



Easyknit International Holdings Limited

永義國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 1218)

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 2008 Interim Results are expected to record a loss as compared to a profit for the corresponding period ended 30 September 2007.

This announcement is made by Easyknit International 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 2008 (“2008 Interim Results”) are expected to record a loss as compared to a profit for the corresponding period ended 30 September 2007. Such loss was mainly due to (i) a decrease in sales of the garment sourcing and exporting business by approximately 24% compared with the corresponding period last year as a result of slowdown in the economy of the United States, the major market of the Group; (ii) losses arising on change in fair value of the Group’s investment properties under the recent adverse condition of the property market and (iii) losses on fair value of the Group’s long term and short term Hong Kong listed securities as a result of the current global financial turmoil.

Despite the above, the Board of the Company considers that the overall operations of the Group remain sound and intact, and the financial position of the Group remains solid. The Group does not have any exposure in equity or currency accumulators. As at the date of this announcement, the Group has cash of approximately HK\$205,000,000 and the Group has no bank borrowings.

As the Company is still in the process of finalising the 2008 Interim Results, the information contained in this announcement is only based on the preliminary assessment by the Company's management on the unaudited management accounts of the Group and the information currently available. Shareholders of the Company and potential investors are advised to read carefully the 2008 Interim Results announcement of the Company which will be released on 10 December 2008.

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 International Holdings Limited
Kwong Jimmy Cheung Tim
President and Chief Executive Officer

Hong Kong, 2 December 2008

As at the date hereof, the Board comprises Mr. Kwong Jimmy Cheung Tim and Ms. Lui Yuk Chu as executive directors, Mr. Tse Wing Chiu, Ricky as non-executive director and Mr. Tsui Chun Kong, Mr. Jong Koon Sang and Mr. Hon Tam Chun as independent non-executive directors.

** For identification only*