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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 595,653,021 RIGHTS SHARES OF HK\$0.01 EACH AT HK\$0.35 PER RIGHTS SHARE ON THE BASIS OF THREE RIGHTS SHARES FOR EVERY SHARE HELD

The Board is pleased to announce that as at 4:00 p.m. on Wednesday, 1 November 2006, being the latest time for payment for and acceptance of the Rights Shares, a total of 388 valid acceptances and applications had been received for a total of 625,475,508 Rights Shares, which comprise: (a) 236 valid acceptances of provisional allotments in respect of a total of 435,778,259 Rights Shares; and (b) 152 valid applications for excess Rights Shares in respect of a total of 189,697,249 Rights Shares. In aggregate, they represent approximately 105% of the total number of 595,653,021 Rights Shares available under the Rights Issue.

The Rights Issue and the Underwriting Agreement had become unconditional after 4:00 p.m. on Friday, 3 November 2006.

Reference is made to the prospectus of the Company dated 17 October 2006 (“**Prospectus**”) in respect of the Rights Issue. Capitalised terms used herein shall have the same meanings as those defined in the Prospectus, unless the context otherwise specifies.

Results of the Rights Issue

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The Board has resolved to allot a total of 159,874,762 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 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	Allotment basis
1 to 35,000	89	961,101	961,101	100.00%	In full
35,001 to 75,000	14	726,485	646,485	88.99%	Odd lot in full plus additional Shares at approximately 84.25% on the remaining excess Rights Shares applied and rounded up to a board lot of 5,000 Shares
75,001 to 52,000,000	48	129,009,663	108,564,663	84.15%	Odd lot in full plus additional Shares at approximately 84.25% on the remaining excess Rights Shares applied and rounded down to a board lot of 5,000 Shares
Above 52,000,000	<u>1</u>	<u>59,000,000</u>	<u>49,702,513</u>	84.24%	approximately 84.24%
Total	<u>152</u>	<u>189,697,249</u>	<u>159,874,762</u>		

Shareholdings in the Company

In accordance with the terms of its undertaking to the Company and the Underwriter dated 28 August 2006, Magical Profits, the controlling Shareholder, has taken up its entire provisional allotment of 218,846,103 Rights Shares and is interested in a total of 291,794,804 Shares on completion of the Rights Issue, representing approximately 36.7% of the issued share capital of the Company as enlarged by the Rights Issue. Not less than 25% of the issued share capital of the Company is in public hands following the completion of the Rights Issue.

	Immediately before completion of the Rights Issue		After completion of the Rights Issue	
	Shares	%	Shares	%
Magical Profits	72,948,701	36.7	291,794,804	36.7
Public	<u>125,602,306</u>	<u>63.3</u>	<u>502,409,224</u>	<u>63.3</u>
Total	<u>198,551,007</u>	<u>100.0</u>	<u>794,204,028</u>	<u>100.0</u>

The Company has no outstanding options, warrants, or other securities convertible into or giving rights to subscribe for Shares.

General

Share certificates for fully paid Rights Shares in respect of the valid acceptances of the Rights Shares on PALs and successful applications for excess Rights Shares will be despatched by ordinary post to those entitled thereto, at their own risks, by the Registrar on Monday, 6 November 2006. Refund cheques in respect of wholly or partially unsuccessful excess applications (without interest) will be despatched by ordinary post to those entitled thereto, at their own risks, on Monday, 6 November 2006. Dealings in fully paid Rights Shares on the Stock Exchange are expected to commence on Wednesday, 8 November 2006.

As of the date of this announcement, the executive Directors are Mr. Tse Wing Chiu, Ricky and Ms. Lui Yuk Chu and the independent non-executive Directors are Mr. Wong Sui Wah, Michael, Mr. Tsui Chun Kong and Mr. Jong Koon Sang.

By order of the Board of
Easyknit International Holdings Limited
Tse Wing Chiu, Ricky
President and Chief Executive Officer

Hong Kong, 3 November 2006

** For identification only*