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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 : 0616)

MAJOR TRANSACTION ACQUISITION OF PROPERTIES

DELAY IN DESPATCH OF CIRCULAR

The Company has applied to the Stock Exchange for a waiver and an extension of time for the despatch of the Circular referred to in the joint announcement dated 30 April 2012 issued by the Company and Easyknit International in connection with the acquisition of the Properties, to a date no later than 8 June 2012.

On 30 April 2012, a joint announcement (the “**Announcement**”) was issued by the Company and Easyknit International in connection with the acquisition of the Properties, which constitutes a major transaction for the Company under the Listing Rules. Terms defined in the Announcement are used with those defined meanings in this announcement, unless the context otherwise requires.

Pursuant to Rule 14.44 of the Listing Rules, the Company has obtained written shareholders’ approval for the Acquisition from a closely allied group of its shareholders, being Landmark Profits Limited and Goodco Development Limited. Pursuant to Rule 14.41(a) of the Listing Rules, the Company is required to despatch a circular (the “**Circular**”) to its shareholders within 15 business days after the publication of the Announcement, that is on or before 22 May 2012. As additional time is required to finalize the Circular, the Company has applied to the Stock Exchange for, and has been granted, a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and an extension of time for the despatch of the Circular to a date no later than 8 June 2012.

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

Hong Kong, 22 May 2012

As at the date of this announcement, the Board 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.

** for identification only*