



永義實業集團有限公司
Easyknit Enterprises Holdings Limited
(incorporated in Bermuda with limited liability)

PRESS RELEASE

Easyknit International Announces
Annual Results for the Year Ended 31 March 2011
Profit Attributable to Shareholders Surged 107.8% to
HK\$389,311,000

Financial Highlights

	HKD	For the year ended 31 March		
		2011	2010	Changes
Turnover		39,986,000	35,289,000	+13.3%
Gross Profit		37,922,000	34,012,000	+ 11.5%
Profit Attributable to Shareholders		389,311,000	187,358,000	+107.8%
Basic Earnings per Share		4.90	2.36	+107.6%

(Hong Kong, 28 June 2011) — **Easyknit International Holdings Limited** (“Easyknit International”/“the Group”) (SEHK Code: 01218.HK) today announces its annual results for the year ended 31 March 2011. During the year under review, the Group recorded a turnover of approximately HK\$39,986,000, as compared to HK\$35,289,000 of last year. Gross profit increased 11.5% to approximately HK\$37,922,000 (2010: HK\$34,012,000). Profit attributable to shareholders surged approximately 107.8% to HK\$389,311,000 from HK\$187,358,000 of last year. Basic earnings per share were HK\$4.90 (2010: HK\$2.36). The Group had no bank borrowings for the year under review.

The Board recommends an annual dividend of HK\$0.12 per share (2010: Nil), amounting to altogether HK\$0.70 per share for the year period under review, including the payment of the interim dividend of HK\$0.08 per share and the special dividend of HK\$0.50 per share.

The profit was largely attributable to (i) gain on the disposal of available-for-sale investment arising from the favourable performance of the Hong Kong security market, which was approximately HK\$23,936,000 (2010: gain of approximately HK\$5,459,000); (ii) gain arising from changes in the fair value of the Group’s investment properties in Hong Kong and Singapore as a result of the booming property market, which were approximately HK\$370,881,000 (2010: gain of approximately HK\$87,380,000) and (iii) gain in share of results of associates of approximately HK\$21,451,000 (2010: loss of approximately HK\$5,655,000).

For the year under review, the Group had disposed all of its garment sourcing, exporting and distribution business to better utilize the capital and human resources. During the period under review, the Group has put focus on enriching its property investment portfolio and engaging in property development projects, and has successfully transformed into a property development and investment company.



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Regarding the Group's major development project, the presale of initial twenty four units of the re-development of No. 1 & 1A, 3 & 3A Victory Avenue in Homantin (namely "One Victory") was commenced on 21 August 2010. Three shops, with total gross floor area of 5,181 square feet are located on the ground and first floor of the building, designated for investment purpose.

Eight units of One Victory have been sold up to the date hereof, recording an average selling price of HK\$10,196 per square feet. The remaining 55 units are expected to be gradually sold to buyers and it is expected to be completed by August 2011 and deliver income for the Group.

As for property development, the Group has acquired all the units or 100% of the undivided shares in the buildings situated at Nos. 313, 313A, 313B and 313C Prince Edward Road West (Section B of Kowloon Inland Lot No. 1685), Nos. 311B and 311D Prince Edward Road West (Sub-Section 1 of Section A of Kowloon Inland Lot No. 2978) and Nos. 311A and 311C Prince Edward Road West (remaining portion of Section A of Kowloon Inland Lot No. 2978). The acquisitions expanded the Group's property development portfolio and the Group intends to redevelop the sites together.

During the period, Goldchamp International Limited (the wholly-owned subsidiary of the Group) entered into the binding provisional sale and purchase agreement with Fine View Corporation Limited (an independent third party) for the disposal of the residential property being House No. 11 and the garden appurtenant thereto and car parking space Nos. 11A & 11B Las Pinadas, No. 33 Shouson Hill Road, Hong Kong at a consideration of HK\$88,500,000.

Besides, as announced by the Group on 29 April 2011, its wholly owned subsidiary Hansford International Investment Limited ("Hansford") has entered into an agreement to acquire the Ground Floor, the First Floor and the Second Floor of Block A, the Ground Floor, the First Floor and the Second Floor of Block B, the Ground Floor and the First Floor of Block D of Nos. 301, 301A-C Prince Edward Road West, Kowloon ("The Properties") at a total consideration of HK\$131,300,000. The Properties comprise 8 out of 12 units in a building situated at Nos. 301, 301A-C Prince Edward Road West, with a total saleable area of approximately 7,764 square feet. The acquisitions are scheduled to be completed on or before 30 September 2011.

For the year ended 31 March 2011, the Group's commercial and residential rental properties were approximately 100% and 80% leased respectively. Its industrial rental properties continued to maintained a high occupancy rate of approximately 90%. The building management fee income was approximately HK\$314,000 (2010: approximately HK\$299,000).



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For the year 2011 and ahead, the Group holds a positive view towards the outlook of its property investment and development business. The board of directors believes that with the unique economic system in Hong Kong, its property market will remain attractive to global investors, especially those from China as its economy continues to grow. Moving forward, the Group's strategies will continue to concentrate on property investment and development. In this respect, the Group plans to actively acquire properties with good potentials, so as to further expand the property investment portfolio, and provide the Group with solid income from this area.

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