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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 : 616)**

### **CONVERSION OF CONVERTIBLE NOTE**

On 29 August 2014, the Company received a notice from the Noteholder to request the conversion of the Convertible Note in the principal amount of HK\$60,000,000 at the conversion price of HK\$0.642 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, and the announcements of the Company dated 19 June 2014 and 22 August 2014 (collectively, the “**Announcements**”) in relation to the adjustment to the Conversion Price. Capitalised terms used in this announcement shall have the same meanings as defined in the Circular unless otherwise defined.

### **CONVERSION OF CONVERTIBLE NOTE**

On 29 August 2014, the Company received notice from the Noteholder, requesting for the conversion of the Convertible Note in the principal amount of HK\$60,000,000.

Terms of the Convertible Note have been disclosed in the Circular and the adjustment of the Conversion Price has been disclosed in the Announcements. The Company allots and issues a total of 93,457,943 Conversion Shares to the Noteholder at the Conversion Price of HK\$0.642 per Conversion Share on 29 August 2014. The 93,457,943 Conversion Shares to be issued represents 16.61% of the existing issued share capital of the Company as enlarged by the allotment and issuance of the 93,457,943 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 562,665,607 Shares upon the allotment and issuance of the 93,457,943 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 93,457,943 Conversion Shares is set out as follows:

*\* for identification only*

	<b>Immediately before the issuance and allotment of the 93,457,943 Conversion Shares</b>		<b>Immediately after the issuance and allotment of the 93,457,943 Conversion Shares</b>	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
<b>The Noteholder and parties acting in concert</b>				
The Noteholder <i>(notes 1 and 3)</i>	89,853,334	19.15	183,311,277	32.58
Landmark Profits <i>(notes 2 and 3)</i>	47,140,104	10.05	47,140,104	8.38
Sub-total	136,993,438	29.20	230,451,381	40.96
<b>Public Shareholders</b>	332,214,226	70.80	332,214,226	59.04
<b>Total</b>	469,207,664	100.00	562,665,607	100.00

*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 Landmark 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, 29 August 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.*