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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)

UPLIFT OF SUSPENSION OF TRADING AND CLARIFICATION ANNOUNCEMENT

At the request of the Company, trading in the Company's shares was suspended with effect from 9:30 a.m. on 12 November 2009 as the Company required time to clarify certain information provided to it which appeared to be price sensitive.

The Company also wishes to correct and expand on information in certain articles which appeared in the press recently.

An application has been made to the Stock Exchange for a resumption of trading with effect from 9:30 a.m. on 27 November 2009.

At the request of Easyknit Enterprises Holdings Limited (the "Company"), trading in the Company's shares was suspended with effect from 9:30 a.m. on 12 November 2009. The suspension was requested because the Company required time to clarify certain information provided to it which appeared to be price sensitive. The events in question did not come to pass and the Company does not expect them to come to pass.

The Company wishes to correct and expand on information contained in certain articles which appeared in the Ming Pao Daily and the South China Morning Post on 14 November 2009. None of the directors of the Company (the "Directors") or senior executives of the Company were arrested by the Police or invited to Police Station on 12 November 2009. Mr. Jimmy Kwong, Chairman and Chief Executive Officer of the Company, met with the Police in the conference room of the Company and provided information voluntarily to the Police. To the best of the knowledge of the Directors, on 12 November 2009, Mr Koon Wing Yee Matthew ("Mr. Koon"), a

former director of the Company was arrested in relation to alleged money laundering in relation to his earlier charges of alleged blackmail which have been widely reported in the press since April 2009. Mr. Koon is the spouse of Ms. Lui Yuk Chu, a director of the Company. Mr. Koon's arrest is unrelated to the Company and its subsidiaries (the "Group") and the Directors are of the view that it will not affect the Group's operations, assets and financial position.

The Company is in discussions with Easyknit International Holdings Limited (which holds approximately 31.7% of the issued share capital of the Company) about a possible reorganisation of assets. If the transaction proceeds, it will be a notifiable and connected transaction for the Company. No agreement has been signed for this purpose. The transaction may or may not proceed.

So far as the Board is aware and save as disclosed above, there is no other information regarding the Company which is of a price sensitive nature.

An application has been made to the Stock Exchange for a resumption of trading with effect from 9:30 a.m. on 27 November 2009.

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

Hong Kong, 26 November 2009

As at the date hereof, 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.

** for identification only*