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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)

**MAJOR TRANSACTION
COMPLETION OF PLACING
OF EXISTING EE SHARES
HELD BY GOODCO**



Easyknit Enterprises Holdings Limited
永義實業集團有限公司*
(Incorporated in Bermuda with limited liability)
(Stock code : 0616)

**RESTORATION
OF
PUBLIC FLOAT**

Placing Agent



KINGSTON SECURITIES LTD.

The board of Easyknit International is pleased to announce that all conditions of the Placing have been fulfilled and the completion of the Placing took place 4 January 2012.

47,000,000 Placing Shares representing approximately 8.53% of the issued share capital of Easyknit Enterprises have been successfully placed by the Placing Agent to no fewer than six Places pursuant to the terms and conditions of the Placing Agreement, at the Placing Price of HK\$0.27 per Placing Share.

As a result of the completion of the Placing, the public float of Easyknit Enterprises is restored to 27.64% of the issued share capital of the Easyknit Enterprises, in compliance with the minimum public float requirement under Rule 8.08(1)(a) of the Listing Rules.

Reference is made to the joint announcement (the “**Joint Announcement**”) issued by Easyknit International and Easyknit Enterprises dated 21 December 2011. Unless otherwise defined, capitalized terms used in this announcement have the same meanings as defined in the Joint Announcement.

COMPLETION OF THE PLACING

The board of Easyknit International is pleased to announce that all conditions of the Placing have been fulfilled and completion of the Placing took place on 4 January 2012.

47,000,000 Placing Shares representing approximately 8.53% of the issued share capital of Easyknit Enterprises have been successfully placed by the Placing Agent to no fewer than six Places pursuant to the terms and conditions of the Placing Agreement, at the Placing Price of HK\$0.27 per Placing Share.

** for identification only*

EFFECT OF THE PLACING ON SHAREHOLDING STRUCTURE OF EASYKNIT ENTERPRISES

The table below shows the shareholding structure of Easyknit Enterprises (i) immediately before completion of the Placing; and (ii) immediately after completion of the Placing:

	Immediately before completion of the Placing		Immediately after completion of the Placing	
	EE Shares	Approximate %	EE Shares	Approximate %
Easyknit International and parties acting in concert with it	445,450,671	80.89	398,450,671	72.36
Public shareholders	<u>105,236,004</u>	<u>19.11</u>	<u>152,236,004</u>	<u>27.64</u>
Total	<u>550,686,675</u>	<u>100.00</u>	<u>550,686,675</u>	<u>100.00</u>

To the best of the knowledge, information and belief of Easyknit International directors and Easyknit Enterprises directors and having made all reasonable enquiries, the Placees are independent institutional, professional and/or other private investors and their ultimate beneficial owners are independent third parties. None of the Placees is a substantial shareholder of Easyknit Enterprises upon completion of the Placing and the Placees and their ultimate beneficial owners are independent third parties and are treated as public shareholders of Easyknit Enterprises. Therefore, upon completion of the Placing, there are 152,236,004 EE Shares (representing approximately 27.64% of the existing issued share capital of Easyknit Enterprises) held in public hands.

RESTORATION OF PUBLIC FLOAT

The Stock Exchange has granted a waiver to Easyknit Enterprises until 9 January 2012 from strict compliance with the requirement of Rule 8.08(1)(a) of the Listing Rules, in order for Easyknit Enterprises to restore the public float of having at least 25% of the issued share capital of Easyknit Enterprises in the hands of the public.

Upon completion of the Placing, Easyknit Enterprises has restored its public float to approximately 27.64% from approximately 19.11%. Accordingly, Easyknit Enterprises has fulfilled the minimum public float requirement under Rule 8.08(1)(a) of the Listing Rules.

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

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

Hong Kong, 4 January 2012

As at the date hereof, the board of directors of Easyknit International Holdings Limited comprises Mr. Kwong Jimmy Cheung Tim, Ms. Lui Yuk Chu and Ms. Koon Ho Yan, Candy as executive directors, Mr. Tse Wing Chiu, Ricky as non-executive director and Mr. Tsui Chun Kong, Mr. Jong Koon Sang and Mr. Hon Tam Chun as independent non-executive directors.

As at the date hereof, the board of directors of Easyknit Enterprises Holdings Limited comprises Mr. Kwong Jimmy Cheung Tim, Ms. Lui Yuk Chu and Ms. 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.