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## **EASYKNIT INTERNATIONAL HOLDINGS LIMITED**

**永義國際集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1218)**

**RESULTS OF THE RIGHTS ISSUE  
OF 441,224,462 RIGHTS SHARES  
OF HK\$0.10 EACH AT HK\$0.11 PER RIGHTS SHARE  
ON THE BASIS OF ONE RIGHTS SHARE  
FOR EVERY TWO SHARES HELD  
PAYABLE IN FULL UPON ACCEPTANCE**

The Board is pleased to announce that as at 4:00 p.m. on Monday, 21 June, 2004, being the latest time and date for payment for and acceptance of the Rights Issue, a total of 48 valid acceptances and applications had been received in respect of a total of 441,351,992 Rights Shares, which comprised (i) 32 valid acceptances of provisional allotments in respect of a total of 169,148,636 Rights Shares; and (ii) 16 valid applications for excess Rights Shares in respect of a total of 272,203,356 Rights Shares, representing in aggregate approximately 100.03% of the total number of Rights Shares available.

The Rights Issue and the Underwriting Agreement became unconditional at 4:00 p.m. on Thursday, 24 June, 2004.

Reference is made to the prospectus of the Company dated 7 June, 2004 (the "Prospectus"). Capitalised terms used herein have the meanings defined in the Prospectus, unless the context requires otherwise.

### **Results of the Rights Issue**

The Board is pleased to announce that as at 4:00 p.m. on Monday, 21 June, 2004, being the latest time and date for payment for and acceptance of the Rights Issue, a total of 48 valid acceptances and applications had been received in respect of a total of 441,351,992 Rights Shares, which comprised (i) 32 valid acceptances of provisional allotments in respect of a total of 169,148,636 Rights Shares; and (ii) 16 valid applications for excess Rights Shares in respect of a total of 272,203,356 Rights Shares, representing in aggregate approximately 100.03% of the total number of Rights Shares available, being the 441,224,462 Rights Shares.

The Rights Issue and the Underwriting Agreement became unconditional at 4:00 p.m. on Thursday, 24 June, 2004.

The Board will allot the 272,075,826 Rights Shares available for excess application on a fair and equitable basis but will give preference to topping-up odd lots to whole board lots. Allotment proposals in respect of the excess Rights Shares are set out as follows:

<b>Number of excess Rights Shares applied for</b>	<b>Number of successful applications</b>	<b>Approximate percentage for the allocation of excess Rights Shares applied for</b>
1 — 54,000,000	15	100%
61,136,270	1	approximately 99.79%
	<hr/>	
<b>Total</b>	<b><u>16</u></b>	

#### **Shareholding of Controlling Shareholder**

In accordance with the terms of its undertaking to the Company and the Underwriter dated 29 April, 2004, Magical Profits, the controlling shareholder of the Company, has procured to take up an entire provisional allotment of 162,108,226 Rights Shares and will be beneficially interested in a total of 486,324,678 Shares immediately upon completion of the Rights Issue, representing approximately 36.7% of the issued share capital of the Company as enlarged by the Rights Issue. Magical Profits did not procure application for any excess Rights Shares under the Rights Issue. The Board has confirmed that 837,348,708 Shares, being approximately 63.3% of the issued share capital of the Company, will be held by the public following the completion of the Rights Issue.

## Adjustments in relation to the Share Options

Upon completion of the Rights Issue, the exercise price and the number of the Share Options have been adjusted as follows:

<b>Exercise period</b>	<b>Original exercise price per Share (HK\$)</b>	<b>Original number of Share Options</b>	<b>Adjusted exercise price per Share upon completion of the Rights Issue (HK\$)</b>	<b>Adjusted number of Share Options upon completion of the Rights Issue</b>
20 February, 2004 to 19 August, 2004	0.144	88,000,000	0.138	132,000,000

Holder of the Share Options should note that the exercise price and the number of the Share Options have been adjusted in accordance with the terms of the Company's share option scheme adopted on 18 February, 2002 and such adjustments have been verified by the auditors of the Company as fair and reasonable.

## General

Share certificates for fully-paid Rights Shares in respect of valid acceptances of Rights Shares on PALs or AREs and successful applications for excess Rights Shares will be despatched by ordinary post to those entitled thereto at their own risk by the Registrar on or before Friday, 25 June, 2004. Refund cheques in respect of wholly and partially unsuccessful excess applications (without interest) will also be despatched to those entitled thereto at their own risk by the Registrar on or before Friday, 25 June, 2004. Dealings in fully-paid Rights Shares on the Stock Exchange and the SGX-ST will commence on Tuesday, 29 June, 2004 and Wednesday, 30 June, 2004 respectively.

As at the date of this announcement, the executive Directors are Mr. Koon Wing Yee, Mr. Tsang Yiu Kai and Ms. Lui Yuk Chu and the independent non-executive Directors are Mr. Wong Sui Wah, Michael and Mr. Pun Hei, Hectar.

By order of the Board of  
**Easyknit International Holdings Limited**  
**Koon Wing Yee**  
*President and Chief Executive Officer*

Hong Kong, 24 June, 2004

\* *For identification only*

Please also refer to the published version of this announcement in The Standard.