



**永義實業集團有限公司**  
**Easyknit Enterprises Holdings Limited**  
(incorporated in Bermuda with limited liability)

PRESS RELEASE

**Easyknit Announces**  
**Proposed Rights Issue of HK\$0.12 Per Rights Share**  
**On The Basis Of One Rights Share For Every Two Shares Held**

(Hong Kong, 8 March 2006) — **Easyknit International Holdings Limited** (“Easyknit”/ the “Company”) (Stock Code: 1218) today announced that it proposes to raise approximately HK\$79.4 million before expenses (assuming no exercise of Options on or before the Record Date) or approximately HK\$87.4 million before expenses (assuming all the Options are exercised on or before the Record Date) by way of the Rights Issue of not less than 661,836,693 Rights Shares and not more than 728,016,693 Rights Shares at a price of HK\$0.12 per Rights Share on the basis of one Rights Share for every two Shares held.

Magical Profits, which owns approximately 36.7% of the issued share capital of the Company, has irrevocably undertaken to the Company and the Underwriter that the Shares beneficially owned by it will not be disposed of or transferred from the date of the undertaking to the Record Date and that its entitlement under the Rights Issue will be taken up in full. Get Nice Investment Limited is the Underwriter.

The Rights Issue will only be available to Qualifying Shareholders who have completed the shares transfer by 4:00 pm on Monday, 27 March 2006. As at the date of the announcement, there are Options outstanding to subscribe for 132,360,000 Shares.

The net proceeds of the Rights Issue will be used to expand its property portfolio as and when such opportunities arise and for general working capital purposes.

The subscription price for the Rights Shares represents a) a discount of about 15.5% to the closing price of approximately HK\$0.142 per Share quoted on the Stock Exchange on the Last Trading Day; b) a discount of about 11.1% to the theoretical ex-rights price of approximately HK\$0.135 per Share calculated based on the closing price per Share quoted on the Stock Exchange on the Last Trading Day; and c) a discount of about 14.9% to the average closing price of about HK\$0.141 per Share for the last 10 full trading days quoted on the Stock Exchange up to and including the Last Trading Day.

**Mr. Tse Wing Chiu Ricky**, President and Chief Executive Officer of the Company, said, “The Rights Issue will enhance our capital base in order to facilitate our property portfolio expansion plan on one hand, it will allow Qualifying Shareholders to maintain their respective pro rata shareholdings in the Company as well.”

The last day for dealing in the Shares on a cum-rights basis is Thursday, 23 March 2006. The Shares will be dealt in on an ex-rights basis from Friday, 24 March 2006.



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Trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Wednesday, 8 March 2006 and on the SGX-ST at 9:00 a.m. on the same day pending the release of the announcement. Application has been made to the Stock Exchange and the SGX-ST for the resumption of trading in the Shares from 9:30 a.m. and 9:00 a.m. respectively on 9 March 2006.

**About Easyknit International Holdings Limited (Stock Code: 1218)**

Easyknit International Holdings Limited is principally engaged in the sourcing and export of cotton-based knitted garments for infants, children and women, and property investment.

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