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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 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 announcement dated 29 April 2011 issued by the Company in connection with the proposed acquisition of the Properties, to a date no later than 7 June 2011.

On 29 April 2011, an announcement (the “Announcement”) was issued by the Company in connection with the proposed 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 Acquisitions from a closely allied group of Shareholders, being Sea Rejoice and Magical Profits. 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 24 May 2011. As additional time is required to finalise the Circular, the Company has applied to the Stock Exchange for 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 7 June 2011.

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. Tsui Chun Kong, Mr. Jong Koon Sang and Mr. Hon Tam Chun 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, 24 May 2011

** For identification only*