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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)

DELAY IN DESPATCH OF CIRCULAR IN RELATION TO (1) PROPOSED CAPITAL REORGANISATION INVOLVING SHARE CONSOLIDATION, CAPITAL REDUCTION AND CAPITAL INCREASE; (2) CHANGE IN BOARD LOT SIZE; AND (3) PROPOSED RIGHTS ISSUE ON THE BASIS OF FIVE RIGHTS SHARES FOR EVERY ONE ADJUSTED SHARE HELD ON RECORD DATE

Reference is made to the joint announcement of Easyknit International Holdings Limited and Easyknit Enterprises Holdings Limited (the “**Company**”) dated 11 October 2012 and the announcement of the Company dated 5 November 2012 in respect of, among other things, the proposed Capital Reorganisation, the change in board lot size and the proposed Rights Issue (the “**Announcements**”). Unless the context herein otherwise requires, capitalized terms used in this announcement shall have the same meanings as defined in the Announcements.

As stated in the Announcements, the despatch date of the circular (the “**Circular**”) containing, among other things, further details of the proposed Capital Reorganisation, the change in board lot size, the proposed Rights Issue and a notice convening the SGM has been postponed to a later date subsequent to 5 November 2012 as originally scheduled. The Board announces that as additional time is required to prepare and finalise certain information for inclusion in the Circular, the date of despatch of the Circular will be postponed to 15 November 2012.

CHANGE OF USE OF PROCEEDS

It was stated in the Announcements that the Directors intended to apply the net proceeds of approximately HK\$113.03 million from the Rights Issues to (i) approximately HK\$100 million for property investments and (ii) approximately HK\$13 million for general working capital of the EE Group.

The Company proposes to change the use of net proceeds from the Rights Issue so that the entire net proceeds of approximately HK\$113.03 million are now intended to be applied for property investment, details of which will be set out in the circular of the Company to be despatched on 15 November 2012.

** for identification only*

The revised table of the proposed Capital Reorganisation, the change in board lot size and the proposed Rights Issue is set out below:

Event	2012 (Hong Kong time)
Despatch of circular with notice of EE SGM	Thursday, 15 November
Latest time for lodging proxy form	9:30 a.m. on Saturday, 8 December
Date and time of the EE SGM	9:30 a.m. on Monday, 10 December
Announcement on results of EE SGM	Monday, 10 December
Effective date for the Capital Reorganisation	Tuesday, 11 December
Commencement of dealings in the Adjusted Shares	9:00 a.m. on Tuesday, 11 December
Original counter for trading in existing EE share certificates in board lots of 2,000 Shares temporarily closes	9:00 a.m. on Tuesday, 11 December
Temporary counter for trading in Adjusted Shares in board lots of 100 Adjusted Shares (in the form of existing share certificates) opens	9:00 a.m. on Tuesday, 11 December
First day for free exchange of existing certificates for the Shares into new share certificates for Adjusted Shares	9:00 a.m. on Tuesday, 11 December
Last day of dealings in EE Shares on a cum-rights basis	Tuesday, 11 December
First day of dealings in EE Shares on an ex-rights basis	Wednesday, 12 December
Latest time for Shareholders to lodge transfer of EE Shares in order to qualify for the Rights Issue	4:00 p.m. on Thursday, 13 December
Closure of register of members of EE (both dates inclusive)	Friday, 14 December to Monday, 17 December
Record date and time	4:00 p.m. on Monday, 17 December
Register of members re-opens	Tuesday, 18 December
Despatch of Prospectus Documents	Wednesday, 19 December
First day of dealings in nil-paid Rights Shares	Friday, 21 December
Designated broker starts to stand in the market to provide matching services for odd lots of Adjusted Shares	9:00 a.m. on Thursday, 27 December

Original counter for trading in Adjusted Shares in new board lots of 4,000 Adjusted Shares (in the form of new share certificates) re-opens

9:00 a.m. on
Thursday, 27 December

2013
(Hong Kong time)

Last day of dealing in nil-paid Rights Shares

Wednesday, 2 January

Latest time for acceptance of, and payment for, the Rights Shares and the application for excess Rights Shares

4:00 p.m. on
Monday, 7 January

Latest time to terminate the Underwriting Agreement and for the Rights Issue to become unconditional

4:00 p.m. on
Friday, 11 January

Announcement of results of the Rights Issue

Tuesday, 15 January

Refund cheques to be despatched in relation to wholly or partially unsuccessful applications for excess Rights Shares on or before

Wednesday, 16 January

Certificates for fully paid Rights Shares to be despatched on or before

Wednesday, 16 January

Commencement of dealings in fully-paid Rights Shares

9:00 a.m. on
Thursday, 17 January

Temporary counter for trading in Adjusted Shares in board lots of 100 Adjusted Shares (in the form of existing certificates) closes

4:00 p.m. on
Thursday, 17 January

Parallel trading in the Adjusted Shares (represented by both existing certificates in board lots of 100 Adjusted Shares and new certificates in board lots of 4,000 Adjusted Shares) ends

4:00 p.m. on
Thursday, 17 January

Designated broker ceases to stand in the market to provide matching service

4:00 p.m. on
Thursday, 17 January

Last day for free exchange of existing share certificates for new certificates

Monday, 21 January

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

Hong Kong, 14 November 2012

As at the date hereof, the Board comprises Mr. Kwong Jimmy Cheung Tim, Ms. Lui Yuk Chu and 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.