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EASYKNIT INTERNATIONAL HOLDINGS LIMITED

永義國際集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 1218)

POSITIVE PROFIT ALERT

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 profit for the six months ended 30 September 2012 as compared to the loss of the same period 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 International 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 and potential investors that based on the current estimate of the management of the Company, the Group may record a profit for the six months ended 30 September 2012 as compared to the loss of the same period in 2011.

Based on the information currently available to the Group, the expected profit of the Group is mainly attributable to the gain arising in fair value changes of the investment properties and the gain on disposal of properties held for sale.

As the Company is still in the process of finalizing its interim results for the six months ended 30 September 2012, the information contained in this announcement is only based on the preliminary assessment by the Company’s management according to the management accounts of the Group and is neither based on any figures nor information that has been reviewed by the Company’s audit committee. Detailed financial information and performance of the Group will be disclosed as and when the interim results for the six months ended 30 September 2012 are announced.

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

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

Hong Kong, 29 October 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. Tsui Chun Kong, Mr. Jong Koon Sang and Mr. Hon Tam Chun as independent non-executive directors.

** for identification only*