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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”).



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

**(1) CLOSE OF VOLUNTARY UNCONDITIONAL 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)**

AND

(2) LEVEL OF ACCEPTANCES AS AT THE FINAL CLOSING DATE

Joint financial advisers to Sea Rejoice Limited



KINGSTON CORPORATE FINANCE LIMITED

ALTUS CAPITAL LIMITED

The Company and the Offeror jointly announce that the Offer closed at 4:00 p.m., Tuesday, 17 August 2010.

As at 4:00 p.m. on the Final Closing Date, the Offeror had received valid acceptances in respect of a total of 15,929,664 Shares under the Offer, representing approximately 20.06% of the issued share capital and voting rights of the Company as at the date of this joint announcement.

As at the date of this joint announcement and immediately following the close of the Offer, the Offeror and parties acting in concert with it are interested in approximately 58.69% of the issued share capital of the Company and approximately 41.31% of the issued share capital of the Company is held by the public. The minimum public float requirement of 25% under Rule 8.08(1)(a) of the Listing Rules is therefore satisfied.

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; (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; and (iii) the joint announcement of the Offeror and the Company dated 3 August 2010 in relation to the Offer becoming unconditional in all respects and extension of the Offer Period.

ACCEPTANCE LEVEL AS AT THE FINAL CLOSING DATE

The Offer was declared unconditional on Tuesday, 3 August 2010.

As at 4:00 p.m. on Tuesday, 17 August 2010 (“Final Closing Date”), being the latest time and date for acceptance of the Offer, the Offeror had received valid acceptances in respect of a total of 15,929,664 Shares under the Offer (the “Acceptance Shares”), representing approximately 20.06% 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.

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

During the Offer Period and up to the close of business on the Final Closing Date, the Offeror and parties acting in concert with it (i) 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; (ii) did not borrow or lend any Shares; and (iii) did not otherwise acquire or agree to acquire any rights over Shares other than pursuant to the Offer.

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, the Offeror and parties acting in concert with it are interested in an aggregate of 46,609,144 Shares, representing approximately 58.69% of the issued share capital and voting rights of the Company as at the date of this joint announcement.

SHAREHOLDING OF THE COMPANY

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 shareholdings in the Company (i) before the Offer Period commenced; and (ii) as at close of business of the Final Closing Date are set out as below:

	Before the Offer period commenced		As at close of business of the Final Closing Date	
	No. of Shares held	Approx. % of issued Shares	No. of Shares held	Approx. % of issued Shares
Offeror (and its concert parties)	29,179,480 (Note a)	36.74	46,609,144 (Note b)	58.69
Other Shareholders	<u>50,240,923</u>	<u>63.26</u>	<u>32,811,259</u>	<u>41.31</u>
Total	<u>79,420,403</u>	<u>100.00</u>	<u>79,420,403</u>	<u>100.00</u>

Notes:

- (a) *These Shares are registered in the name of and are beneficially owned by Magical Profits Limited, which is wholly-owned by Accumulate More Profits Limited which in turn is wholly-owned by Hang Seng Bank Trustee International Limited as trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu and her family members other than her spouse). Ms. Lui Yuk Chu, an executive Director and Vice President of Easyknit International, wholly-owns the Offeror. Magical Profits is therefore a party acting in concert with the Offeror.*

- (b) *The total number of Shares held by the Offeror and parties acting in concert with it after taking into account the 15,929,664 Acceptance Shares and the 1,500,000 Acquired Shares.*

As at the date of this joint announcement and immediately following the close of the Offer, the Offeror and parties acting in concert with it are interested in approximately 58.69% of the issued share capital of the Company and approximately 41.31% of the issued share capital of the Company is held by the public. The minimum public float requirement of 25% under Rule 8.08(1)(a) of the Listing Rules is therefore satisfied.

SETTLEMENT OF THE OFFER

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 have been posted, or will be posted (as the case may be) by ordinary post to the Shareholders who have accepted 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 date on which the duly completed Form of Acceptance and Transfer, together with the relevant documents of title in respect of the Offer Shares, have been received by the Offeror.

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, 17 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*