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Unless otherwise defined herein, terms used in this joint announcement shall have the same meanings as those defined in the composite offer document dated 24 June 2010 (the “Composite Offer Document”) jointly issued by the Offeror and Easyknit International Holdings Limited (the “Company”).

This joint announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of Easyknit International Holdings Limited.



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

**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)

FIRST CLOSING DATE

Joint financial advisers to Sea Rejoice Limited



KINGSTON CORPORATE FINANCE LIMITED

ALTUS CAPITAL LIMITED

Independent Financial Adviser to the Independent Board Committee

**Access
Capital**

The audited results of the Company and its subsidiaries for the year ended 31 March 2010 will be announced on 20 July 2010. As stated in joint announcement of the Offeror and the Company dated 25 June 2010, the First Closing Date has been extended to 3 August 2010, so as to provide more time for Shareholders to consider the audited results of the Company before making a decision whether or not to accept the Offer.

The Independent Financial Adviser has advised the Shareholders to assess the Offer after taking into consideration the audited results of the Company upon their release.

The expected timetable of the Offer, which is indicative and is subject to change, is as follows. All time and date references in the timetable refer to Hong Kong time and dates.

2010

Announcement of the audited results of
the Company and its subsidiaries for
the year ended 31 March 2010 Tuesday, 20 July

Latest time and date for acceptances of the Offer ... 4:00 p.m., Tuesday, 3 August

First Closing Date (*Note 1*) Tuesday, 3 August

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 1*) by 7:00 p.m., Tuesday, 3 August

Latest date for posting of remittances for
the amounts due in respect of valid acceptances
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 respects on the First Closing Date (*Note 2*) Friday, 13 August

Latest time and date for the Offer to remain
open for acceptance assuming the Offer
becomes or is declared unconditional on
the First Closing Date (*Note 3*) 4:00 p.m., Tuesday, 17 August

Latest date for posting of remittances for
the amounts due in respect of valid acceptances
received under the Offer on or before 4:00 p.m.
on 17 August 2010, being the latest date to which
the Offer will remain open for acceptance assuming
the Offer becomes, or is declared, unconditional
in all respects on the First Closing DateFriday, 27 August

Latest time by which the Offer can become or
be declared unconditional (*Note 4*)7:00 p.m., Monday, 23 August

Notes:

- (1) In accordance with the Takeovers Code, the Offer must remain open for acceptance for at least 21 days following the date (being Thursday, 24 June 2010) on which the Composite Offer Document is posted. The Offer will be closed on the First Closing Date (i.e. Tuesday, 3 August 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 Tuesday, 3 August 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 or the date stated therein. 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 Appendix I to the 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 delayed 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.
- (2) 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 relevant Shareholder accepting the Offer. Relevant documents of title must be received by the Offeror to render acceptances of the Offer complete and valid.

An acceptor shall be entitled to withdraw his acceptance after 21 days from the First Closing Date of Tuesday, 3 August 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 the Composite Offer Document.

- (3) 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.
- (4) 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 the 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, 13 July 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*