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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)**

**OFFER BECOMING UNCONDITIONAL IN ALL RESPECTS AND  
EXTENSION OF THE OFFER PERIOD**

**Joint financial advisers to Sea Rejoice Limited**



**KINGSTON CORPORATE FINANCE LIMITED**

**ALTUS CAPITAL LIMITED**

The Board and the Offeror jointly announce that the Offer has become unconditional on Tuesday, 3 August 2010, being the Unconditional Date.

In accordance with the Takeovers Code, the Offer will remain open for acceptance for a period of not less than 14 days after the Unconditional Date. The Offer will therefore remain open until 4:00 p.m., Tuesday, 17 August 2010.

The Offeror confirms that it will not increase the Offer Price. Save as the above, all other terms of the Offer as set out in the Composite Document and the Form of Acceptance and Transfer remain unchanged.

Reference is made to (i) the composite offer document dated 24 June 2010 (the “Composite Offer Document”) jointly issued by the Offeror and the Company in relation to, among other things, the Offer; and (ii) the joint announcements of the Offeror and the Company in relation to the extension of the First Closing Date dated 25 June 2010 and 13 July 2010 respectively.

#### **ACCEPTANCE LEVEL**

As at 4:00 p.m. on Tuesday, 3 August 2010, being the latest time and date for acceptance of the Offer as set out in the Composite Document, the Offeror has received valid acceptances in respect of a total of 9,567,514 Shares under the Offer (the “Acceptance Shares”), representing approximately 12.05% of the issued share capital and voting rights of the Company as at the date of this joint announcement. All the acceptances of the Offer have been verified and confirmed to be valid as at the date of this joint announcement. As at the date of this joint announcement, other than the Shares, there are no convertible securities, warrants, options, derivatives or other securities convertible into Shares issued by the Company.

#### **THE OFFER HAS BECOME UNCONDITIONAL**

Before the Offer period commenced on 24 June 2010, (i) the Offeror and parties acting in concert with it were interested in 29,179,480 Shares, representing 36.74% of the issued share capital and voting rights of the Company; and (ii) there was no rights over Shares being held, controlled or directed by the Offeror or parties acting in concert with it.

During the Offer period and up to and including the date of this joint announcement, the Offeror and parties acting in concert with it (i) had acquired on the market 1,500,000 Shares (“Acquired Shares”), representing approximately 1.89% of the issued share capital and voting rights of the Company as at the date of this joint announcement; (ii) did not borrow or lend any Shares; and (iii) did not acquire any rights over Shares.

Taking into account (i) the Acceptance Shares; (ii) the Acquired Shares; and (iii) 29,179,480 Shares already held by the Offeror and parties acting in concert with it before the Offer period commenced on 24 June 2010, the Offeror and parties acting in concert with it are interested in an aggregate of 40,246,994 Shares, representing approximately 50.68% of the issued share capital and voting rights of the Company as at the date of this joint announcement. Accordingly, the condition of the Offer of valid acceptances having been received (and where permitted, not withdrawn) on or before 4:00 p.m. on the First Closing Date in respect of the Shares, which together with the Shares already held by the Offeror and parties acting in concert with it, constituting more than 50% of the voting rights of the Company, has been fulfilled. The Offer has therefore become unconditional in all respects at 4:00 p.m. on 3 August 2010, being the Unconditional Date.

### **THE OFFER REMAINS OPEN FOR ACCEPTANCE**

In accordance with the Takeovers Code, the Offer will remain open for acceptance for a period of not less than 14 days after the Unconditional Date. The Offer will therefore remain open until 4:00 p.m., Tuesday, 17 August 2010 (“Final Closing Date”). 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.

The Offeror confirms that it will not increase the Offer Price. Save as the above, all other terms of the Offer as set out in the Composite Document and the Form of Acceptance and Transfer remain unchanged. Independent Shareholders are advised to refer to the Composite Document and the Form of Acceptance for details of the acceptance procedures should they wish to accept the Offer. Further announcement on the results of the Offer will be made on Tuesday, 17 August 2010.

Independent Shareholders who wish to accept the Offer must send the Form of Acceptance and Transfer duly completed together with the relevant original share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for all of the Shares or, if applicable, for not less than the number of Shares in respect of which he/she intended to accept under the Offer, to the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event no later than 4:00 p.m. on Tuesday, 17 August 2010.

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 of the later of (i) the Unconditional Date; and (ii) the date on which the duly completed Form of Acceptance and Transfer received by the Offeror 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.

## **LISTING STATUS OF THE COMPANY**

As at the date of this joint announcement, there were 39,173,409 Shares in the hands of the public, representing 49.32% of the issued share capital of the Company. It is the intention of the Offeror to maintain the listing status of the Company on the Stock Exchange after the close of the Offer. Accordingly, the Offeror will take appropriate steps to ensure that not less than 25% of the Shares will be held by the public. If, at the close of the Offer, less than 25% of the Shares are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, the Stock Exchange may exercise its discretion to suspend dealings in the Shares.

It should therefore be noted that, upon completion of the Offer, there may be insufficient public float for the Shares, and therefore trading in the Shares may be suspended until a prescribed level of public float is restored. The Offeror may enter into a conditional placing arrangement to place out Shares in order to ensure the above, in the event that the Offeror acquires more than 75% issued Shares pursuant to the Offer.

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, 3 August 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*