Issue and the Underwriting Agreement had become unconditional after 4:00 p.m. on Monday, 21 January 2008.

Reference is made to the prospectus of the Company dated 31 December 2007 (“Prospectus”) in respect of the Rights Issue. Capitalised terms used herein shall have the same meanings as those defined in the Prospectus, unless the context otherwise specifies.

Results of the Rights Issue

The Board is pleased to announce that as at 4:00 p.m. Tuesday, 15 January 2008, being the latest time for payment for and acceptance of the Rights Shares, a total of 52 valid acceptances and applications had been received for a total of 1,979,288,655 Rights Shares, which comprise: (a) 30 valid acceptances of provisional allotments in respect of a total of 1,067,972,540 Rights Shares; and (b) 22 valid applications for excess Rights Shares in respect of a total of 911,316,115 Rights Shares. In aggregate, they represent approximately 100.8% of the total number of 1,963,537,620 Rights Shares available under the Rights Issue.

The Rights Issue and the Underwriting Agreement had become unconditional after 4:00 p.m. on Monday, 21 January 2008.

The Board has resolved to allot a total of 895,565,080 Rights Shares available for excess application on an equitable basis with preference being given to applications necessary to create whole board lots. Allotment results in respect of the excess Rights Shares are set out as follows:

Excess Rights Shares applied for	Number of valid applications	Total number of excess Rights Shares applied for	Total number of Rights Shares allotted	Approximate percentage of allocation based on the total number of excess Rights Shares applied for in this category	Allotment basis
1 to 1,200,000	18	3,033,240	3,033,240	100.000%	In full
34,282,875	1	34,282,875	34,281,840	99.997%	Odd lot in full plus additional Shares at approximately 99.997% on the remaining excess Rights Shares applied and rounded up to a board lot of 5,000 Shares
290,000,000	1	290,000,000	284,780,000	98.200%	Odd lot in full plus additional Shares at approximately 98.200% on the remaining excess Rights Shares applied and rounded down to a board lot of 5,000 Shares
292,000,000	2	584,000,000	573,470,000	98.197%	approximately 98.197%
TOTAL	<u>22</u>	<u>911,316,115</u>	<u>895,565,080</u>		

Shareholdings in the Company

In accordance with the terms of its undertaking to the Company and the Underwriter dated 29 November 2007, Landmark Profits, the controlling Shareholder, has taken up its entire provisional allotment of 705,426,260 Rights Shares and is interested in a total of 2,116,278,780 Shares on completion of the Rights Issue, representing approximately 35.9% of the issued share capital of the Company as enlarged by the Rights Issue. Not less than 25% of the issued share capital of the Company is in public hands following the completion of the Rights Issue.

	Immediately before completion of the Rights Issue		After completion of the Rights Issue	
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
Landmark Profits	1,410,852,520	35.9	2,116,278,780	35.9
Public	<u>2,516,222,720</u>	<u>64.1</u>	<u>3,774,334,080</u>	<u>64.1</u>
Total	<u><u>3,927,075,240</u></u>	<u><u>100.0</u></u>	<u><u>5,890,612,860</u></u>	<u><u>100.0</u></u>

The Company has no outstanding options, warrants, or other securities convertible into or giving rights to subscribe for Shares.

General

Share certificates for fully paid Rights Shares in respect of the valid acceptances of the Rights Shares on PALs and successful applications for excess Rights Shares will be despatched by ordinary post to those entitled thereto, at their own risks, by the Registrar on Thursday, 24 January 2008. Refund cheques in respect of wholly or partially unsuccessful excess applications (without interest) will be despatched by ordinary post to those entitled thereto, at their own risks, on Thursday, 24 January 2008. Dealings in fully paid Rights Shares on the Stock Exchange are expected to commence on Monday, 28 January 2008.

As at the date of this announcement, the Board comprises Mr. Kwong Jimmy Cheung Tim and Ms. Lui Yuk Chu as executive directors, Mr. Tse Wing Chiu, Ricky as non-executive director and Mr. Kan Ka Hon, Mr. Lau Sin Ming and Mr. Foo Tak Ching as independent non-executive directors.

By order of the Board of
Easyknit Enterprises Holdings Limited
Kwong Jimmy Cheung Tim
Chairman and Chief Executive Officer

Hong Kong, 22 January 2008

* For identification only