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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)

DISCLOSEABLE TRANSACTION

During the period from 28 October 2010 to 17 December 2010, the Company had, through its wholly-owned subsidiary, acquired on the market an aggregate of 81,600 HKEx Shares for a total consideration of HK\$14,220,680 (exclusive of transaction costs).

The percentage ratios in relation to the aggregate investments in HKEx Shares for the period from 28 October 2010 to 17 December 2010 (being the date on which the investments in HKEx Shares by the Company first triggered a discloseable transaction threshold) under Chapter 14 of the Listing Rules had exceeded 5% but is less than 25%. Accordingly, the aggregate investments in HKEx Shares for the period from 28 October 2010 to and including 17 December 2010 constitute a discloseable transaction of the Company for the purposes of Rule 14.06(2) of the Listing Rules. This announcement is made pursuant to the Listing Rules in respect of all investments in HKEx Shares from 28 October 2010 to 17 December 2010.

To the extent that any Further Investments after 17 December 2010 when aggregated constitute a discloseable transaction, the Company will comply with the relevant disclosure requirements for discloseable transaction under the Listing Rules. In addition, if any Further Investments when aggregated with the Investments pursuant to the Listing Rules exceed the threshold for a major transaction or a very substantial acquisition, the Company will comply with the relevant requirements under the Listing Rules.

THE INVESTMENTS

During the period from 28 October 2010 to 17 December 2010, the Company had, through its wholly-owned subsidiary, acquired on the market an aggregate of 81,600 HKEx Shares (representing approximately 0.00758% of the issued share capital of HKEx based on the issued share capital of 1,076,646,000 shares as shown in the quarterly report of HKEx for the nine months ended 30 September 2010).

The total consideration paid for these 81,600 HKEx Shares was HK\$14,220,680 (exclusive of transaction costs) which was satisfied in cash from internal resources of the Company. The consideration for each purchase represented the then market price of the HKEx Shares.

The percentage ratios in relation to the aggregate investments in HKEx Shares for the period from 28 October 2010 to 17 December 2010 (being the date on which the investments in HKEx Shares by the Company first triggered a discloseable transaction threshold) under Chapter 14 of the Listing Rules had exceeded 5% but is less than 25%. Accordingly, the aggregate investments in HKEx Shares for the period from 28 October 2010 to and including 17 December 2010 constitute a discloseable transaction of the Company for the purposes of Rule 14.06(2) of the Listing Rules. This announcement is made pursuant to the Listing Rules in respect of all investments in HKEx Shares from 28 October 2010 to 17 December 2010.

REASONS FOR THE INVESTMENTS

The Company's principal businesses are in property investment, garment sourcing and exporting.

The directors of the Company consider that the Investments could enhance the returns on cash for the Company. The source of funding for the Investments was internal cash resources of the Company. Taking into account the track record of HKEx, the Company considered that the Investments had potential. The Investments were purchased at market prices and the Board (including the independent non-executive directors) believes that the Investments were fair and reasonable and in the interests of the shareholders of the Company as a whole.

INFORMATION ON HKEX

HKEx is a company incorporated in Hong Kong with limited liability and listed on the main board of the Stock Exchange. According to its company profile made available on the internet, HKEx owns and operates the stock exchange and futures exchange in Hong Kong, and their related clearing houses.

Further information on HKEx can be found on the website of the Stock Exchange. Based on the quarterly report of HKEx for the nine months ended 30 September 2010, the unaudited net asset value as at 30 September 2010 was HK\$7,196,000,000. According to the annual reports of HKEx for the two years ended 31 December 2008 and 31 December 2009 respectively, its net profits from ordinary activities before and after taxation were approximately HK\$5,928,137,000 and HK\$5,128,631,000, and HK\$5,542,091,000 and HK\$4,704,044,000 respectively.

GENERAL

As the Investments were acquired on the market, the Company is not aware of the identities of the vendors of the HKEx Shares and, to the best of the knowledge of the directors having made all reasonable enquiries, the vendors of the HKEx Shares are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company, its subsidiaries and their respective associates. To the best of the knowledge of the directors having made all reasonable enquiries, HKEx is a third party independent of the Company and connected persons of the Company, its subsidiaries and their respective associates.

To the extent that any Further Investments after 17 December 2010 when aggregated constitute a discloseable transaction, the Company will comply with the relevant disclosure requirements for discloseable transaction under the Listing Rules. In addition, if any Further Investments when aggregated with the Investments pursuant to the Listing Rules exceed the threshold for a major transaction or a very substantial acquisition, the Company will comply with the relevant requirements under the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Board”	the board of directors of the Company
“Company”	Easyknit Enterprises Holdings Limited (永義實業集團有限公司*), an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Further Investments”	further investments by the Company in HKEx Shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HKEx”	Hong Kong Exchanges and Clearing Limited, a company the shares of which are listed on the main board of the Stock Exchange (Stock code: 00388)
“HKEx Share(s)”	share(s) of HK\$1.00 each in the share capital of HKEx
“Investments”	the investments by the Company by acquisition on the market of an aggregate of 81,600 HKEx Shares during the period from 28 October 2010 to 17 December 2010
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 21 December 2010

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.

* *For identification only*