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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 Company notes that information about the Company was reported in the Press Articles and confirms that the Press Articles are broadly correct in substance.

The board of directors (the “Board”) of Easyknit Enterprises Holdings Limited (the “Company”) notes that information about the Company was contained in press articles published on 21 and 22 December 2010 (the “Press Articles”).

In summary, the Press Articles referred to the Company’s future business plan to invest in hotels and service apartments in Beijing, Shanghai and Hong Kong. They noted that the Company has ceased its dyeing and knitting operations and that its principal activities are garment sourcing and exporting business and properties investment.

The Board confirms that the Press Articles are broadly correct in substance. The Board has recently decided that the new business direction of the Company will be the exploration of investment opportunities in properties or projects suitable for hotels and service apartments. The Board has no specific acquisition targets in mind but will consider appropriate opportunities.

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

Hong Kong, 31 December 2010

At the date of this announcement, the Board 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.

* *For identification only*