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EASYKNIT ENTERPRISES HOLDINGS LIMITED

永義實業集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code : 616)

**COMPLETION OF
THE ISSUE OF CONVERTIBLE NOTE**

Reference is made to the announcement issued by the Company dated 3 March 2008 in relation to the issue of Convertible Note.

The Board is pleased to announce that completion of the Subscription Agreement has taken place on 12 March 2008.

Reference is made to the announcement issued by the Company dated 3 March 2008 (the “**Announcement**”) in relation to the issue of Convertible Note. Unless otherwise provided, terms used herein shall have the same meanings as those used in the Announcement.

The Board is pleased to announce that completion of the Subscription Agreement has taken place on 12 March 2008. The Convertible Note with an aggregate principal amount of HK\$37,650,000 has been issued to the Subscriber.

The Conversion Shares will be allotted and issued under the General Mandate granted to the Directors at the 2007 annual general meeting of the Company held on 16 August 2007, pursuant to which, the Company may allot and issue up to 785,415,048 Shares. Assuming full conversion of the Convertible Note at the initial Conversion Price of HK\$0.048 per Conversion Share, the Convertible Note will be convertible into 784,375,000 Shares.

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, 12 March 2008

*For identification only