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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)

**RESULTS OF THE RIGHTS ISSUE
OF 293,699,560 RIGHTS SHARES
OF HK\$0.01 EACH AT HK\$0.38 PER RIGHTS SHARE
ON THE BASIS OF FOUR RIGHTS SHARES
FOR EVERY SHARE HELD**

The Board is pleased to announce that as at 4:00 p.m. on Thursday, 29 October 2009, being the latest time for acceptance of and payment for the Rights Shares as well as application for excess Rights Shares, a total of 296 valid acceptances and applications had been received for a total of 558,263,604 Rights Shares, which comprise: (i) 151 valid acceptances of provisional allotments for a total of 214,014,641 Rights Shares; and (ii) 145 valid applications for excess Rights Shares for a total of 344,248,963 Rights Shares. In aggregate, they represent approximately 190.08% of the total number of 293,699,560 Rights Shares available for subscription under the Rights Shares.

As a result of the over-subscription of the Rights Shares, the obligations of the Underwriter under the Underwriting Agreement had been fully discharged.

The Rights Issue and the Underwriting Agreement had become unconditional after 4:00 p.m. on Tuesday, 3 November 2009.

Share certificates in respect of the Rights Shares will be despatched to those entitled thereto by ordinary post to their registered addresses at their own risk on or before Thursday, 5 November 2009. Dealings in the fully-paid Rights Shares will commence on Monday, 9 November 2009.

Reference is made to the prospectus of Easyknit Enterprises Holdings Limited dated 14 October 2009 (the “Prospectus”) in relation to the Rights Issue of 293,699,560 Rights Shares at a subscription price of HK\$ 0.38 each on the basis of four Rights Shares for every Share held. Capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus unless the context otherwise requires.

RESULTS OF THE RIGHTS ISSUE

The Board is pleased to announce that as at 4:00 p.m. on Thursday, 29 October 2009, being the latest time for acceptance of and payment for the Rights Shares and application for excess Rights Shares, a total of 296 valid acceptances and applications had been received for a total of 558,263,604 Rights Shares, which comprise: (i) 151 valid acceptances of provisional allotments for a total of 214,014,641 Rights Shares; and (ii) 145 valid applications for excess Rights Shares for a total of 344,248,963 Rights Shares. In aggregate, they represent approximately 190.08% of the total number of 293,699,560 Rights Shares available for subscription under the Rights Issue.

All of the conditions precedent set out in the Underwriting Agreement had been fulfilled and the Underwriting Agreement had become unconditional at 4:00 p.m. on Tuesday, 3 November 2009.

Based on the above, the Rights Issue was over-subscribed and therefore, the obligations of the Underwriter under the Underwriting Agreement had been fully discharged.

EXCESS RIGHTS SHARES

Regarding the 145 valid applications for excess Rights Shares for a total of 344,248,963 Rights Shares, the Directors have resolved to allot a total of 79,684,919 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 excess 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	Basis of Allotment
1 to 4,000	27	61,179	61,179	100.0%	In full
4,001 to 25,000	59	554,994	260,994	47.03%	Odd lot in full plus additional Shares at approximately 23.1025% on the remaining excess Rights Shares applied and rounded up to a board lot of 2,000 Shares
25,001 to 55,700,000	58	151,284,858	34,926,858	23.09%	Odd lot in full plus additional Shares at approximately 23.1025% on the remaining excess Rights Shares applied and rounded down to a board lot of 2,000 Shares
Above 55,700,000	1	192,347,932	44,435,888	23.10%	Approximately 23.10%
Total	<u>145</u>	<u>344,248,963</u>	<u>79,684,919</u>		

SHAREHOLDING STRUCTURE OF THE COMPANY

Pursuant to the Undertaking, Landmark Profits, the controlling Shareholder, has taken up its entire provisional allotment of 93,116,260 Rights Shares. Upon completion of the Rights Issue, Landmark Profits is interested in a total of 116,395,325 Shares, representing approximately 31.7% of the issued share capital of the Company as enlarged by the Rights Issue. The shareholding structure of the Company immediately before and upon completion of the Rights Issue is as follows:

Name of Shareholder	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	Number of Shares	%	Number of Shares	%
Landmark Profits	23,279,065	31.7	116,395,325	31.7
Public	<u>50,145,825</u>	<u>68.3</u>	<u>250,729,125</u>	<u>68.3</u>
Total	<u>73,424,890</u>	<u>100.0</u>	<u>367,124,450</u>	<u>100.0</u>

GENERAL

The share certificates for the Rights Shares in respect of the valid acceptances of the Rights Shares on PALs and successful applications for excess Rights Shares, in their fully-paid form, will be despatched to the allottees by ordinary post at their own risks on or before Thursday, 5 November 2009. Refund cheques in respect of the partially unsuccessful applications for excess Rights Shares will also be despatched to the applicants by ordinary post at their own risk on or before Thursday, 5 November 2009.

Dealings in the fully-paid Rights Shares will commence on Monday, 9 November 2009.

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

Hong Kong, 4 November 2009

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.

** For identification only*