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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 : 616)

**RULE 13.09 ANNOUNCEMENT
UNUSUAL PRICE AND TRADING VOLUME MOVEMENT
AND
RESUMPTION OF TRADING**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Company has, on 16 February 2008, commenced negotiations for the possible issuance of new securities to independent third party(ies). Save for the above, the Directors are not aware of any reasons for the increase in price and trading volume of the Shares on 19 February 2008.

The Company has applied to the Stock Exchange for the resumption of trading in the Shares.

This announcement is made by Easyknit Enterprises Holdings Limited (“Company”) pursuant to Rule 13.09 of the Listing Rules.

The directors (“Directors”) of the board (“Board”) of the Company have noted the increase in the price and trading volume of the shares of the Company (“Shares”) on 19 February 2008 and wish to state that, save as disclosed below, they are not aware of any reasons for such increase.

The Directors wish to inform that the Company has, on 16 February 2008, commenced negotiations for the possible issuance of new securities, including Shares or convertible notes, to independent third party(ies). Any net proceeds from this exercise will be applied towards financing the Company’s project in Huzhou, China. No formal agreement in relation to the aforesaid has been entered into as at the date of this announcement, and it may or may not proceed. Shareholders and investors are therefore advised to exercise caution when dealing in the securities of the Company.

Trading in the Shares on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) was suspended at the request of the Company with effect from 11:37 a.m. on Tuesday, 19 February 2008 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on Thursday, 21 February 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 non-executive director and Mr. Kan Ka Hon, Mr. Lau Sin Ming and Mr. Foo Tak Ching as independent non-executive directors.

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

Hong Kong, 20 February 2008

*For identification only