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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 action taken by Mr. Kwong and the Easyknit International relating to the removal of books and records belonging to Planetec and the arrest of Mr. Kwong.

The board of directors (the “Board”) of Easyknit Enterprises Holdings Limited (the “Company”) refers to the announcements of the Company made on 17 June 2010 and 21 June 2010, in connection with the removal of books and records belonging to Planetec International Limited (“Planetec”), 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 5 July 2010, Easyknit International, as the 1st Plaintiff, and Mr. Kwong, as the 2nd Plaintiff, issued a writ of summons specially endorsed with a statement of claim (the “Statement of Claim”) against the Commissioner of Police, as Defendant. The Statement of Claim claims that the Defendant had no reasonable cause to make applications for the warrant pursuant to which the removal of books and records of Planetec was conducted, and that the Defendant committed trespass by unlawful entry onto and remaining on the premises of Easyknit International without the consent of Easyknit International or Mr. Kwong, or without a lawful search warrant, and assault, battery and false imprisonment against Mr. Kwong in connection with his arrest.

Easyknit International and Mr. Kwong claim against the Commissioner of Police, among other things, for:

- a) damages and costs;
- b) a declaration that the search warrants are invalid, unlawful and of no effect; and
- c) an order requiring the Commissioner of Police to return the original and all copies of documents seized from the premises of Easyknit International.

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

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

Hong Kong, 6 July, 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*