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JOINT CLARIFICATION ANNOUNCEMENT



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 joint announcement made on 16 January 2014 (the “**Joint Announcement**”) by Easyknit Enterprises Holdings Limited (“**EE**”) and Easyknit International Holdings Limited (“**EI**”). Unless the context otherwise requires, all capitalised terms used in this announcement have the same meanings as those defined in the Joint Announcement.

It was stated in the Joint Announcement that “*as at 31 December 2013, the EE Group had unaudited bank balances and cash of approximately HK\$452 million (which include proceeds from the rights issue completed in December 2013). Out of this amount, RMB64 million (equivalent to approximately HK\$81 million) is tied up in the PRC since 2012 as investment capital which is in practice not feasible to be transferred back to Hong Kong*”.

EE would like to clarify that there was an inadvertent error in the above statement as EE’s unaudited bank balances and cash of approximately HK\$452 million as at 31 December 2013 referred therein does not include the RMB64 million tied up in the PRC since 2012 as investment capital. The above therefore should have read “*as at 31 December 2013, the EE Group had unaudited bank balances and cash of approximately HK\$452 million (which include proceeds from the rights issue completed in December 2013). Other than this amount, RMB64 million (equivalent to approximately HK\$81 million) is tied up in the PRC since 2012 as investment capital which is in practice not feasible to be transferred back to Hong Kong*”.

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, 10 February 2014

* for identification only

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.

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.