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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)

DESPATCH OF PROSPECTUS DOCUMENTS

The Board is pleased to announce that the Prospectus Documents have been despatched to the Qualifying Shareholders on 1 April 2015. The Company will proceed with the Rights Issue in accordance with the expected timetable as set out in the Prospectus.

Reference is made to the joint announcement of Easyknit Enterprises Holdings Limited (the “**Company**”) and Easyknit International Holdings Limited dated 2 February 2015, the circular of the Company dated 2 March 2015 and the prospectus of the Company dated 1 April 2015 (the “**Prospectus**”), in relation to the Rights Issue. Capitalised terms used herein shall have the same meanings as defined in the Prospectus unless otherwise stated.

The Board is pleased to announce that the Prospectus Documents have been despatched to the Qualifying Shareholders on 1 April 2015. At as the date of this announcement, the Company intends to proceed with the Rights Issue in accordance with the expected timetable as set out in the Prospectus.

The Rights Issue is conditional, inter alia, upon the Underwriting Agreement not being terminated by the Underwriter in accordance with the terms of the Underwriting Agreement. Details of the circumstances under which the Underwriter may terminate the Underwriting Agreement are set out in the Prospectus. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the Adjusted Shares and the Rights Shares in nil-paid form, and if they are in any doubt about their positions, they should consult their own professional advisers.

Dealings in the Rights Shares in their nil-paid form are expected to take place from Wednesday, 8 April 2015 to Wednesday, 15 April 2015 (both days inclusive). If prior to 4:00 p.m. on Wednesday, 22 April 2015 (or such other time as the Underwriter may agree with the Company), the Underwriter terminates the Underwriting Agreement (see the section headed “Termination of the Underwriting Agreement” in the Prospectus) or if any of the conditions precedent to the Rights Issue (see the sub-section headed “Conditions of the Rights Issue” under the section headed “The Rights Issue” in the “Letter from the Board” in the Prospectus) cannot be fulfilled or is not waived, the Rights Issue will not proceed.

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

Hong Kong, 1 April 2015

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 and Mr. Lai Law Kau as non-executive directors; and Mr. Kan Ka Hon, Mr. Lau Sin Ming and Mr. Foo Tak Ching as independent non-executive directors.

** for identification purposes only*