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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

On 9 February 2011, the Company, through its wholly owned subsidiary, acquired an aggregate of 100,000 HKEx Shares on the market for an aggregate consideration of HK\$17,575,000 (excluding transaction costs).

The Acquisition (alone, or if aggregated with the First Acquisitions pursuant to Rule 14.22 of the Listing Rules for the purposes of determining the reporting/approval requirements which apply to these transactions) constitute a discloseable transaction of the Company as one or more of the percentage ratios exceed 5% but are less than 25%.

THE ACQUISITION

On 9 February 2011, the Company, through its wholly owned subsidiary, acquired 100,000 HKEx Shares on the market for an aggregate consideration of HK\$17,575,000 (excluding transaction costs).

As the Acquisition was made on the market, the Company is not aware of the identities of the vendors of the HKEx Shares. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the vendors of the HKEx Shares and their ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

** For identification only*

Assets acquired

100,000 HKEx Shares, representing approximately 0.00928% of the issued share capital of HKEx based on 1,078,140,846 HKEx Shares as at 31 January 2011 according to publicly available information.

Consideration

The aggregate consideration of the Acquisition is HK\$17,575,000 (excluding transaction costs), which was satisfied in cash from internal resources of the Company. The consideration for the Acquisition represented the market price of the HKEx Shares at the time of the Acquisition.

REASONS FOR AND BENEFITS OF THE ACQUISITION

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

Having considered the track record of HKEx and its recent performance, the Company considers that the HKEx Shares are an attractive investment and can enhance the returns on cash for the Company.

As the Acquisition was made at market price, the Directors (including the independent non-executive Directors) are of the view that the Acquisition was fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON HKEX

According to publicly available information, HKEx is a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 388), and it owns and operates the only 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 of HKEx as at 30 September 2010 was HK\$7,196,000,000. According to the annual report of HKEx for the year ended 31 December 2009, its net profits from ordinary activities before and after taxation were approximately HK\$5,928,137,000 and HK\$5,128,631,000 respectively for the year ended 31 December 2008, and HK\$5,542,091,000 and HK\$4,704,044,000 respectively for the year ended 31 December 2009.

GENERAL

The Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, as one or more of the applicable percentage ratios exceed 5% but are less than 25%.

On 21 December 2010, the Company announced the First Acquisitions, which at the time constituted a discloseable transaction of the Company. If the Acquisition were to be aggregated with the First Acquisition pursuant to Rule 14.22 of the Listing Rules for the purposes of determining the reporting / approval requirements which apply to these transactions, they would together constitute a discloseable transaction of the Company as one or more of the percentage ratios exceed 5% but are less than 25%.

If the Group acquires any further HKEx Shares, the Company will comply with the reporting, announcement and Shareholders' approval requirements under the Listing Rules if and when necessary.

DEFINITIONS

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

“Acquisition”	the acquisition by the Company, through its wholly owned subsidiary, of a total of 100,000 HKEx Shares on the market on 9 February 2011
“Board”	the board of Directors
“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
“Director(s)”	director(s) of the Company
“discloseable transaction”	as defined in the Listing Rules
“First Acquisitions”	the acquisitions by the Company, through its wholly owned subsidiary, of a total of 81,600 HKEx Shares on the market during the period from 28 October 2010 to 17 December 2010, as announced by the Company on 21 December 2010

“Group”	the Company and its subsidiaries
“HKEx”	Hong Kong Exchanges and Clearing Ltd, 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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	as defined in the Listing Rules
“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, 11 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.

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