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EASYKNIT ENTERPRISES HOLDINGS LIMITED

永義實業集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 616)

DELAY IN DESPATCH OF CIRCULAR IN RELATION TO MAJOR TRANSACTION POSSIBLE ACQUISITION BY WAY OF MERGER OF 100% OF WITS BASIN PRECIOUS MINERALS INC.

Further to its announcement dated 17 July 2007 in relation to the major transaction, the Company announces that there will be a delay in despatch of the Circular until 30 November 2007.

On 17 July 2007, Easyknit Enterprises Holdings Limited (the "Company") made an announcement in relation to the proposed merger with Wits Basin (the "Announcement"). Terms used herein have the same meanings as defined in the Announcement, unless the context otherwise requires.

Rule 14.38 of the Listing Rules requires a circular in relation to the major transaction (the "Circular") to be despatched to shareholders of the Company within 21 days after the publication of the Announcement, that is on or before 7 August 2007.

In accordance with Rule 14.67(4)(a) of the Listing Rules, the Circular is required to contain an accountants' report on Wits Basin to be prepared in accordance with the requirements of Chapter 4 of the Listing Rules. The Company was informed by Wits Basin that such accountants' report will not be available until the end of September 2007. In addition, the Company was informed that the technical report in relation to mining sites of Wits Basin to be prepared in accordance with Chapter 18 of the Listing Rules will not be available until the end of September 2007. The pro forma statement of assets and liabilities of the Enterprises Group and Wits Basin (the "Pro Forma Statement") can only be prepared when the Wits Basin's accountants' report is available. As such, the Company will not be able to issue the Circular by 7 August 2007, being 21 days after publication of the Announcement, in accordance with Rule 14.38 of the Listing Rules. In light of the timing involved in preparing the Wits Basin's accountants' report, the Pro Forma Statement and the technical report, the Company has applied for a waiver from strict compliance with the requirements of Rule 14.38 of the Listing Rules by extending the despatch date of the Circular to no later than 30 November 2007.

As at the date of this announcement, the board of directors of the Company comprises Mr. Tse Wing Chiu, Ricky, Ms. Lui Yuk Chu and Mr. Kwong Jimmy Cheung Tim as executive directors and Mr. Kan Ka Hon, Mr. Lau Sin Ming and Mr. Foo Tak Ching as independent non-executive directors.

By order of the board of
Easyknit Enterprises Holdings Limited
Tse Wing Chiu, Ricky
Chairman and Chief Executive Officer

Hong Kong, 6 August 2007

** For identification only*