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JOINT ANNOUNCEMENT UPDATE ON COMPLETION



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

**CONNECTED TRANSACTION
RELATING TO
PROPOSED ISSUE OF
CONVERTIBLE NOTE**



Easyknit International Holdings Limited
永義國際集團有限公司*
(incorporated in Bermuda with limited liability)
(Stock code : 1218)

**(1) MAJOR TRANSACTION:
PROPOSED SUBSCRIPTION OF
CONVERTIBLE NOTE
AND
(2) THE WHITEWASH WAIVER**

Reference is made to the (i) joint announcement of Easyknit Enterprises Holdings Limited (“EE”) and Easyknit International Holdings Limited (“EI”) dated 16 January 2014 (the “**Joint Announcement**”); and (ii) the announcement issued by EE dated 7 March 2014 regarding the results of the SGM held on the same day. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Joint Announcement.

Pursuant to the terms of the Subscription Agreement, completion of the Subscription Agreement (“**Completion**”) was intended to take place on or before 17 March 2014, being the second Business Day after the fulfillment of all conditions precedent of the Subscription Agreements.

All conditions precedent of the Subscription Agreement were fulfilled on 13 March 2014. Upon the Completion, EE will cease to be an associate of EI and will be accounted for as a subsidiary of EI as from that date. Accordingly, EE's assets, liabilities, cash flows and results will be consolidated into the consolidated financial statements of EI upon the Completion. Having considered the proximity of the initial date of Completion (17 March 2014) to the yearend date of both EE and EI's annual financial statements (31 March 2014), the EE Directors and EI Directors agree and announce that Completion will be deferred to on or before 31 March 2014.

Save for the above, the terms and conditions of the Subscription Agreement remain unchanged in all respects. EE and EI will make further announcements to update shareholders as to the status of Completion as and when appropriate.

** for identification only*

By Order of the Board
**EASYKNIT ENTERPRISES
HOLDINGS LIMITED**
Kwong Jimmy Cheung Tim
Chairman and Chief Executive Officer

By Order of the Board
**EASYKNIT INTERNATIONAL
HOLDINGS LIMITED**
Kwong Jimmy Cheung Tim
President and Chief Executive Officer

Hong Kong, 17 March 2014

As at the date hereof, the board of EE Directors comprises Mr. Kwong Jimmy Cheung Tim, Ms. Lui Yuk Chu and Ms. Koon Ho Yan Candy as executive directors, Mr. Tse Wing Chiu Ricky and Mr. Lai Law Kau as non-executive directors, and Mr. Kan Ka Hon, Mr. Lau Sin Ming and Mr. Foo Tak Ching as independent non-executive directors.

The EE Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their 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 in this announcement misleading.

As at the date hereof, the board of EI Directors comprises Mr. Kwong Jimmy Cheung Tim, Ms. Lui Yuk Chu and Ms. Koon Ho Yan Candy as executive directors, Mr. Tse Wing Chiu Ricky and Mr. Lai Law Kau as non-executive directors; and Mr. Tsui Chun Kong, Mr. Jong Koon Sang and Mr. Hon Tam Chun as independent non-executive directors.

The EI Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their 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 in this announcement misleading.