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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)

ANNOUNCEMENT

The Board announces further information about the arrest of Mr. Kwong and action taken by Mr. Kwong and Easyknit International.

The board of directors (the “Board”) of Easyknit Enterprises Holdings Limited (the “Company”) refers to the announcement of the Company made on 17 June 2010, in connection with the removal of books and records belonging to Planetic International Limited, a subsidiary of Easyknit International Holdings Limited (“Easyknit International”) from the premises of Easyknit International and the arrest of Mr. Kwong Jimmy Cheung Tim (“Mr. Kwong”) the Chairman and Chief Executive Officer of the Company, who is also the president and chief executive officer of Easyknit International.

On 21 June 2010, Easyknit International and Mr. Kwong issued a letter before action (the “Letter”) to the Commissioner of Police of Hong Kong on the basis that the arrest, detention of and requiring bail from Mr. Kwong and the seizing of the documents referred to above were unlawful in that, inter alia:

- a) there was no basis for the alleged or purported suspicion or belief that the Easyknit International had sold 100 million shares in Sino Union Energy Investment Group Limited (the “Subject Shares”), a company listed on the Stock Exchange of Hong Kong Limited, stock code 346 and thus leading to the office of disposing of proceeds of crime; and
- b) the officers involved refused and/or failed to respond to the requests of Mr. Kwong that he be provided with particulars of the allegations that the Easyknit International had sold the Subject Shares.

The Letter also sets out what Easyknit International and Mr. Kwong requires to redress the inequities which have followed from such unlawful act.

The Board (including the non-executive Director and the independent non-executive Directors of the Company) has approved this course of action.

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. The Company will make further announcements as and when appropriate in accordance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

By order of the Board
Easyknit Enterprises Holdings Limited
Koon Ho Yan Candy
Executive Director

Hong Kong, 21 June, 2010

As at the date hereof, the Board comprises Mr. Kwong Jimmy Cheung Tim, Ms. Lui Yuk Chu and 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.

** For identification only*