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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)**

### **PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the 2010 Interim Results are expected to record a profit as compared to a loss for the corresponding period of last year.

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

This announcement is made by Easyknit Enterprises Holdings Limited (the “Company” and together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The board of directors (the “Board”) of the Company wishes to inform the shareholders of the Company and potential investors that the unaudited interim results of the Group for the six months ended 30 September 2010 (the “2010 Interim Results”) are expected to record a profit as compared to a loss for the corresponding period of last year. Such profit was mainly attributable to:

- (i) The Group commenced its new business on garment sourcing and exporting in March 2010 and a profit was recorded for the six months ended 30 September 2010;
- (ii) Due to the recent rising of the local property market, there was a gain arising on fair value change of the Group’s investment properties;
- (iii) The Group ceased its bleaching, dyeing and knitting businesses in November 2009 to prevent further losses and there was a profit gained from the disposal of its production facilities;
- (iv) Compensation from the Zhili Town Government due to failure to implement the Huzhou project as planned; and
- (v) Profit on disposal of lands in Huzhou.

As the Company is still in the process of finalising the 2010 Interim Results, the information contained in this announcement is only a preliminary assessment made by the Board based on information currently available. Shareholders of the Company and potential investors are advised to read carefully the 2010 Interim Results announcement of the Company which will be released after the Board meeting to be held on 19 November 2010.

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

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

Hong Kong, 5 November 2010

As at the date hereof, 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*