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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)

UNUSUAL PRICE AND VOLUME MOVEMENT

The statement is made at the request of The Stock Exchange of Hong Kong Limited (“Stock Exchange”).

The board of Directors (the “Board”) of Easyknit Enterprises Holdings Limited (the “Company”) has noted the unusual increase in the price and trading volume of the shares of the Company this morning and wishes to confirm that the Board is not aware of any reasons for such increase except may be for the reasons stated herein.

The Company has noted the recent coverage in the press in respect of a shareholder of the Company (the “Relevant Shareholder”) making certain statements about the Company and its shares including a takeover of the Company. The Company has written to the Relevant Shareholder enquiring about whether it has any intention to make a general offer for shares in the Company and has received no written reply from the Relevant Shareholder as at the time of making this statement. The Board confirms that, as at the date of this statement, it has not been approached by the Relevant Shareholder or any other shareholder or investor communicating an intention to make a general offer for shares in the Company. Further announcement will be made if necessary.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in shares of the Company.

The Board confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under general obligation imposed by rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

** For identification only*

Made by the order of the Board, the Directors of which individually and jointly accept responsibility for the accuracy of this statement.

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

Hong Kong, 18 February 2011

As 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.