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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)

RESUMPTION OF TRADING

An offer will be made in compliance with the Takeovers Code for all the shares in Easyknit International not already owned or agreed to be acquired by the Offeror and parties acting in concert with it.

Given that Easyknit International controls over 30% of the Company, an obligation to make a mandatory offer for all the issued shares of the Company may, where the Offeror acquires the statutory control of Easyknit International, be triggered under the “chain principle” in Note 8 to Rule 26.1 of the Takeovers Code.

The Executive Director of the Corporate Finance Division of the Securities and Futures Commission has confirmed that the Offeror in the Easyknit International Offer will not be required to make a general offer for all the issued shares of the Company as a result of the Easyknit International Offer.

At the request of the Company, trading in the Company’s shares was suspended with effect from 9:30 a.m. on 26 May 2010 pending the release of an announcement regarding price sensitive information in relation to a voluntary conditional offer to acquire the issued shares in the share capital of Easyknit International.

The Company has applied for a resumption of trading in the Company’s shares with effect from 9:30 a.m. on 31 May 2010.

Easyknit International Holdings Limited (“Easyknit International”), the controlling shareholder of Easyknit Enterprises Holdings Limited (the “Company”) has announced that an offer (the “Easyknit International Offer”) will be made in compliance with the Hong Kong Code on Takeovers and Mergers (the “Takeovers Code”) for all the shares in Easyknit International not already owned or agreed to be acquired by Sea Rejoice Limited (the “Offeror”) and parties acting in concert with it.

Non-Application of the Chain Principle

Given that Easyknit International controls over 30% of the Company, an obligation to make a mandatory offer for all the issued shares of the Company may, where the Offeror acquires the statutory control of Easyknit International, be triggered under the “chain principle” in Note 8 to Rule 26.1 of the the Takeovers Code.

Easyknit International has announced that an application was made to the Executive Director of the Corporate Finance Division of the Securities and Futures Commission for confirmation as to the application of the “chain principle” in Note 8 to Rule 26.1 of the Takeovers Code and that the Executive has confirmed that the Offeror will not be required to make a general offer for all the issued shares of the Company under Note 8 to Rule 26.1 of the Takeovers Code as a result of the Easyknit International Offer.

At the request of the Company, trading in the Company’s shares was suspended with effect from 9:30 a.m. on 26 May 2010 pending the release of an announcement regarding price sensitive information in relation to a voluntary conditional offer to acquire the issued shares in the share capital of Easyknit International.

The Company has applied for a resumption of trading in the Company’s shares with effect from 9:30 a.m. on 31 May 2010.

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

Hong Kong, 28 May 2010

As at the date of this statement, the board of directors of the Company 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. Kan Ka Hon, Mr. Lau Sin Ming and Mr. Foo Tak Ching as independent non-executive directors.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

* *For identification only*