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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)

MAJOR TRANSACTION FURTHER DELAY IN DESPATCH OF CIRCULAR

The Company applied to the Stock Exchange for, and was granted, a waiver from strict compliance with Rule 14.38A of the Listing Rules and an extension of time for the despatch of the Circular, to a date no later than 29 March 2010.

As additional time is required to finalise information for inclusion in the Circular, in particular in relation to preparation of the reconciliation statement regarding the value of the Repurchased Lands, the despatch of the Circular has to be further delayed. The Company has applied to the Stock Exchange for a further waiver from strict compliance with Rule 14.38A of the Listing Rules and a further extension of time for the despatch of the Circular to a date no later than 31 March 2010.

On 1 March 2010, an announcement (the “First Announcement”) was issued by the Company in connection with the Disposal, and on 22 March 2010, an announcement (the “Delay Announcement”) was issued by the Company in relation to the delay in despatch of the Circular. Terms defined in the Delay Announcement are used with those defined meanings in this announcement, unless the context otherwise requires.

Pursuant to Rule 14.38A of the Listing Rules, the Company is required to despatch the Circular to the Shareholders within 21 days after publication of the First Announcement, that is on or before 22 March 2010. As set out in the First Announcement, the Company applied to the Stock Exchange for a waiver from strict compliance with Rule 14.38A of the Listing Rules to postpone the deadline for despatch of the Circular to a date no later than 29 March 2010.

As additional time is required to finalise information for inclusion in the Circular, in particular in relation to preparation of the reconciliation statement regarding the value of the Repurchased Lands, the despatch of the Circular has to be further delayed. The Company has applied to the Stock Exchange for a further waiver from strict compliance with Rule 14.38A of the Listing Rules and a further extension of time for the despatch of the Circular to a date no later than 31 March 2010.

At the date of this announcement, the Board comprises Mr. Kwong Jimmy Cheung Tim and Ms. Lui Yuk Chu 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.

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

Hong Kong, 29 March 2010

** For identification only*