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



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

JOINT ANNOUNCEMENT COMPLETION OF THE SUBSCRIPTION OF THE CONVERTIBLE NOTE

EE and EI are pleased to announce that the completion of the Subscription of the Convertible Note has taken place on 27 March 2014.

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 17 March 2014 regarding the update on the completion of the Subscription Agreement. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Joint Announcement.

COMPLETION OF THE SUBSCRIPTION

EE and EI are pleased to announce that all Conditions Precedent under the Subscription Agreement have been fulfilled, completion of the Subscription has taken place on 27 March 2014 (the “**Completion Date**”). Following the issue of the Convertible Note, the Subscriber is now interested in the Convertible Note in the aggregate principal amount of HK\$100,000,000 and none of the Convertible Note is converted as at the date of this announcement.

Upon the completion, EE will cease to be an associate of EI and will be accounted for as a subsidiary of EI as from the Completion Date. Accordingly, EE’s assets, liabilities, cash flows and results will be consolidated into the consolidated financial statements of EI upon the Completion.

As at the date of this Announcement, save for the Convertible Note, EE has no outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into EE Shares. Set out below for illustration purposes are the shareholding structures of EE (i) as at the date of this announcement; and (ii) immediately after full conversion of the Convertible Note (assuming that there is no other change in the issued share capital of EE):

** for identification only*

	As at the date of this announcement		Immediately after full conversion of the Convertible Note	
	<i>(note 1)</i>		<i>(note 1)</i>	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
The Subscriber and parties acting in concert with it				
The Subscriber <i>(notes 2 and 4)</i>	60,441,570	20.4	207,500,393	46.8
Landmark Profits <i>(notes 3 and 4)</i>	47,140,104	15.9	47,140,104	10.6
Sub-total	107,581,674	36.3	254,640,497	57.4
Public Shareholders	189,014,226	63.7	189,014,226	42.6 <i>(note 5)</i>
Total	296,595,900	100.0	443,654,723	100.0

Notes:

1. The figures are derived based on the existing shareholding structure of EE and the assumption that save for the allotment and issue of 147,058,823 Conversion Shares to the Subscriber, there will be no change in the issued share capital of EE from the date of this announcement up to (and including) the date of issue of such Conversion Shares resulting from exercise in full of the Conversion Rights.
2. The entire issued share capital of the Subscriber is indirectly held by EI.
3. The entire issued share capital of Landmark Profits is directly held by EI.
4. The Subscriber and Landmark Profits, are wholly-owned subsidiaries of EI and are presumed to be acting in concert for the purpose of the Takeovers Code.
5. Upon the issue of 147,058,823 Conversion Shares to the Subscriber upon exercise in full of the Conversion Rights at the initial Conversion Price, the shareholding of public Shareholders will be diluted from approximately 63.7% of the issued share capital of EE as at the date of this announcement to approximately 42.6% of the issued share capital of EE as enlarged by the issue of the Conversion Shares.

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, 27 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.