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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 : 0616)

**RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF
ONE RIGHTS SHARE FOR EVERY TWO SHARES
HELD ON RECORD DATE**

The Board is pleased to announce that as at 4:00 p.m. on Tuesday, 25 September 2012, being the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares, a total of 225 valid acceptances and applications had been received for a total of 611,105,134 Rights Shares, which comprised: (i) 118 valid acceptances of provisional allotments for a total of 299,389,660 Rights Shares; and (ii) 107 valid applications for excess Rights Shares for a total of 311,715,474 Rights Shares. In aggregate, they represented approximately 160.21% of the total of 381,428,337 Rights Shares available for subscription under the Rights Issue. The Rights Issue was therefore over-subscribed by 229,676,797 Rights Shares.

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

The Rights Issue and the Underwriting Agreement had become unconditional after 4:00 p.m. on Wednesday, 3 October 2012.

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 Friday, 5 October 2012. Dealings in the fully-paid Rights Shares will commence on Monday, 8 October 2012.

Reference is made to the prospectus of Easyknit Enterprises Holdings Limited dated 11 September 2012 (the "Prospectus") in relation to the Rights Issue of 381,428,337 Rights Shares at a subscription price of HK\$0.077 each on the basis of one Rights Share for every two Shares held. Capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus unless the context otherwise requires.

** for identification only*

RESULTS OF THE RIGHTS ISSUE

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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 Wednesday, 3 October 2012.

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

EXCESS RIGHTS SHARES

Regarding the 107 valid applications for excess Rights Shares for a total of 311,715,474 Rights Shares, the Directors have resolved to allot a total of 82,038,677 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	45	156,939	156,939	100.00%	In full
4,001 to 8,000	19	113,448	73,448	64.74%	Odd lot in full plus additional Shares at approximately 26.28% on the remaining excess Rights Shares applied and rounded up to a board lot of 2,000 Shares
8,001 to 60,000,000	42	164,168,276	43,154,276	26.29%	Odd lot in full plus additional Shares at approximately 26.28% on the remaining excess Rights Shares applied and rounded down to a board lot of 2,000 Shares
Above 60,000,000	1	147,276,811	38,654,014	26.25%	Approximately 26.25%
Total	<u>107</u>	<u>311,715,474</u>	<u>82,038,677</u>		

SHAREHOLDING STRUCTURE OF THE COMPANY

Pursuant to the Undertakings, Landmark Profits and Goodco, the substantial Shareholders, have taken up their entire provisional allotment of 199,225,335 Rights Shares. Upon completion of the Rights Issue, Landmark Profits and Goodco are interested in a total of 597,676,006 Shares, representing approximately 52.23% 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	Approx. %	Number of Shares	Approx. %
Landmark Profits	174,592,987	22.89	261,889,480	22.89
Goodco	223,857,684	29.34	335,786,526	29.34
Public	364,405,654	47.77	546,608,656	47.77
Underwriter	<u>350</u>	<u>0.00</u>	<u>350</u>	<u>0.00</u>
Total	<u>762,856,675</u>	<u>100.00</u>	<u>1,144,285,012</u>	<u>100.00</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 Friday, 5 October 2012. 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 risks on or before Friday, 5 October 2012.

Dealings in the fully-paid Rights Shares will commence on Monday, 8 October 2012.

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

Hong Kong, 4 October 2012

As at the date of this announcement, the Board comprises Mr. Kwong Jimmy Cheung Tim, Ms. Lui Yuk Chu and Ms. Koon Ho Yan Candy 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.