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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

VERY SUBSTANTIAL DISPOSAL DELAY IN DESPATCH OF CIRCULAR

Reference is made to the announcement dated 22 February 2005 issued by the Company in connection with the Disposal. 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 falling on or before 6 April 2005.

Reference is made to the announcement dated 22 February 2005 (the “Announcement”) issued by the Company in connection with the Disposal, which constitutes a very substantial disposal for the Company under the Listing Rules. Terms defined in the Announcement shall have the same meaning when used herein unless the context otherwise requires.

Pursuant to Rules 14.38 and 14.48 of the Listing Rules, a circular (the “Circular”) in relation to the Disposal is required to be despatched to the Shareholders by 16 March 2005. As additional time is required to finalise the relevant pro forma financial information of the Company for incorporation into 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 falling on or before 6 April 2005.

As at the date of this announcement, the Board comprises Mr. Koon Wing Yee, Mr. Tsang Yiu Kai and Ms. Lui Yuk Chu as executive directors 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
Koon Wing Yee
President and Chief Executive Officer

Hong Kong, 16 March 2005

* *for identification only*

Please also refer to the published version of this announcement in The Standard.