

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Easyknit International Holdings Limited

永義國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 1218)



Easyknit Enterprises Holdings Limited

永義實業集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 616)

**FURTHER DELAY IN DESPATCH OF CIRCULAR
UPDATE OF TIMETABLE FOR SHARE CONSOLIDATION
AND
CLARIFICATION OF FINANCIAL INFORMATION**

Easyknit International and Easyknit Enterprises have applied for and been granted a waiver from strict compliance with Rules 14.48 and 14A.49 of the Listing Rules by the Stock Exchange to postpone the despatch the EI Circular and EE Circular. As additional time is required to finalise certain information for inclusion in the circulars, the despatch of (i) the EI Circular in respect of the very substantial disposal in relation to the disposal of garment trading business and the proposed Share Consolidation for Easyknit International; and (ii) the EE Circular in respect of the very substantial acquisition and connected transaction in relation to the acquisition of garment trading business and the proposed refreshment of General Mandates for Easyknit Enterprises as detailed in the First Joint Announcement will be postponed from 27 January 2010 (as announced in the Third Joint Announcement to on or before 29 January 2010.

Due to the postponement of despatch of the EI Circular and the EE Circular, the date of the SGM of Easyknit International and the SGM of Easyknit Enterprises has been postponed to 17 February 2010. Accordingly, the expected timetable for the Share Consolidation of Easyknit International contained in the First Joint Announcement has also been revised.

The EI Directors and the EE Directors would also like to clarify some financial information contained in the First Joint Announcement.

Reference is made to the joint announcement of Easyknit International and Easyknit Enterprises dated 8 December 2009 in respect of (i) the proposed Transaction in relation to the acquisition and disposal of garment trading business; (ii) the proposed Share Consolidation for Easyknit International; and (iii) the proposed refreshment of the General Mandates for Easyknit Enterprises (the “First Joint Announcement”), the joint announcement of Easyknit International and Easyknit Enterprises dated 24 December 2009 in respect of the delay in despatch of the EI Circular and EE Circular (the “Second Joint Announcement”), and the joint announcement of Easyknit International and Easyknit Enterprises dated 14 January 2010 in respect of the update of despatch date of the EI Circular and EE Circular and update of the timetable for the Share Consolidation (the “Third Joint Announcement”). Terms used herein shall have the same meanings as those defined in the First Joint Announcement, the Second Joint Announcement and/or the Third Joint Announcement unless otherwise specified.

Further delay in despatch of circulars

According to the Second Joint Announcement, Easyknit International has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.48 of the Listing Rules, while Easyknit Enterprises has applied to the Stock Exchange for a waiver from strict compliance with Rules 14.48 and 14A.49 of the Listing Rules. Both waivers have been granted by the Stock Exchange on 28 December 2009 such that the despatch of the EI Circular and the EE Circular will be postponed to a date on or before 29 January 2010.

As announced in the Third Joint Announcement, the EI Circular and the EE Circular was to be despatched on 27 January 2009. However, as additional time is required to finalise certain information in the EI Circular and EE Circular, the EI Directors and the EE Directors wish to announce that the despatch of the EI Circular and the EE Circular will be postponed from 27 January 2010 to on or before 29 January 2010. The date of both the SGM of Easyknit International and the SGM of Easyknit Enterprises has been postponed from 12 February 2010 (as announced in the Third Joint Announcement) to 17 February 2010.

Update of timetable for Share Consolidation

Accordingly, the expected timetable for the Share Consolidation of Easyknit International has been revised. The table below sets out the revised timetable of the Share Consolidation, with a column setting out the indicative timetable announced in the Third Joint Announcement for reference.

	Indicative timetable announced on 14 January 2010	Revised indicative timetable
	<i>2010</i>	<i>2010</i>
Latest time for return of proxy form of SGM of Easyknit International (not less than 48 hours before the SGM)	9:00 a.m., Wednesday, 10 February	9:00 a.m., Monday, 15 February
Expected date and time of SGM of Easyknit International	9:00 a.m., Friday, 12 February	9:00 a.m., Wednesday, 17 February
Effective date of the Share Consolidation	Wednesday, 17 February	Thursday, 18 February
Commencement of dealings in Consolidated Shares	Wednesday, 17 February	Thursday, 18 February
Original counter for trading in Shares (in board lots of 5,000 Shares) to be closed	9:30 a.m., Wednesday, 17 February	9:30 a.m., Thursday, 18 February
Temporary counter for trading in Consolidated Shares in board lots of 500 Consolidated Shares (in form of existing share certificates) to be opened	9:30 a.m., Wednesday, 17 February	9:30 a.m., Thursday, 18 February
Free exchange of existing share certificates for new share certificates commences	Wednesday, 17 February	Thursday, 18 February

	Indicative timetable announced on 14 January 2010	Revised indicative timetable
	<i>2010</i>	<i>2010</i>
Original counter for trading in Consolidated Shares (in board lots of 1,000 Consolidated Shares) to be re-opened	9:30 a.m., Wednesday, 3 March	9:30 a.m., Thursday, 4 March
Parallel trading in Consolidated Shares (in form of new and existing certificates) begins	9:30 a.m., Wednesday, 3 March	9:30 a.m., Thursday, 4 March
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of Consolidated Shares	Wednesday, 3 March	Thursday, 4 March
Temporary counter for trading in Consolidated Shares in board lots of 500 Consolidated Shares (in form of existing share certificates) to be closed	4:00 p.m., Tuesday, 23 March	4:00 p.m., Wednesday, 24 March
Parallel trading in Consolidated Shares (in form of new and existing certificates) ends	4:00 p.m., Tuesday, 23 March	4:00 p.m., Wednesday, 24 March
Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of Consolidated Shares	4:00 p.m., Tuesday, 23 March	4:00 p.m., Wednesday, 24 March
Free exchange of existing share certificates for new share certificates ends	Monday, 29 March	Tuesday, 30 March

Dates or deadlines specified in this announcement are indicative only and may be varied by Easyknit International. Any changes to the expected timetable will be announced by Easyknit International as and when necessary and appropriate.

Clarification of financial information contained in the joint announcement

Reference is made to the financial information of the Target Companies contained in the First Joint Announcement. The financial information of Easyknit Global, Easyknit Worldwide and Grand Profit for the six months ended 30 September 2009 disclosed in the First Joint Announcement was based on the unaudited management accounts of the Target Companies, which were subject to audit by Easyknit International's reporting accountants. Based on the audited financial information to be contained in the EI Circular and EE Circular, the profit before taxation, profit after taxation for the six months ended 30 September 2009 and the net liabilities as at 30 September 2009 of Easyknit Global, Easyknit Worldwide and Grand Profit are revised as follows:

Easyknit Global

	Six months ended 30 September 2009 (as announced in the First Joint Announcement) <i>HK\$</i>	Six months ended 30 September 2009 (per audited financial information) <i>HK\$</i>	Difference <i>HK\$'000</i>
Profit before taxation	6,682,846	6,608,000	(75)
Profit after taxation	6,682,846	6,608,000	(75)
	As at 30 September 2009 (as announced in the First Joint Announcement) <i>HK\$</i>	As at 30 September 2009 (per audited financial information) <i>HK\$</i>	Difference <i>HK\$'000</i>
Net liabilities	70,455,018	70,530,000	75

Easyknit Worldwide

	Six months ended 30 September 2009 (as announced in the First Joint Announcement) HK\$	Six months ended 30 September 2009 (per audited financial information) HK\$	Difference HK\$'000
Loss before taxation	(4,197)	(14,000)	(10)
Loss after taxation	(4,197)	(14,000)	(10)

	As at 30 September 2009 (as announced in the First Joint Announcement) HK\$	As at 30 September 2009 (per audited financial information) HK\$	Difference HK\$'000
Net liabilities	34,198,328	34,209,000	10

Grand Profit

	Six months ended 30 September 2009 (as announced in the First Joint Announcement) HK\$	Six months ended 30 September 2009 (per audited financial information) HK\$	Difference HK\$'000
Profit before taxation	195,849	152,000	(44)
Profit after taxation	195,849	152,000	(44)

	As at 30 September 2009 (as announced in the First Joint Announcement) HK\$	As at 30 September 2009 (per audited financial information) HK\$	Difference HK\$'000
Net liabilities	67,164,560	67,209,000	44

The differences as shown above are all related to the provision for audit fees of the respective Target Companies for the six months ended 30 September 2009, which were not accrued in the unaudited management accounts of the Target Companies at the time the First Joint Announcement was prepared.

Furthermore, the financial information of Easyknit Worldwide for the financial years ended 31 March 2008 and 31 March 2009 are also revised as set out below:

	As announced in the First Joint Announcement HK\$	Per audited financial information HK\$	Difference HK\$'000
Profit before taxation for the year ended 31 March 2008	950,928	820,000	(131)
Profit after taxation for the year ended 31 March 2008	950,928	820,000	(131)
Loss before taxation for the year ended 31 March 2009	(250,766)	(120,000)	131
Loss after taxation for the year ended 31 March 2009	(250,766)	(120,000)	131

The above revision of profit/(loss) before tax and profit/(loss) after tax of Easyknit Worldwide was based on the re-representation of Easyknit Worldwide's income statement for the financial years 31 March 2008 and 31 March 2009 as advised by Easyknit International's auditor during its preparation of the accountant's reports for the inclusion in the EE Circular pursuant to Rule 14.69(4)(a)(i) of the Listing Rules. These adjustments had no net effect on the net liabilities position of Easyknit Worldwide as at 31 March 2009.

As a result of the revisions stated above, the combined profit of the Target Companies for the year ended 31 March 2009 increased from \$10,527,000 as disclosed in the First Joint Announcement to approximately \$10,658,000 and the combined profit for the six months ended 30 September 2009 decreased from HK\$6,874,498 as disclosed in the First Joint Announcement to approximately HK\$6,746,000. As the valuation of the Target Companies by the Independent Valuer was based on the combined profit of the Target Companies for the year ended 31 March 2009, the valuation of Target Companies has increased from HK\$88.5 million as disclosed in the First Joint Announcement to HK\$89.6 million based on the Independent Valuer's report.

Save for the above, the EI Directors and the EE Directors are not aware of further amendments to the contents of the First Joint Announcement which would be required to be clarified by the board of Directors of Easyknit International and the board of Directors of Easyknit Enterprises.

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

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

Hong Kong, 27 January 2010

As at the date hereof, the Board of Easyknit International Holdings Limited 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. Tsui Chun Kong, Mr. Jong Koon Sang and Mr. Hon Tam Chun as independent non-executive Directors.

As at the date hereof, the Board of Easyknit Enterprises Holdings Limited 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.

** For identification only*