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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)



Easyknit Enterprises Holdings Limited

永義實業集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code : 0616)

COMPLETION OF PLACING OF NEW EASYKNIT ENTERPRISES SHARES UNDER GENERAL MANDATE

Placing Agent



KINGSTON SECURITIES LTD.

The EE Directors wish to announce that all conditions of the Placing had been fulfilled and the completion of the Placing had taken place on 18 February 2013. Pursuant to the terms and conditions of the Placing Agreement, 68,656,000 Placing Shares have been successfully placed by the Placing Agent to not less than six Placees at the Placing Price of HK\$0.44 per Placing Share.

Reference is made to the announcement jointly issued by Easyknit International and Easyknit Enterprises on 28 January 2013 in relation to the Placing (the “**Announcement**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless the context otherwise requires.

COMPLETION OF THE PLACING OF EASYKNIT ENTERPRISES NEW SHARES

The EE Board wishes to announce that all conditions of the Placing had been fulfilled and the completion of the Placing had taken place on 18 February 2013. Pursuant to the terms and conditions of the Placing Agreement, 68,656,000 Placing Shares have been successfully placed by the Placing Agent to not less than six Placees at the Placing Price of HK\$0.44 per Placing Share. To the best of the knowledge, information and belief of the EI Directors and the EE Directors, having made all reasonable enquires, the Placees and their respective ultimate beneficial owners are independent professional institution or individual investors. They are not parties acting in concert with the controlling shareholders (as defined under the Codes on Takeovers and Mergers and Share Repurchases) of Easyknit International and Easyknit Enterprises and are not connected with any directors, chief executive or substantial shareholders of Easyknit International and Easyknit Enterprises or their subsidiaries and their respective associates. Upon completion of the Placing, none of the Placees and their respective associates has become a substantial EE Shareholder.

** for identification only*

The net proceeds from the Placing, after deducting the placing commission and other related expenses payable by Easyknit Enterprises, of approximately HK\$29,800,000 are intended to be used for the possible acquisition of the Target Property or in the event that the acquisition of the Target Property does not materialise, the Board will apply the entire net proceeds for acquisition of other properties at the time when Easyknit Enterprises has insufficient financial resources to fund such activities in a timely manner.

SHAREHOLDING STRUCTURE OF EASYKNIT ENTERPRISES

The 68,656,000 Placing Shares represent (i) approximately 20% of the issued share capital of Easyknit Enterprises immediately before completion of the Placing; and (ii) approximately 16.67% of the enlarged issued share capital of Easyknit Enterprises immediately after completion of the Placing.

Set out below is the shareholding structure of Easyknit Enterprises (i) immediately before completion of the Placing; and (ii) immediately upon completion of the Placing:

	Immediately before completion of the Placing		Immediately upon completion of the Placing	
	No. of EE Shares	Approximate %	No. of EE Shares	Approximate %
Easyknit International and parties acting in concert with it (Note 1)	179,302,800	52.23	179,302,800	43.52
Placees (Note 2)	-	-	68,656,000	16.67
Public EE Shareholders	163,982,700	47.77	163,982,700	39.81
Total	<u>343,285,500</u>	<u>100.00</u>	<u>411,941,500</u>	<u>100.00</u>

Notes:

1. The 179,302,800 EE Shares relate to the same block of EE Shares of which 78,566,844 EE Shares and 100,735,956 EE Shares are respectively registered in the name of and are beneficially owned by Landmark Profits Limited and Goodco Development Limited, both being wholly-owned subsidiaries of Easyknit International. Sea Rejoice Limited is interested in approximately 21.95% of the issued share capital of Easyknit International and is wholly-owned by Ms. Lui Yuk Chu. Magical Profits is interested in approximately 36.74% of the issued share capital of Easyknit International and is wholly-owned by Accumulate More Profits Limited which in turn is wholly-owned by Hang Seng Bank Trustee International Limited as trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu, a director of Easyknit International and Easyknit Enterprises, and her family members other than her spouse). Ms. Koon Ho Yan Candy, the daughter of Ms. Lui Yuk Chu and a director of Easyknit International and Easyknit Enterprises, is deemed to be interested in the EE Shares by virtue of her capacity as one of the beneficiaries of The Magical 2000 Trust.
2. To the best of the knowledge of EI Directors and EE Directors, the Placees and their ultimate beneficial owners are third parties independent of and not connected with Easyknit International and Easyknit Enterprises and their respective connected persons. Therefore, the Placees are treated as public EE Shareholders.

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, 18 February 2013

As at the date hereof, the EI Board 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 EE Board 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.