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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 THREE RIGHTS SHARES FOR EVERY ONE SHARE HELD ON RECORD DATE

RESULTS OF THE RIGHTS ISSUE

The Board is pleased to announce that all of the conditions set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement has not been terminated in accordance with its terms. The Rights Issue became unconditional on Wednesday, 19 June 2013.

As at 4:00 p.m. on Thursday, 13 June 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 109 valid acceptances and applications had been received for a total of 1,129,996,626 Rights Shares, which comprised: (i) 66 valid acceptances of provisional allotments for a total of 1,018,974,038 Rights Shares; and (ii) 43 valid applications for excess Rights Shares for a total of 111,022,588 Rights Shares. In aggregate, they represented approximately 91.44% of the total of 1,235,824,500 Rights Shares available for subscription under the Rights Issue.

Regarding the 111,022,588 excess Rights Shares being applied for by way of application under the excess application, the Board has resolved to allot all the available Rights Shares to those 43 valid applicants.

Share certificates for the fully-paid Rights Shares will be despatched to those entitled thereto by ordinary post to their registered addresses at their own risk on or before Monday, 24 June 2013. Dealings in the fully-paid Rights Shares will commence at 9:00 a.m. on Tuesday, 25 June 2013.

Reference is made to the prospectus (the "**Prospectus**") of Easyknit Enterprises Holdings Limited (the "**Company**") dated 29 May 2013 in relation to the Rights Issue of 1,235,824,500 Rights Shares at a subscription price of HK\$0.10 each on the basis of three (3) Rights Share for every one (1) 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*

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Underwriting arrangements

Pursuant to the Undertakings, Landmark Profits and Goodco have subscribed for the 235,700,532 Rights Shares and 302,207,868 Rights Shares provisionally allotted to them.

Based on the results of the Rights Issue as set out above, the Rights Issue was under-subscribed by 105,827,874 Rights Shares. In accordance with the terms of the Underwriting Agreement, the Underwriter has procured subscription of 105,827,874 Rights Shares by subscribers who are Independent Third Parties.

Change in shareholding structure of the Company

To the best knowledge of the Board, the following is a table showing the shareholding structure of the Company immediately before and after completion of the Rights Issue:

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	78,566,844	19.07	314,267,376	19.07
Goodco	100,735,956	24.45	402,943,824	24.45
Underwriter	17	0.00	17	0.00
Subscribers procured by the Underwriter	-	-	105,827,874	6.43
Public	232,638,683	56.48	824,726,909	50.05
Total	411,941,500	100.00	1,647,766,000	100.00

Note:

The percentages are subject to rounding error.

GENERAL

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

Hong Kong, 21 June 2013

As at the date hereof, the Board comprises Mr. Kwong Jimmy Cheung Tim, Ms. Lui Yuk Chu and 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.