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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)**

### **POLL RESULTS OF THE SPECIAL GENERAL MEETING HELD ON 7 MARCH 2014 AND GRANT OF THE WHITEWASH WAIVER**

The Board is pleased to announce that the ordinary resolution proposed at the SGM has been duly passed by the Independent Shareholders by way of poll at the SGM held on 7 March 2014 in accordance with the requirements of the Takeovers Code and the Listing Rules.

Reference is made to the circular of the Company dated 20 February 2014 (the “**Circular**”) in relation to the proposed issue of the Convertible Note and the Whitewash Waiver. Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as those defined in the Circular.

#### **RESULT OF THE SGM**

The Board is pleased to announce that the ordinary resolution as proposed at the SGM (the “**Ordinary Resolution**”) for approval of the Subscription Agreement (together with the transactions contemplated therein, including the issue of the Convertible Notes, the allotment and issue of the Conversion Shares) and the Whitewash Waiver has been duly passed by the Independent Shareholders by way of poll at the SGM held on 7 March 2014 in accordance with the requirements of the Takeovers Code and the Listing Rules. The vote-taking at the SGM was scrutinized by the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited. The poll result in relation to the Ordinary Resolution was as follows:

<b>Ordinary Resolution</b>	<b>No. of the Shares (Approximate %)</b>	
	<b>For</b>	<b>Against</b>
1. To approve, confirm and ratify the Subscription Agreement and all transactions contemplated thereunder (including the issue of Convertible Note, the allotment and issue of the Conversion Shares) and the Whitewash Waiver.	40,827,995 (99.36%)	261,185 (0.64%)

*Note: The full text of the above resolution is set out in the notice of the SGM.*

*\* for identification only*

As at the date of the SGM, the total number of issued Shares of the Company was 296,595,900 Shares. The Subscriber, the parties acting in concert with it (including but not limited to EI and Landmark Profits) and their respective associates, holding an aggregate of 107,581,674 Shares representing approximately 36.3% of the total issued share capital of the Company as at the date of the SGM, abstained from voting on the Ordinary Resolution at the SGM. Accordingly, the Independent Shareholders holding a total of 189,014,226 Shares were entitled to attend and vote for or against the Ordinary Resolution proposed at the SGM. As more than 50% of votes were cast, by poll, in favour of the Ordinary Resolution at the SGM, the Ordinary Resolution was duly passed as ordinary resolution.

It was noted that there were no Share entitling the holders to attend and vote only against the Ordinary Resolution proposed at the SGM.

## EFFECT OF THE SUBSCRIPTION

As at the date of this announcement, the Company has no outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into Shares. Set out below for illustration purposes are the shareholding structures of the Company (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 the Company):

	As at the date of this announcement <i>(Note 1)</i>		Immediately after full conversion of the Convertible Note <i>(Note 1)</i>	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
<b>The Subscriber and parties acting in concert with it</b>				
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
<b>Public Shareholders</b>	189,014,226	63.7	189,014,226	42.6 <i>(Note 5)</i>
<b>Total</b>	<b>296,595,900</b>	<b>100.0</b>	<b>443,654,723</b>	<b>100.0</b>

*Notes:*

1. The figures are derived based on the existing shareholding structure of the Company 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 the Company 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 the Company as at the date of this announcement to approximately 42.6% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

## **GRANT OF THE WHITEWASH WAIVER**

The Executive has granted the Whitewash Waiver, subject to (i) the Subscription Agreement (together with the transactions contemplated therein, including the issue of the Convertible Note, the allotment and issue of the Conversion Shares) and the Whitewash Waiver being approved by a vote of the Independent Shareholders at the SGM to be taken by way of poll; and (ii) unless the Executive gives prior consent, no acquisition or disposal of voting rights being made by the Subscriber and parties acting in concert with it between the announcement of the Company in relation to the proposed issue of Convertible Note and the completion thereof. Ordinary Resolution for approving the Subscription Agreement (together with the transactions contemplated therein, including the issue of the Convertible Note, the allotment and issue of the Conversion Shares) and the Whitewash Waiver was duly passed by the Independent Shareholders by way of poll at the SGM and therefore, condition (i) above was fulfilled as at the date of this announcement.

By Order of the Board  
**Easyknit Enterprises Holdings Limited**  
**Kwong Jimmy Cheung Tim**  
*Chairman and Chief Executive Officer*

Hong Kong, 7 March 2014

*As at the date hereof, the Board comprises Mr. Kwong Jimmy Cheung Tim, Ms. Lui Yuk Chu and Koon Ho Yan Candy as executive directors, Mr. Tse Wing Chiu Ricky and Ms. 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 Directors jointly and severally accept full responsibility for accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, 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.*