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

The Board is pleased to announce that the Rights Issue and the Underwriting Agreement had become unconditional after 4:00 p.m. on Tuesday, 3 November 2015.

As at 4:00 p.m. on Thursday, 29 October 2015, 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 76 valid acceptances and applications had been received for a total of 739,318,260 Rights Shares, which comprised: (i) 46 valid acceptances of provisional allotments for a total of 710,200,802 Rights Shares; and (ii) 30 valid applications for excess Rights Shares for a total of 29,117,458 Rights Shares. In aggregate, they represented approximately 69.52% of the total of 1,063,437,940 Rights Shares available for subscription under the Rights Issue.

Regarding the 29,117,458 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 30 valid applicants.

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, 6 November 2015. Dealings in the fully-paid Rights Shares will commence on Monday, 9 November 2015.

Reference is made to the joint announcement of Easyknit Enterprises Holdings Limited (the “**Company**”) and Easyknit International Holdings Limited dated 6 August 2015, the circular of the Company dated 14 September 2015 and the prospectus of the Company dated 14 October 2015 (the “**Prospectus**”), in relation to the Rights Issue. Capitalised terms used herein shall have the same meanings as defined in the Prospectus unless otherwise stated.

** for identification purposes only*

RESULTS OF THE RIGHTS ISSUE

The Board is pleased to announce that all of the conditions precedent set out in the Underwriting Agreement had been fulfilled and the Underwriting Agreement had become unconditional after 4:00 p.m. on Tuesday, 3 November 2015.

As at 4:00 p.m. on Thursday, 29 October 2015, 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 76 valid acceptances and applications had been received for a total of 739,318,260 Rights Shares, which comprised: (i) 46 valid acceptances of provisional allotments for a total of 710,200,802 Rights Shares; and (ii) 30 valid applications for excess Rights Shares for a total of 29,117,458 Rights Shares. In aggregate, they represented approximately 69.52% of the total of 1,063,437,940 Rights Shares available for subscription under the Rights Issue.

Regarding the 29,117,458 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 30 valid applicants.

UNDEWRITING ARRANGEMENT

Pursuant to the Undertakings, Landmark Profits and Goodco, the substantial Shareholders, have taken up their entire provisional allotment of 435,553,040 Rights Shares. Upon completion of the Rights Issue, Landmark Profits and Goodco are interested in a total of 457,330,692 Adjusted Shares, representing approximately 40.96% of the issued share capital of the Company as enlarged by the Rights Issue.

Based on the results of the Rights Issue as set out above, the Rights Issue was under-subscribed by 324,119,680 Rights Shares. In accordance with the terms of the Underwriting Agreement, the Underwriter has procured subscription of 324,119,680 Rights Shares by not less than 6 subscribers who are independent third parties of the Company and each subscriber does not hold 5% or more of the issued share capital of the Company.

SHAREHOLDING STRUCTURE OF THE COMPANY

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 Adjusted Shares	%	Number of Adjusted Shares	%
<i>Landmark Profits</i>	4,454,738	8.38	93,549,498	8.38
<i>Goodco</i>				
- Shares of the Company	17,322,914	32.58	363,781,194	32.58
- Underlying shares of the Company of the outstanding convertible note (Notes 1 and 2)	880,281	-	880,281	-
Sub-total	21,777,652	40.96	457,330,692	40.96
<i>Public</i>				
Subscribers procured by the Underwriter	-	0.00	324,119,680	29.03
Other public Shareholders	31,394,245	59.04	335,159,465	30.01
Total	53,171,897	100.00	1,116,609,837	100.00

Notes:

1. The shares of the Company underlying the outstanding convertible note do not represent the Company's issued shares.
2. Pursuant to the terms of the convertible note, Goodco may convert at any time within the five-year period commencing from 27 March 2014.

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, 6 November 2015.

Dealings in the fully-paid Rights Shares will commence on Monday, 9 November 2015.

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

Hong Kong, 5 November 2015

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 and Mr. Lai Law Kau as non-executive directors; and Mr. Kan Ka Hon, Mr. Lau Sin Ming and Mr. Foo Tak Ching as independent non-executive directors.

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.