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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: 0616)

PROFIT WARNING

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

The Board wishes to inform the Shareholders and potential investors that based on current estimate of the management of the Company, the Group may record a loss for the year ended 31 March 2012 as compared to a profit in 2011.

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

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

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the current estimate of the management of the Company, the Group may record a loss for the year ended 31 March 2012 as compared to a profit in 2011.

Based on information currently available to the Group, the expected loss of the Group is mainly attributable to a loss on the fair value changes on the listed securities investments made by the Group and the impairments of goodwill and intangible assets.

As the Company is still in the process of finalizing its annual results for the year ended 31 March 2012, the information contained in this announcement is only based on the preliminary assessment by the Company’s management according to the unaudited management accounts of the Group and is neither based on any figures nor information that has been reviewed by the Company’s audit committee. More detailed financial information and performance of the Group will be disclosed as and when the audited annual results for the year ended 31 March 2012 are announced.

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

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

Hong Kong, 26 April 2012

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.