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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

(1) COMPLETION OF CONDITIONAL SHARE PURCHASE AGREEMENT AND

(2) MANDATORY CONDITIONAL 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 IT)

Financial Adviser to Easyknit International Holdings Limited
ALTUS CAPITAL LIMITED

Reference is made to the Joint Announcement dated 12 September 2011. As all the conditions precedent to the Conditional Share Purchase Agreement have been fulfilled, completion took place on 19 October 2011. Immediately following the completion, Easyknit International, the Offeror and parties acting in concert with it own in aggregate 246,942,192 EE Shares, representing approximately 44.84% of the entire issued share capital of the Easyknit Enterprises as at the date of this joint announcement.

Pursuant to Rule 26.1 of the Takeovers Code, Easyknit International, the Offeror is required to make a mandatory conditional offer and Altus Investments Limited will, on behalf of the Offeror, make mandatory conditional offer to acquire all the issued EE Shares not already owned or agreed to be acquired by the Easyknit International, the Offeror and parties acting in concert with it. Details of the terms of the Offer are set out in the Joint Announcement.

Reference is made to the announcement jointly issued by Easyknit International and Easyknit Enterprises on 12 September 2011 (the “**Joint Announcement**”). Capitalised terms used herein shall have the same meanings as those defined in the Joint Announcement unless the context otherwise requires.

COMPLETION OF THE CONDITIONAL SHARE PURCHASE AGREEMENT

As all the conditions precedent to the Conditional Share Purchase Agreement have been fulfilled, completion took place on 19 October 2011. From the date of the Joint Announcement to the date of this joint announcement, the Offeror had purchased a total of 10,574,000 EE Shares in the market, the details of which are summarized below:

Date of Purchase	Number of EE Shares	Price of EE Shares <i>(HK\$)</i>
23 September 2011	100,000	0.300
23 September 2011	2,000	0.295
26 September 2011	1,638,000	0.300
27 September 2011	16,000	0.300
28 September 2011	8,000	0.300
30 September 2011	600,000	0.300
3 October 2011	2,732,000	0.300
3 October 2011	150,000	0.295
4 October 2011	1,100,000	0.295
6 October 2011	850,000	0.295
10 October 2011	146,000	0.295
11 October 2011	12,000	0.295
12 October 2011	68,000	0.295
13 October 2011	160,000	0.300
14 October 2011	2,886,000	0.300
17 October 2011	10,000	0.300
18 October 2011	96,000	0.300

Immediately following completion of the acquisition of 61,775,205 EE Shares at HK\$0.30 per EE Share from Mr. Park pursuant to the Conditional Share Purchase Agreement, Easyknit International, the Offeror and parties acting in concert with it own in aggregate 246,942,192 EE Shares, representing approximately 44.84% of the entire issued share capital of the Easyknit Enterprises as at the date of this joint announcement.

SHAREHOLDING STRUCTURE

Set out below is a table showing the shareholding structure of the Company (i) immediately before completion; and (ii) immediately after completion and as at the date of this joint announcement:

Easyknit Enterprises Name of Shareholder	Immediately before completion of the Conditional Share Purchase Agreement		Immediately after completion of the Conditional Share Purchase Agreement and as at the date of this joint announcement	
	Number of EE Shares	Approximate % of issued EE Shares	Number of EE Shares	Approximate % of issued EE Shares
<i>The Offeror and parties acting in concert with it</i>				
Landmark Profits	174,592,987	31.70%	174,592,987	31.70%
The Offeror	10,574,000	1.92%	72,349,205	13.14%
<i>Other Substantial Shareholders</i>				
Mr. Park	61,775,205	11.22%	-	-
Daswani Rajkumar Murlidhar	159,704,216	29.00%	159,704,216	29.00%
<i>Other Shareholders</i>				
Public	144,040,267	26.16%	144,040,267	26.16%
Total	550,686,675	100.00%	550,686,675	100.00%

THE POSSIBLE OFFER WILL NOW PROCEED

Following completion of the Conditional Share Purchase Agreement, pursuant to Rule 26.1 of the Takeovers Code, Easyknit International, the Offeror and parties acting in concert with any of them are required to make mandatory conditional offer to acquire all the issued EE Shares not already owned or agreed to be acquired by any of them.

The Possible Offer, the details of which are set out in the Joint Announcement, will now proceed. The composite offer document and form of acceptance and transfer (the “**Composite Document**”) containing, among others, the relevant terms and conditions, the letter of advice of the joint independent financial advisers to the independent board committee of Easyknit Enterprises and the letter of advice of the independent board committee to the independent shareholders of Easyknit Enterprises are expected to be despatched to the EE Shareholders on or around 21 October 2011. Further announcement will be made when the Composite Document together with the form of acceptance and transfer in respect of the Offer Shares, are despatched.

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, 19 October 2011

As at the date hereof, the board of directors of Easykmit 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 Easykmit 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 Easykmit International Holdings Limited jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information in relation Easykmit 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 Easykmit 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 Easykmit International, the Offeror and the parties acting in concert with any of them (except Easykmit 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.