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EASYKNIT INTERNATIONAL HOLDINGS LIMITED

永義國際集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 1218)

**MAJOR AND DISCLOSEABLE TRANSACTION
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 announcement dated 27 June 2008 issued by the Company in connection with the proposed acquisition of the entire issued share capital of Trump Elegant and loan to Trump Elegant, to a date no later than 8 August 2008.

On 27 June 2008, an announcement (the “Announcement”) was issued by the Company in connection with the proposed acquisition of the entire issued share capital of Trump Elegant and loan to Trump Elegant, which constitutes major and discloseable transactions respectively, 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 Rules 14.38 and 14.40 of the Listing Rules, the Company is required to despatch a circular (the “Circular”) to the Shareholders within 21 days after publication of the Announcement, that is on or before 18 July 2008. The Company is currently in the process of finalising information for its annual report. The Company believes that it is more appropriate to include such information, including financial information for the year ended 31 March 2008 and updated management discussion and analysis, in the Circular, and to use the updated financial information in the preparation of the pro forma statement of assets and liabilities, to give the Shareholders a more up to date picture of the Company’s position. Due to the close proximity in time between the proposed despatch of its annual report and the proposed despatch of the Circular, and as work is currently underway in the preparation of the information for the annual report, and further having been informed by its auditors that additional time is needed for the finalisation of all information to be included in the Circular, the Company has applied to the Stock Exchange for a waiver and an extension of time for the despatch of the Circular to a date no later than 8 August 2008.

As 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 the non-executive director and Mr. Wong Sui Wah, Michael, Mr. Tsui Chun Kong and Mr. Jong Koon Sang as independent non-executive directors.

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

Hong Kong, 10 July 2008

* *for identification only*