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TSUN YIP HOLDINGS LIMITED

進業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8356)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules.

The Board wishes to inform its shareholders that the Group is expected to record a decrease in net profit for the year ended 31 March 2011 as compared with the audited net profit for the year ended 31 March 2010.

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

This announcement is made by Tsun Yip Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities (the “**GEM Listing Rules**”) on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors of the Company (the “**Directors**”) wishes to inform the shareholders of the Company that the Group is expected to record a decrease in net profit for the year ended 31 March 2011 as compared with the audited net profit for the year ended 31 March 2010. Such decrease is primarily attributable to the decrease in gross profit margin as a result of rising raw material prices and direct labour costs, the increase in legal and professional fees after the listing of the Company’s shares on the Stock Exchange in August 2010 and the increases in certain other administrative expenses due to the expansion of the Group’s operations.

The information contained in this announcement is only based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 March 2011 by the management of the Company. The Company is still in the process of finalising the annual results of

the Group for the year ended 31 March 2011. It is expected that the Company will announce the annual results of the Group for the year ended 31 March 2011 in mid-June 2011.

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

For and on behalf of the Board
Tsun Yip Holdings Limited
Kan Kwok Cheung
Chairman and Executive Director

Hong Kong, 17 May 2011

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors:

Kan Kwok Cheung

Cheng Ka Ming, Martin

Chia Thien Loong, Eric John

Independent non-executive Directors:

Hau Chi Kit, Aaron

Lim Hung Chun

Lo Ho Chor

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the Stock Exchange's website at <http://www.hkexnews.hk> and on the "Latest Company Announcements" page for seven days from the day of its posting. This announcement will also remain on the Company's website at <http://www.tsunyip.hk>.