

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



EASYKNIT ENTERPRISES HOLDINGS LIMITED

永義實業集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code : 616)

CONVERSION OF CONVERTIBLE NOTE

On 3 April 2014, the Company received a notice from the Noteholder to request the conversion of the Convertible Note in the principal amount of HK\$20,000,000 at the conversion price of HK\$0.68 per Conversion Share.

Reference is made to the circular of Easyknit Enterprises Holdings Limited (the “**Company**”) dated 20 February 2014 (the “**Circular**”) in relation to, inter alia, the issuance of the Convertible Note in an aggregate principal amount of HK\$100,000,000. Capitalised terms used in this announcement shall have the same meanings as defined in the Circular unless otherwise defined.

CONVERSION OF CONVERTIBLE NOTE

On 3 April 2014, the Company received notice from the Noteholder, requesting for the conversion of the Convertible Note in the principal amount of HK\$20,000,000.

Terms of the Convertible Note have been disclosed in the Circular. The Company allots and issues a total of 29,411,764 Conversion Shares to the Noteholder at the Conversion Price of HK\$0.68 per Conversion Share on 3 April 2014. The 29,411,764 Conversion Shares to be issued represent 9.0% of the existing issued share capital of the Company as enlarged by the allotment and issuance of the 29,411,764 Conversion Shares.

On the assumption that there are no other change in the shareholding structure of the Company before the allotment and issuance of the Conversion Shares, the issued share capital of the Company will be increased to 326,007,664 Shares upon the allotment and issuance of the 29,411,764 Conversion Shares.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

On the assumption that there are no other change in the shareholding structure of the Company before the allotment and issuance of the Conversion Shares, the shareholding structure of the Company immediately before and after the issuance and allotment of the 29,411,764 Conversion Shares is set out as follows:

** for identification only*

	Immediately before the issuance and allotment of the 29,411,764 Conversion Shares		Immediately after the issuance and allotment of the 29,411,764 Conversion Shares	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
The Noteholder and parties acting in concert				
The Noteholder (notes 1 and 3)	60,441,570	20.4	89,853,334	27.6
Landmark Profits (notes 2 and 3)	47,140,104	15.9	47,140,104	14.5
Sub-total	107,581,674	36.3	136,993,438	42.1
Public Shareholders	189,014,226	63.7	189,014,226	57.9
Total	296,595,900	100.0	326,007,664	100.0

Notes:

- 1. The entire issued share capital of the Noteholder is indirectly held by EI.*
- 2. The entire issued share capital of Landmark Profits is directly held by EI.*
- 3. The Noteholder and Landmarks Profits, are wholly-owned subsidiaries of EI and are deemed to be acting in concert for the purpose of the Takeovers Code.*

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

Hong Kong, 3 April 2014

As at the date of this announcement, the 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 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 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.