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Easyknit International Holdings Limited

永義國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 1218)

Sea Rejoice Limited

樂洋有限公司*

(incorporated in the British Virgin Islands

with limited liability)

**JOINT ANNOUNCEMENT
DESPATCH OF THE COMPOSITE OFFER DOCUMENT
IN RELATION TO
VOLUNTARY CONDITIONAL OFFER BY
KINGSTON SECURITIES LIMITED
AND
ALTUS INVESTMENTS LIMITED
ON BEHALF OF
SEA REJOICE LIMITED
TO ACQUIRE ALL OF THE ISSUED SHARES IN THE SHARE CAPITAL OF
EASYKNIT INTERNATIONAL HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED
BY SEA REJOICE LIMITED AND PARTIES ACTING IN CONCERT WITH IT)**

Joint financial advisers to Sea Rejoice Limited



KINGSTON CORPORATE FINANCE LIMITED

ALTUS CAPITAL LIMITED

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**

**Access
Capital** 

The Composite Offer Document containing, among other things, (i) information relating to the Group and the Offeror; (ii) the details of the terms of the Offer; (iii) the letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in respect of the Offer; and (iv) the letter from Access Capital containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Offer, together with the Form of Acceptance and Transfer, have been despatched to the Shareholders on 24 June 2010 in accordance with the Takeovers Code.

Shareholders are advised to read the Composite Offer Document carefully, including the advice of the Independent Board Committee and the advice of Access Capital in respect of the Offer, before deciding whether to accept or reject the Offer.

The Offer will commence on 24 June 2010 and the latest time and date for the acceptance of the Offer is at 4:00 p.m. on 15 July 2010, being the first closing date of the Offer or such later date as may be extended by the Offeror in accordance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code).

A joint announcement will be issued by the Company and the Offeror through the Stock Exchange's website by 7:00 p.m. on Thursday, 15 July 2010 stating the results of the Offer and whether the Offer has been revised or extended or expired. In the event that the Offeror decides that the Offer will remain open, the announcement will state the next closing date of the Offer or, if the Offer has become or been declared unconditional, that the Offer will remain open until further notice.

Reference is made to (i) the joint announcement of the Offeror and the Company dated 28 May 2010 in relation to the Offer (the "First Joint Announcement"); and (ii) the joint announcement of the Offeror and the Company dated 18 June 2010 in relation to the delay in despatch of the Composite Offer Document. Unless the context otherwise requires, terms used herein shall have the same meanings as those defined in the First Joint Announcement.

DESPATCH OF THE COMPOSITE OFFER DOCUMENT

The Composite Offer Document containing, among other things, (i) information relating to the Group and the Offeror; (ii) the details of the terms of the Offer; (iii) the letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in respect of the Offer; and (iv) the letter from Access

Capital containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Offer, together with the Form of Acceptance and Transfer, have been despatched to the Shareholders on 24 June 2010 in accordance with the Takeovers Code.

Shareholders are advised to read the Composite Offer Document carefully, including the advice of the Independent Board Committee and the advice of Access Capital in respect of the Offer, before deciding whether to accept or reject the Offer.

EXPECTED TIMETABLE

The Offer will commence on 24 June 2010 and the latest time and date for the acceptance of the Offer is at 4:00 p.m. on 15 July 2010, being the first closing date of the Offer or such later date as may be extended by the Offeror in accordance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code).

In accordance with the Takeovers Code, where the Offer becomes or is declared unconditional in all respects, the Offer should remain open for acceptance for not less than 14 days thereafter. In such case, at least 14 days' notice in writing must be given before the Offer is closed to the Shareholders who have not accepted the Offer. The Offeror has the right, subject to the Takeovers Code, to extend the Offer until such date as it may determine or as permitted by the Executive, in accordance with the Takeovers Code.

A joint announcement will be issued by the Company and the Offeror through the Stock Exchange's website by 7:00 p.m. on Thursday, 15 July 2010 stating the results of the Offer and whether the Offer has been revised or extended or expired. In the event that the Offeror decides that the Offer will remain open, the announcement will state the next closing date of the Offer or, if the Offer has become or been declared unconditional, that the Offer will remain open until further notice.

The following expected timetable is indicative and is subject to change. All time and date references in the timetable refer to Hong Kong time and dates.

2010

Despatch date of this Composite Offer Document and the commencement of the Offer (<i>Note 1</i>).....	Thursday, 24 June
Latest time and date for acceptance of the Offer	4:00 p.m., Thursday, 15 July
First Closing Date (<i>Note 2</i>)	Thursday, 15 July

Announcement of the result of the Offer,
as at the First Closing Date, on the website of
the Stock Exchange and the website of
Easyknit International (*Note 2*)by 7:00 p.m., Thursday, 15 July

Latest date for posting of remittance for the amount due in
respect of valid acceptance received under the Offer
on or before 4:00 p.m. on the First Closing Date,
assuming the Offer becomes, or is declared, unconditional
in all respect on the First Closing Date (*Note 3*)Saturday, 24 July

Latest time and date for the Offer remaining
open for acceptance assuming the Offer
becomes or is declared unconditional on
the First Closing Date (*Note 4*)4:00 p.m., Thursday, 29 July

Latest date for posting of remittance for the amount
due in respect of valid acceptance received under
the Offer on or before 4:00 p.m. on 29 July 2010,
being the latest date which the Offer remains open
for acceptance assuming the Offer becomes, or is declared,
unconditional in all respect on the First Closing DateSaturday, 7 August

Latest time by which the Offer can become
or be declared unconditional (*Note 5*)7:00 p.m., Monday, 23 August

Notes:

- (1) The Offer is made on Thursday, 24 June 2010, namely the date of posting of this Composite Offer Document, and is capable of acceptance on and from that date until the close of the Offer Period.
- (2) In accordance with the Takeovers Code, the Offer must remain open for acceptance for at least 21 days following the date on which this Composite Offer Document is posted. The Offer will be closed on the First Closing Date (i.e. Thursday, 15 July 2010) unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. An announcement will be issued by the Company and the Offeror through the Stock Exchange's website by 7:00 p.m. on Thursday, 15 July 2010 stating the results of the Offer and whether the Offer has been revised or extended or expired. In the event that the Offeror decides that the Offer will remain open, the announcement will state the next closing date of the Offer or, if the Offer has become or been declared unconditional, that the Offer will remain open until further notice. At least 14 days' notice in writing will be given, before the Offer is closed, to those Shareholders who have not accepted the Offer. For further details, please refer to Appendix I to this Composite Offer Document. If there is (i) a tropical cyclone warning signal number 8 or above, or (ii) a "black"

rainstorm warning signal in force between 9:00 a.m. and 4:00 p.m. on the First Closing Date, the time and date of the close of the Offer will be adjourned to 4:00 p.m. on the next Business Day which does not have either of those warnings in force in Hong Kong or such other day as the Executive may approve.

- (3) Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty) payable for the Offer Shares validly tendered under the Offer will be posted by ordinary post to the Shareholders who accept the Offer or, in the case of joint Shareholders, to the Shareholder whose name stands first in the register of the members of the Company, at their own risk, as soon as practicable, but in any event within 10 days from the later of the date on which the Offer becomes or is declared unconditional and the date the Offeror receives a duly completed Form of Acceptance and Transfer from the Shareholders accepting the Offer. Relevant documents of title must be received by the Offeror to render acceptance of the Offer complete and valid.

An acceptor shall be entitled to withdraw his acceptance after 21 days from the First Closing Date on Thursday, 15 July 2010, if the Offer has not by then become unconditional as to acceptances. However, this entitlement to withdraw shall only be exercisable until such time as the Offer becomes or is declared unconditional as to acceptances. For further details, please refer to Appendix I to this Composite Offer Document.

- (4) In accordance with the Takeovers Code, where the Offer becomes or is declared unconditional in all respects, the Offer should remain open for acceptance for not less than 14 days thereafter. In such case, at least 14 days' notice in writing must be given before the Offer is closed to the Shareholders who have not accepted the Offer. The Offeror has the right, subject to the Takeovers Code, to extend the Offer until such date as it may determine or as permitted by the Executive, in accordance with the Takeovers Code.
- (5) In accordance with the Takeovers Code, except with the consent of the Executive, the Offer may not become or be declared unconditional as to acceptances after 7:00 p.m. on the 60th day after the day this Composite Offer Document was posted. Where a period laid down by the Takeovers Code ends on a day which is not a Business Day, the period is extended until the next Business Day. Accordingly, unless the Offer has previously become or is declared unconditional as to acceptances, the Offer will lapse after 7:00 p.m. on Monday, 23 August 2010, unless extended with the consent of the Executive.

By order of the board of
**EASYKNIT INTERNATIONAL
HOLDINGS LIMITED**
Kwong Jimmy Cheung Tim
President and Chief Executive Officer

By order of the board of
SEA REJOICE LIMITED
Lui Yuk Chu
Director

Hong Kong, 24 June 2010

At the date of this joint announcement, the board of Easyknit International comprises Mr. Kwong Jimmy Cheung Tim, Ms. Lui Yuk Chu and Ms. Koon Ho Yan, Candy as executive directors, Mr. Tse Wing Chiu, Ricky as non-executive director and Mr. Tsui Chun Kong, Mr. Jong Koon Sang and Mr. Hon Tam Chun as independent non-executive directors.

As at the date hereof, the sole director of the Offeror is Ms. Lui Yuk Chu.

The sole director of the Offeror accepts full responsibility for the accuracy of information contained in this joint announcement (other than information in relation to Easyknit International) and confirms, having made all reasonable enquiries, that to the best of her knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information in relation to the Offeror and parties acting in concert with it (other than Easyknit International)) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Offeror and parties acting in concert with it (other than Easyknit International)), have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

** For identification only*