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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 12 November 2010 to 23 December 2010, the Company had, through its wholly-owned subsidiary, acquired on the market an aggregate of 4,000,000 ABC Shares for a total consideration of HK\$16,250,000 (exclusive of transaction costs).

The applicable percentage ratios under rule 14.07 of the Listing Rules in respect of the Investments had exceeded 5% but is less than 25%. Therefore, the Investments constitute a discloseable transaction of the Company under rule 14.06(2) of the Listing Rules.

To the extent that any Further Investments after 23 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 12 November 2010 to 23 December 2010, the Company had, through its wholly-owned subsidiary, acquired on the market an aggregate of 4,000,000 ABC Shares (representing approximately 0.0012% of the issued share capital of ABC based on the issued share capital of 324,794,117,000 shares as shown in the monthly return of equity issuer on movements in securities of ABC published on 2 December 2010).

The total consideration paid for these 4,000,000 ABC Shares was HK\$16,250,000 (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 ABC Shares.

The applicable percentage ratios under rule 14.07 of the Listing Rules in respect of the Investments had exceeded 5% but is less than 25%. Therefore, the Investments constitute a discloseable transaction of the Company under rule 14.06(2) of the Listing Rules.

REASONS FOR THE INVESTMENTS

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

The Company funded the Investments from its internal resources. Taking into account the track record of ABC, the Company considered that the ABC Shares are an attractive investment. 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 ABC

ABC is a joint stock company incorporated in the People's Republic of China with limited liability and the H shares of which are listed on the main board of the Stock Exchange. According to its company profile made available on the internet, ABC provides corporate banking, retail banking and treasury operations.

Further information on ABC can be found on the website of the Stock Exchange. Based on the interim report of ABC for the six months ended 30 June 2010, the unaudited net asset value as at 30 June 2010 was RMB354,417 million. According to the accountant reports of ABC for the two years ended 31 December 2008 and 31 December 2009 respectively as set out in its prospectus dated 30 June 2010 for global offering, its net profits from ordinary activities before and after taxation were approximately RMB52,349 million and RMB51,453 million, and RMB73,928 million and RMB65,002 million respectively.

GENERAL

As the Investments were acquired on the market, the Company is not aware of the identities of the vendors of the ABC Shares and, to the best of the knowledge of the directors having made all reasonable enquiries, the vendors of the ABC 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, ABC 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 23 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:

“ABC”	Agricultural Bank of China Limited, a joint stock corporation incorporated in the Peoples’ Republic of China with limited liability, the H shares of which are listed on the main board of the Stock Exchange (Stock code: 1288)
“ABC Share(s)”	overseas listed foreign shares with a par value of RMB1.00 each in the share capital of ABC, listed on the main board of the Stock Exchange and traded in Hong Kong dollars
“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 ABC 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

“Investments”	the investments by the Company by acquisition on the market of an aggregate of 4,000,000 ABC Shares during the period from 12 November 2010 to 23 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, 24 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*