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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 FIVE RIGHTS SHARES FOR EVERY ONE ADJUSTED SHARE HELD ON RECORD DATE

The Board is pleased to announce that as at 4:00 p.m. on Monday, 7 January 2013, 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 195 valid acceptances and applications had been received for a total of 411,273,527 Rights Shares, which comprised: (i) 93 valid acceptances of provisional allotments for a total of 254,793,737 Rights Shares; and (ii) 102 valid applications for excess Rights Shares for a total of 156,479,790 Rights Shares. In aggregate, they represented approximately 143.77% of the total of 286,071,250 Rights Shares available for subscription under the Rights Issue. The Rights Issue was therefore over-subscribed by 125,202,277 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 Friday, 11 January 2013.

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 Wednesday, 16 January 2013. Dealings in the fully-paid Rights Shares will commence on Thursday, 17 January 2013.

Reference is made to the prospectus of Easyknit Enterprises Holdings Limited dated 19 December 2012 (the “**Prospectus**”) in relation to the Rights Issue of 286,071,250 Rights Shares at a subscription price of HK\$0.40 each on the basis of five (5) Rights Shares for every one (1) Adjusted Share 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 Friday, 11 January 2013.

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 102 valid applications for excess Rights Shares for a total of 156,479,790 Rights Shares, the Directors have resolved to allot a total of 31,277,513 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 8,000	75	428,688	428,688	100.00%	In full
8,001 to 20,000	5	91,996	35,996	39.13%	Odd lot in full plus additional Shares at approximately 19.82% on the remaining excess Rights Shares applied and rounded up to a board lot of 4,000 Shares
20,001 to 2,500,000	21	12,138,404	2,386,404	19.66%	Odd lot in full plus additional Shares at approximately 19.82% on the remaining excess Rights Shares applied and rounded down to a board lot of 4,000 Shares
Above 2,500,000	1	143,820,702	28,426,425	19.77%	Approximately 19.77%
Total	<u>102</u>	<u>156,479,790</u>	<u>31,277,513</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 149,419,000 Rights Shares. Upon completion of the Rights Issue, Landmark Profits and Goodco are interested in a total of 179,302,800 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	13,094,474	22.89	78,566,844	22.89
Goodco	16,789,326	29.34	100,735,956	29.34
Public	27,330,433	47.77	163,982,683	47.77
Underwriter	<u>17</u>	<u>0.00</u>	<u>17</u>	<u>0.00</u>
Total	<u>57,214,250</u>	<u>100.00</u>	<u>343,285,500</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 Wednesday, 16 January 2013. 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 Wednesday, 16 January 2013.

Dealings in the fully-paid Rights Shares will commence on Thursday, 17 January 2013.

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

Hong Kong, 15 January 2013

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.