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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

On 13 December, 2010, the Commercial Crime Bureau discharged from bail Mr. Kwong Jimmy Cheung Tim, the Chairman and Chief Executive Officer of the Company, who is also the president and chief executive officer of Easyknit International.

The board of directors (the “**Board**”) of Easyknit Enterprises Holdings Limited (the “**Company**”) has previously announced that on 15 June 2010, the Commercial Crime Bureau arrested 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 Holdings Limited (“**Easyknit International**”). The arrest was in connection with an investigation of alleged money laundering and he was released on bail of HK\$20,000. Mr. Kwong and Easyknit International subsequently instituted legal proceedings against the Commissioner of Police for, inter alia, unlawful arrest and detention.

The Board is now informed by Mr. Kwong that he has been discharged from bail on 13 December 2010 and his bail money returned and he is no longer required to report for bail.

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 of
Easyknit Enterprises Holdings Limited
Kwong Jimmy Cheung Tim
Chairman and Chief Executive Officer

Hong Kong, 14 December, 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*