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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)



Easyknit Enterprises Holdings Limited

永義實業集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code : 0616)

JOINT ANNOUNCEMENT

**CLOSE OF UNCONDITIONAL MANDATORY OFFER BY
ALTUS INVESTMENTS LIMITED
ON BEHALF OF
EASYKNIT INTERNATIONAL HOLDINGS LIMITED
(THROUGH GOODCO DEVELOPMENT LIMITED)
FOR ALL THE ISSUED SHARES IN THE SHARE CAPITAL OF
EASYKNIT ENTERPRISES HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR
AGREED TO BE ACQUIRED BY
EASYKNIT INTERNATIONAL HOLDINGS LIMITED,
GOODCO DEVELOPMENT LIMITED
AND PARTIES ACTING IN CONCERT WITH ANY OF THEM)**

Financial Adviser to Easyknit International Holdings Limited

ALTUS CAPITAL LIMITED

CLOSE OF THE OFFER

The Offer made by Altus Investments, for and on behalf of the Offeror, had closed on Friday, 11 November 2011.

RESULTS OF THE OFFER

As at 4:00 p.m. on Friday, 11 November 2011, being the latest time and date for acceptance of the Offer as set out in the Composite Offer Document, the Offeror had received valid acceptances in respect of 197,708,479 Shares under the Offer, representing approximately 35.90% of the total issued share capital of Easyknit Enterprises as at the date of this joint announcement. The Offer has not been revised or extended.

PUBLIC FLOAT OF THE SHARES

Upon the close of the Offer, 105,236,004 Shares, representing approximately 19.11% of the issued share capital of Easyknit Enterprises are held by the public. Accordingly, Easyknit Enterprises cannot fulfil the minimum public float requirement under Rule 8.08 of the Listing Rules. An application to the Stock Exchange for a waiver from strict compliance with Rule 8.08 of the Listing Rules up to and inclusive of 14 May 2012 has been made by Easyknit Enterprises. The Offeror and Easyknit Enterprises will take appropriate steps to restore the minimum public float as required under Rule 8.08 of the Listing Rules.

Reference is made to (i) the joint announcements made by Easyknit International and Easyknit Enterprises dated 12 September, 19 October and 25 October 2011; and (ii) the Composite Offer Document. Unless otherwise defined, capitalised terms used in this joint announcement shall have the same meanings as those used in the Composite Offer Document.

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SETTLEMENT OF THE OFFER

A cheque for the amount representing the cash consideration due to the respective accepting Independent Shareholders in respect of the Offer Shares tendered by them under the Offer, less seller's ad valorem stamp duty payable by them, will be despatched to the accepting Independent Shareholders to the addresses specified on the Form of Acceptance by ordinary post at their own risk as soon as possible but in any event within 10 days of the date on which all the relevant documents which render such acceptance complete and valid are received by the Registrar.

SHAREHOLDINGS OF EASYKNIT ENTERPRISES

Immediately prior to 12 September 2011, being the commencement of the Offer Period, Easyknit International, the Offeror and parties acting in concert with any of them owned in aggregate 174,592,987 Shares. During the Offer Period, Easyknit International, the Offeror and parties acting in concert with any of them acquired (i) 11,374,000 Shares through the public market; and (ii) 61,775,205 Shares through the Share Purchase Agreement.

The Composite Offer Document was despatched to Independent Shareholders on 21 October 2011 and the Offer became unconditional on 25 October 2011.

As valid acceptances in respect of 197,708,479 Shares were received under the Offer, the Offeror and parties acting in concert with it are interested in an aggregate of 445,450,671 Shares immediately following the close of the Offer, representing approximately 80.89% of the issued share capital of Easyknit Enterprises as at the date of this joint announcement.

Save as aforesaid, none of Easyknit International, the Offeror and parties acting in concert with any of them, held, controlled or directed any Shares and none of Easyknit International, the Offeror or parties acting in concert with any of them acquired or agreed to acquire any Shares and rights over Shares or securities of Easyknit Enterprises during the Offer Period. Easyknit International, the Offeror and parties acting in concert with any of them had not borrowed or lent any relevant securities of Easyknit Enterprises during the Offer Period.

The following table sets out the shareholding structure of Easyknit Enterprises (i) immediately prior to 12 September 2011, being the commencement of the Offer Period; and (ii) immediately after the close of the Offer:

	Immediately prior to 12 September 2011, date of commencement of the Offer Period		Immediately after the close of the Offer	
	Shares	Approximate %	Shares	Approximate %
Offeror and parties acting in concert with it	174,592,987	31.70	174,592,987	31.70
- from Share Purchase Agreement	-	-	61,775,205	11.22
- from the public market after 12 September 2011	-	-	11,374,000	2.07
- valid acceptances under the Offer	-	-	197,708,479	35.90
Subtotal	<u>174,592,987</u>	<u>31.70</u>	<u>445,450,671</u>	<u>80.89</u>
Mr Park	61,775,205	11.22	-	-
Daswani Rajkumar Murlidhar	159,704,216	29.00	300,000 (Note)	0.05
Public	154,614,267	28.08	104,936,004	19.06
Subtotal	<u>376,093,688</u>	<u>68.30</u>	<u>105,236,004</u>	<u>19.11</u>
Total	<u>550,686,675</u>	<u>100.00</u>	<u>550,686,675</u>	<u>100.00</u>

Note: Based on the latest disclosure of interest form filed with the Company. The shareholding of Mr. Daswani Rajkumar Murlidhar will be considered as part of the public float immediately after the close of the Offer.

PUBLIC FLOAT OF THE SHARES

Upon the close of the Offer, 105,236,004 Shares, representing approximately 19.11% of the issued share capital of Easyknit Enterprises are held by the public (i.e., who are independent of the Directors, chief executive or substantial shareholders of Easyknit Enterprises, its subsidiaries or any of their respective associates). Accordingly, Easyknit Enterprises cannot fulfil the minimum public float requirement under Rule 8.08 of the Listing Rules. An application to the Stock Exchange for a waiver from strict compliance with Rule 8.08 of the Listing Rules up to and inclusive of 14 May 2011 has been made by Easyknit Enterprises. The Offeror and Easyknit Enterprises will take appropriate steps to restore the minimum public float as required under Rule 8.08 of the Listing Rules.

By Order of the Board
Easyknit International Holdings Limited
Kwong Jimmy Cheung Tim
President and Chief Executive Officer

By Order of the Board
Easyknit Enterprises Holdings Limited
Kwong Jimmy Cheung Tim
Chairman and Chief Executive Officer

Hong Kong, 11 November 2011

As at the date hereof, the board of directors of Easyknit International Holdings Limited 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 board of directors of Easyknit Enterprises Holdings Limited 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. Kan Ka Hon, Mr. Lau Sin Ming and Mr. Foo Tak Ching as independent non-executive directors.

The directors of Easyknit International Holdings Limited jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information in relation to Easyknit Enterprises Holdings Limited) and confirm, having made all reasonable enquiries, 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.

The directors of Easyknit Enterprises Holdings Limited jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information in relation to Easyknit International, the Offeror and the parties acting in concert with any of them (except Easyknit Enterprises Holdings Limited itself)) and confirm, having made all reasonable enquiries, 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.