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VISIONS AHEAD

HANNY HOLDINGS LIMITED

錦興集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 275)

PROFIT WARNING

This announcement is made by Hanny 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 board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company and potential investors that based on the preliminary assessment of the unaudited management accounts of the Group and information currently available to the Company, the Group is expected to record a substantially lower profit for the financial year ended 31 March 2011 as compared with the net profit of approximately HK\$200.2 million for the financial year ended 31 March 2010.

The Group recorded an unaudited loss of approximately HK\$56.6 million for the six months ended 30 September 2010. The financial performance of the Group in the second half of the financial year ended 31 March 2011 improved significantly and it is currently expected that the Group will record a profit for the financial year ended 31 March 2011. However, such profit is expected to be substantially lower than that for the financial year ended 31 March 2010, which was mainly attributable to (i) the decrease in revenue of the Group’s sand mining business; (ii) the decrease in other operating income; (iii) the increase in administrative expenses; (iv) the absent of gain on disposal of interest in an associate; (v) the decrease in share of results of associates; and (vi) the loss on repurchase of convertible loan notes of the Company.

Information in this announcement is only based on preliminary assessment of the unaudited management accounts of the Group by the management of the Company and is not based on any figures or information which has been audited or reviewed by the Company's auditors. The Company is preparing its final results for the year ended 31 March 2011 and the audited results are expected to be announced by the Company by the end of June 2011.

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

By order of the Board
Hanny Holdings Limited
Dr. Yap, Allan
Chairman

Hong Kong, 10 June 2011

As at the date of this announcement, the directors of the Company are as follows:

Executive Directors:

Dr. Yap, Allan (*Chairman*)
Mr. Chan Kwok Chuen, Augustine
(*Managing Director*)
Mr. Heung Pik Lun, Edmond

Independent Non-executive Directors:

Mr. Kwok Ka Lap, Alva
Mr. Poon Kwok Hing, Albert
Mr. Sin Chi Fai

* *For identification purpose only*