

RAJKUMAR MURLIDHAR DASWANI

DECISION OF NOT PROCEEDING WITH THE POSSIBLE OFFER FOR THE SHARES OF EASYKNIT ENTERPRISES HOLDINGS LIMITED

Pursuant to Rule 3.7 of the Takeovers Code

This announcement is made pursuant to Rule 3.7 of the Takeovers Code. Reference is made to the announcement (the “**Announcement**”) issued by Mr. Rajkumar Murlidhar Daswani (“**Mr. Daswani**”) dated 22 February 2011 in relation to the possible voluntary general offer (the “**Possible Offer**”). Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

As at the date of this announcement, Mr. Daswani is a substantial shareholder of the Company and, together with his spouse, held 155,078,214 Shares, representing approximately 28.16% of its entire issued share capital of 550,686,675 Shares upon completion of the Rights Issue.

As stated in the Announcement, Mr. Daswani was considering making a voluntary general offer for all the issued Shares other than Shares owned by him or persons acting in concert with him. On 4 March 2011, due to commercial reason, Mr. Daswani decided not to proceed with the Possible Offer. On 7 March 2011, Mr. Daswani through his legal adviser informed the Company of his decision of not proceeding with the Possible Offer.

Pursuant to Rule 31.1(c) of the Takeovers Code, unless there is a material change of the circumstances, neither Mr. Daswani nor persons acting in concert with him may, except with the consent of the Executive (as defined in the Takeovers Code), within 6 months from the date of this announcement either (i) announce an offer or possible offer for the Company (including a partial offer which could result in Mr. Daswani and persons acting in concert with him holding Shares carrying 30% or more of the voting rights of the Company); or (ii) acquire any voting rights of the Company if Mr. Daswani or parties acting in concert with him would thereby become obliged under Rule 26 of the Takeovers Code to make an offer.

Mr. Daswani accepts full responsibility for the accuracy of the information contained in this announcement and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement herein misleading.

Rajkumar Murlidhar Daswani

8 March 2011

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