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EASYKNIT ENTERPRISES HOLDINGS LIMITED **永義實業集團有限公司***

(incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock code 股份代號: 616)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

**截至2012年9月30日止
六個月
之中期業績公佈**

The board of directors of Easyknit Enterprises Holdings Limited (the “**Company**”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 September 2012 together with comparative figures. These interim results have been reviewed by the Company’s audit committee.

永義實業集團有限公司(「**本公司**」)董事會欣然公佈本公司及其附屬公司(統稱「**本集團**」)截至2012年9月30日止六個月之未經審核中期業績連同比較數字。本中期業績已由本公司之審核委員會審閱。

* for identification only

* 僅供識別

**CONDENSED CONSOLIDATED STATEMENT
OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED
30 SEPTEMBER 2012**

簡明綜合全面收益表

截至2012年9月30日止六個月

		Six months ended		
		30 September		
		截至9月30日止六個月		
		2012	2011	
		HK\$'000	HK\$'000	
		千港元	千港元	
		(Unaudited)	(Unaudited)	
		(未經審核)	(未經審核)	
		(Restated)		
		(重列)		
Continuing operations:	持續經營業務：			
Turnover	營業額	3	120,165	166,085
Cost of sales	銷售成本		(102,985)	(148,957)
Gross profit	毛利		17,180	17,128
Other income	其他收入		2,100	2,387
Other gains and losses	其他收益及虧損		(259)	(231)
Other expenses	其他開支		(681)	(4)
Distribution and selling expenses	經銷成本		(2,284)	(2,966)
Administrative expenses	行政開支		(13,489)	(15,560)
(Loss) gain arising on changes in fair value of investment properties	投資物業之公平值變動(虧損)收益		(45,006)	630
Loss on fair value changes of investments held for trading	持作買賣投資之公平值變動虧損	4	(3,918)	(30,545)
Gain on fair value change of financial assets designated as at fair value through profit or loss	按公平值計入損益之金融資產之公平值變動收益		-	858
Finance costs	融資成本		(1,507)	-
Loss before taxation	除稅前虧損		(47,864)	(28,303)
Taxation	稅項	5	634	223
Loss for the period from continuing operations	來自持續經營業務之本期間虧損	6	(47,230)	(28,080)
Discontinued operations:	已終止經營業務：			
Profit for the period from discontinued operations	來自已終止經營業務之本期間溢利	7	26,617	-

**CONDENSED CONSOLIDATED STATEMENT
OF COMPREHENSIVE INCOME (Continued)
FOR THE SIX MONTHS ENDED
30 SEPTEMBER 2012**

簡明綜合全面收益表（續）

截至2012年9月30日止六個月

		Six months ended	
		30 September	
		截至9月30日止六個月	
		2012	2011
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		(Restated)	
		(重列)	
Loss for the period attributable to owners of the Company	本公司股東應佔 本期間虧損	(20,613)	(28,080)
Other comprehensive (expense) income	其他全面（開支）收入		
Exchange differences released upon deregistration of subsidiaries	於註銷附屬公司時 解除匯兌差異	(14,714)	–
Exchange differences arising on translation of foreign operations	換算海外營運之 匯兌差異	(3,007)	6,554
Other comprehensive (expense) income for the period	本期間其他 全面（開支）收入	(17,721)	6,554
Total comprehensive expense for the period attributable to owners of the Company	本公司股東應佔 本期間全面開支總額	(38,334)	(21,526)
Basic loss per share	每股基本虧損		
From continuing and discontinued operations	來自持續及已終止 經營業務	HK cents (3.13) 港仙	HK cents (5.04) 港仙
From continuing operations	來自持續經營業務	HK cents (7.17) 港仙	HK cents (5.04) 港仙

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**CONDENSED CONSOLIDATED STATEMENT
OF FINANCIAL POSITION
AT 30 SEPTEMBER 2012**

簡明綜合財務狀況表

於2012年9月30日

			30 September 9月30日 2012	31 March 3月31日 2012
	<i>NOTES</i> <i>附註</i>	<i>HK\$'000</i> <i>千港元</i>	<i>HK\$'000</i> <i>千港元</i>	<i>HK\$'000</i> <i>千港元</i>
		(Unaudited) (未經審核)	(Audited) (經審核)	(Restated) (重列)
Non-current assets				
Property, plant and equipment		11,472	10,726	
Investment properties		575,558	343,157	
Deposits paid for acquisition of an investment property		–	18,000	
		587,030	371,883	
Current assets				
Trade and other receivables	9	29,619	25,789	
Bills receivable	10	930	–	
Investments held for trading		58,632	58,987	
Bank deposits with original maturity of more than three months		67,049	–	
Bank balances and cash		116,311	205,477	
		272,541	290,253	

**CONDENSED CONSOLIDATED STATEMENT
OF FINANCIAL POSITION (Continued)
AT 30 SEPTEMBER 2012**

簡明綜合財務狀況表 (續)

於2012年9月30日

			30 September 9月30日 2012	31 March 3月31日 2012
		<i>NOTES</i> <i>附註</i>	<i>HK\$'000</i> <i>千港元</i> (Unaudited) (未經審核)	<i>HK\$'000</i> <i>千港元</i> (Audited) (經審核) (Restated) (重列)
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	11	42,813	24,710
Bills payable	應付票據	12	874	3,687
Tax payable	應付稅項		6,851	12,615
Secured bank borrowings	有抵押銀行借貸		6,650	–
			<u>57,188</u>	<u>41,012</u>
Net current assets	流動資產淨值		<u>215,353</u>	<u>249,241</u>
Total assets less current liabilities	資產總額減流動負債		<u>802,383</u>	<u>621,124</u>
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債		12,097	12,888
Secured bank borrowings	有抵押銀行借貸		165,371	–
			<u>177,468</u>	<u>12,888</u>
			<u>624,915</u>	<u>608,236</u>
Capital and reserves	資本及儲備			
Share capital	股本		7,629	5,507
Reserves	儲備		617,286	602,729
			<u>624,915</u>	<u>608,236</u>

**NOTES TO THE CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
30 SEPTEMBER 2012**

簡明綜合財務報表附註

截至2012年9月30日止六個月

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The condensed consolidated financial statements of Easyknit Enterprises Holdings Limited (the “Company”) have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

2. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values, as appropriate.

Excepted as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2012 are the same as those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2012.

In the current interim period, the Group has applied HKAS 39 “Financial instruments: recognition and measurement” to account for derivative embedded in the bank deposits with original maturity of more than three months. Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

1. 一般資料及編製基準

永義實業集團有限公司（「本公司」）之簡明綜合財務報表乃根據香港會計師公會（「香港會計師公會」）所頒佈之香港會計準則第34號「中期財務報告」及香港聯合交易所有限公司證券上市規則（「上市規則」）附錄16適用之披露規定而編製。

2. 主要會計政策

簡明綜合財務報表除投資物業及若干金融工具以公平值計量外（如適用），乃根據歷史成本法編製。

除下文所述者外，截至2012年9月30日止六個月之簡明綜合財務報表所採納之會計政策及計算方法與本集團編製截至2012年3月31日止年度之全年綜合財務報表所採用者相同。

於本中期，本集團已根據香港會計準則第39號「金融工具：確認及計量」應用記錄超過三個月到期之銀行存款之內含衍生項目，當衍生項目之風險及特性並不是與主體合約緊密關連及主體合約並不是以公平值計量以致公平值變動不會在損益內確認時，於非衍生主體合約內之內含衍生項目會作為獨立衍生項目處理。

In addition, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA.

Amendments to HKFRS 7 Disclosures – Transfers of financial assets

Amendments to HKAS 12 Deferred tax: Recovery of underlying assets

Amendments to HKAS 12 “Deferred tax: Recovery of underlying assets”

Under the amendments to HKAS 12 “Deferred tax: Recovery of underlying assets”, investment properties that are measured using the fair value model in accordance with HKAS 40 “Investment property” are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The Group’s investment properties are situated in the People’s Republic of China (“PRC”) and Hong Kong, which are measured using the fair value model. For the purpose of application of the amendments to HKAS 12, the directors reviewed the Group’s investment properties portfolios as at 1 April 2012 and concluded that the Group’s investment properties situated in Hong Kong amounting to HK\$179,000,000 (1 April 2011: HK\$135,000,000) are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, and that the presumption set out in the amendments to HKAS 12 is not rebutted.

此外，本集團首次應用香港會計師公會所頒佈之以下經修訂之香港財務報告準則（「香港財務報告準則」）。

香港財務報告準則第7號 (修訂本) 披露 – 金融資產轉讓

香港會計準則第12號 (修訂本) 遞延稅項：收回相關資產

香港會計準則第12號 (修訂本)「遞延稅項：收回相關資產」

根據香港會計準則第12號 (修訂本)「遞延稅項：收回相關資產」，按照香港會計準則第40號「投資物業」採用公平價值模式計量之投資物業於計量遞延稅項時先假設其可透過出售予以收回，除非這假設在若干情況下被推翻。

本集團的投資物業位於中國和香港，採用公平價值模式計量。為了應用香港會計準則第12號 (修訂本)，董事審查於2012年4月1日本集團的投資物業組合，並認為本集團位於香港之投資物業金額為179,000,000港元 (2011年4月1日：135,000,000港元)並非按隨時間消耗大部份含於該等投資物業之所有經濟利益的商業模式持有，而香港會計準則第12號 (修訂本)之假設並未被推翻。

On the other hand, the Group has rebutted the presumption in respect of the Group's remaining investment properties situated in the PRC amounting to HK\$164,157,000 as at 1 April 2012 (1 April 2011: HK\$165,597,000) as such properties are depreciable and are held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Accordingly, the adoption of amendments to HKAS 12 has no impact on the deferred tax liabilities in respect of the Group's investment properties in the PRC.

As a result of the application of the amendments to HKAS 12, the Group does not recognise any deferred taxes on changes in fair value of the investment properties in Hong Kong as the Group is not subject to any income taxes on disposal of these investment properties. Previously, the Group recognised deferred taxes on changes in fair value of these investment properties on the basis that the entire carrying amounts of these properties were recovered through use.

The amendments to HKAS 12 have been applied retrospectively.

Summary of the effect of the above change in accounting policy

The effect of the change in accounting policy described above on the results for the current and preceding interim periods by line items presented in the condensed consolidated statement of comprehensive income is as follows:

Decrease in taxation charge	稅項開支減少
Net decrease in loss for the period	本期間虧損減少淨額

另一方面，本集團就本集團其餘位於中國之投資物業金額於2012年4月1日為164,157,000港元（2011年4月1日：165,597,000港元）推翻有關假設，因為該等物業為可折舊性及按隨時間消耗大部分含於該等投資物業之所有經濟利益之商業模式持有。因此，應用香港會計準則第12號（修訂本）並沒有對本集團位於中國之投資物業之遞延稅項負債產生影響。

由於應用香港會計準則第12號（修訂本），本集團不再確認香港投資物業因公平價值變動而產生之任何遞延稅項，此乃由於出售該等投資物業時本集團不用交付任何所得稅所致。過往，本集團在按物業全部賬面值通過使用收回之基礎而就投資物業因公平價值變動確認遞延稅項。

香港會計準則第12號（修訂本）已被追溯應用。

上述會計政策變動之影響總結

上述會計政策變動對本集團於本中期及前中期簡明綜合全面收益表之業績個別項目之影響如下：

		Six months ended	
		30 September	
		截至9月30日止六個月	
		2012	2011
		HK\$'000	HK\$'000
		千港元	千港元
		—	842
		—	842

The effect of the change in accounting policy described above on the financial positions of the Group as at the end of the immediately preceding financial year, i.e. 31 March 2012, is as follows:

		As at 31 March 2012 (originally stated) 於2012年 3月31日 (原先呈列) HK\$'000 千港元	Adjustments 調整 HK\$'000 千港元	As at 31 March 2012 (restated) 於2012年 3月31日 (重列) HK\$'000 千港元
Deferred tax liabilities	遞延稅項負債	(26,360)	13,472	(12,888)
Total effects on net assets	對資產淨值之全部影響	<u>(26,360)</u>	<u>13,472</u>	<u>(12,888)</u>
Accumulated losses, total effects on equity	累計虧損，對權益 之全部影響	<u>(13,976)</u>	<u>13,472</u>	<u>(504)</u>

The effect of the change in accounting policy described above on the financial positions of the Group as at the beginning of the comparative period, i.e. 1 April 2011, is as follows:

		As at 1 April 2011 (originally stated) 於2011年 4月1日 (原先呈列) HK\$'000 千港元	Adjustments 調整 HK\$'000 千港元	As at 1 April 2011 (restated) 於2011年 4月1日 (重列) HK\$'000 千港元
Deferred tax liabilities	遞延稅項負債	(23,756)	5,504	(18,252)
Total effects on net assets	對資產淨值之全部影響	<u>(23,756)</u>	<u>5,504</u>	<u>(18,252)</u>
Accumulated profits, total effects on equity	累計溢利，對權益 之全部影響	<u>28,754</u>	<u>5,504</u>	<u>34,258</u>

The application of amendments to HKAS 12 in respect of deferred tax on investment properties has resulted in a decrease in basic loss per share of HK cents 0.15 from continuing and discontinued operations as well as continuing operations for the six months ended 30 September 2011.

上述會計政策變動對本集團之財務狀況在緊接上一財政年度結束時，即2012年3月31日之影響如下：

上述會計政策變動對本集團之財務狀況在比較期間開始時，即2011年4月1日之影響如下：

應用香港會計準則第12號（修訂本）有關投資物業之遞延稅項導致截至2011年9月30日止六個月來自持續及已終止經營業務以及持續經營業務之每股基本虧損減少0.15港仙。

3. SEGMENT INFORMATION

The Group's operating and reportable segments from continuing operations under HKFRS 8 are: (a) garment sourcing and exporting, (b) property investment and (c) investment in securities. During the year ended 31 March 2012, investment in securities became a new operating and reportable segment. The chief operating decision maker (the "CODM"), being the Group's chief executive officer, decided to review the performance of investment in securities for the purpose to resource allocation and performance assessment. Accordingly, comparative figures for segment reporting have been restated.

The following is an analysis of the Group's revenue and results by operating and reportable segment for the period under review:

For the six months ended 30 September 2012

Continuing operations:

		Garment sourcing and exporting 採購及 出口成衣 HK\$'000 千港元	Property investment 物業投資 HK\$'000 千港元	Investment in securities 證券投資 HK\$'000 千港元	Eliminations 撇銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Turnover	營業額					
External	外來	<u>114,653</u>	<u>5,512</u>	<u>-</u>	<u>-</u>	<u>120,165</u>
Segment loss	分類虧損	<u>(450)</u>	<u>(41,857)</u>	<u>(2,309)</u>	<u>-</u>	<u>(44,616)</u>
Other income	其他收入					472
Other expenses	其他開支					(681)
Unallocated corporate expenses	無分配之公司開支					(1,532)
Finance costs	融資成本					<u>(1,507)</u>
Loss before taxation (continuing operations)	除稅前虧損 (持續經營業務)					<u>(47,864)</u>

3. 分類資料

根據香港財務報告準則第8號，本集團持續經營業務之經營及呈報分部為：(a)採購及出口成衣、(b)物業投資及(c)證券投資。截至2012年3月31日止年內，證券投資成為新增經營及呈報分部。主要經營決策者（「主要經營決策者」），即本集團首席行政總裁，決定審閱證券投資之表現，用作資源分配及表現評估。因此，重列分部呈報之比較數字。

本期間按經營及呈報分部劃分本集團之營業額及業績之分析如下：

截至2012年9月30日止六個月

持續經營業務：

**For the six months ended 30 September 2011
(restated)**

截至2011年9月30日止六個月（重列）

Continuing operations:

持續經營業務：

		Garment sourcing and exporting 採購及 出口成衣 HK\$'000 千港元	Property investment 物業投資 HK\$'000 千港元	Investment in securities 證券投資 HK\$'000 千港元	Eliminations 撇銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Turnover	營業額					
External	外來	163,794	2,291	-	-	166,085
Segment (loss) profit	分類（虧損）溢利	(475)	1,514	(28,888)	-	(27,849)
Other income	其他收入					2,387
Other expenses	其他開支					(4)
Unallocated corporate expenses	無分配之公司開支					(2,837)
Loss before taxation (continuing operations)	除稅前虧損 （持續經營業務）					(28,303)

Segment (loss) profit represents the result incurred by each segment without allocation of other income, other expenses, unallocated corporate expenses and finance costs. This is the measure reported to the chief executive officer, the Group's CODM, for the purposes of resource allocation and performance assessment. In the current period, the CODM decided to include the fair value change in investment properties in measuring the segment result of property investment segment. Accordingly, segment profit of property investment for the six months ended 30 September 2011 has been restated.

分類（虧損）溢利乃指各分部之業績，當中沒有包含其他收入、其他開支、無分配之公司開支及融資成本，用以向本集團之主要經營決策者，首席行政總裁匯報，作為資源分配及表現評估之參考。於本期間，主要經營決策者決定包括投資物業之公平值變動以計量投資物業分部之分部業績，因此，已重列截至2011年9月30日止六個月投資物業之分部溢利。

Segment assets and liabilities

分部資產及負債

The following is an analysis of the Group's assets and liabilities by operating and reportable segment:

按經營及呈報分部分析本集團之資產及負債如下：

		30 September 9月30日 2012 <i>HK\$'000</i> 千港元	31 March 3月31日 2012 <i>HK\$'000</i> 千港元 (Restated) (重列)
Segment assets	分部資產		
Garment sourcing and exporting	採購及出口成衣	28,810	24,283
Property investment	物業投資	588,613	466,959
Investment in securities	證券投資	58,876	58,990
		<hr/>	<hr/>
Total segment assets	分部資產總額	676,299	550,232
Bank deposits with original maturity of more than three months	超過三個月到期之銀行存款	67,049	—
Unallocated bank balances and cash	無分配銀行結餘及現金	116,072	111,512
Others	其他	151	392
		<hr/>	<hr/>
Consolidated assets	綜合資產	859,571	662,136
		<hr/> <hr/>	<hr/> <hr/>
Segment liabilities	分部負債		
Garment sourcing and exporting	採購及出口成衣	14,980	11,675
Property investment	物業投資	5,165	4,298
		<hr/>	<hr/>
Total segment liabilities	分部負債總額	20,145	15,973
Secured bank borrowings	有抵押銀行借貸	172,021	—
Unallocated	無分配	42,490	37,927
		<hr/>	<hr/>
Consolidated liabilities	綜合負債	234,656	53,900
		<hr/> <hr/>	<hr/> <hr/>

For the purposes of monitoring segment performances and allocating resources between segments:

就分部表現監控及就分部間之資源分配而言：

- all assets are allocated to operating and reportable segments other than bank deposits with original maturity of more than 3 months, unallocated bank balances and cash and assets used jointly by operating and reportable segments.
 - all liabilities are allocated to operating and reportable segments other than secured bank borrowings, current and deferred tax liabilities and liabilities for which operating and reportable segments are jointly liable.
- 除超過3個月到期之銀行存款、未分配之銀行結餘及現金及經營及呈報分部共同使用之資產外，所有資產已分配至經營及呈報分部。
 - 除有抵押銀行借貸、流動及遞延稅項負債及經營及呈報分部共同承擔之負債外，所有負債已分配至經營及呈報分部。

4. LOSS ON FAIR VALUE CHANGES OF INVESTMENTS HELD FOR TRADING

Continuing operations:

During the six months ended 30 September 2012 and 30 September 2011, losses arose on the listed securities investments made by the Group which have declined in value during these periods.

5. TAXATION

Continuing operations:

The (credit) charge comprises:

Current tax:

Hong Kong Profits Tax

Deferred tax

Tax credit attributable to the Company and its subsidiaries

No provision for Hong Kong Profits Tax has been made for the six months ended 30 September 2012 as the Group has no assessable profit for the period.

Hong Kong Profits Tax for the six months ended 30 September 2011 was calculated at 16.5% of the estimated assessable profit for that period.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

No provision for PRC Enterprise Income Tax has been made as the Group has no assessable profit for both periods.

4. 持作買賣投資之公平值變動虧損

持續經營業務：

截至2012年9月30日及2011年9月30日止六個月內，本集團之上市證券投資帶來虧損，由於此等期內該等投資之價值下跌。

5. 稅項

Six months ended	
30 September	
截至9月30日止六個月	
2012	2011
HK\$'000	HK\$'000
千港元	千港元
	(Restated)
	(重列)

持續經營業務：

(計入) 開支包括：

本期間稅項：

香港利得稅

遞延稅項

本公司及其附屬公司
應佔之稅項計入

	-	213
	(634)	(436)
	(634)	(223)

因本集團於截至2012年9月30日止六個月並無應課稅溢利，故不計提本期間之香港利得稅撥備。

截至2011年9月30日止六個月之香港利得稅乃按該期間估計應課稅溢利之16.5%計算。

根據中國公佈企業所得稅法(「企業所得稅」)及企業所得稅之實施條例，本集團於中國之附屬公司自2008年1月1日起之稅率為25%。

因本集團於兩個期間內並無應課稅溢利，故不計提中國企業所得稅撥備。

6. LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS **6. 來自持續經營業務之本期間虧損**

		Six months ended	
		30 September	
		截至9月30日止六個月	
		2012	2011
		HK\$'000	HK\$'000
		千港元	千港元
Loss for the period from continuing operations has been arrived at after charging:	來自持續經營業務之本期間虧損已扣除：		
Amortisation of intangible asset (included in administrative expenses)	無形資產攤銷（包括在行政開支內）	-	1,563
Depreciation	折舊	124	310
Exchange loss (included in other gains and losses)	匯兌虧損（包括在其他收益及虧損內）	259	231
Total staff costs (including directors' emoluments)	職工成本總額（包含董事酬金）	7,018	7,316
		<u>7,018</u>	<u>7,316</u>

7. DISCONTINUED OPERATIONS

On 22 November 2009, the directors resolved to cease the bleaching and dyeing, and knitting businesses and these businesses were ceased in December 2009 and accordingly have been presented as discontinued operations. During the six months ended 30 September 2012, the Group deregistered certain subsidiaries of these discontinued business (the “Ceased Subsidiaries”). The results of the discontinued operations included in the condensed consolidated statement of comprehensive income are set out below.

7. 已終止經營業務

於2009年11月22日，董事決定終止漂染及紡織業務，而該等業務已於2009年12月終止並因此呈列為已終止經營業務。截至2012年9月30日止六個月內，本集團已註銷此等已終止業務之若干附屬公司（「已終止附屬公司」）。已包括在簡明綜合全面收益表之已終止經營業務之業績載列如下。

		Six months ended 30 September 2012 截至2012年 9月30日止 六個月 HK\$'000 千港元
<u>Profit for the period from discontinued operations</u>	<u>來自己終止經營業務之本期間溢利</u>	
Write back of other tax payable	撥回其他應付稅項	6,139
Profit before taxation	除稅前溢利	6,139
Taxation credit – over provision of PRC Enterprise Income Tax	稅項計入 – 中國企業所得稅超額撥備	5,764
Profit for the period	本期間溢利	11,903
Cumulative exchange differences in respect of the Ceased Subsidiaries reclassified from equity to profit or loss upon deregistration	於註銷時已終止附屬公司之 累計匯兌差異由權益重列至損益	14,714
		<u>26,617</u>

The Group submitted the liquidation accounts of the Ceased Subsidiaries to the relevant PRC tax bureau, paid all taxes assessed and obtained approval of the tax bureau to cancel the tax registration of the Ceased Subsidiaries prior to cancelling the business registration with the Huzhou Administration for Industry and Commerce. In the opinion of the directors, the Group has no further obligations in respect of the Ceased Subsidiaries. As such, all recorded liabilities (including income tax payable and other tax payable) are released upon deregistration of the Ceased Subsidiaries.

在取消與湖州市工商行政管理局之商業登記前，本集團提交已終止附屬公司之清算賬目予有關之中國稅務局、支付所有評定稅項及獲得稅務局之批准以取消已終止附屬公司之稅務登記。董事認為，本集團沒有關於已終止附屬公司之進一步責任。因此，於註銷已終止附屬公司時解除所有已入賬之負債（包括應付利得稅及其他應付稅項）。

8. BASIC LOSS PER SHARE

From continuing and discontinued operations:

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

8. 每股基本虧損

來自持續及已終止經營業務：

本公司股東應佔之每股基本虧損乃根據以下資料計算：

		Six months ended	
		30 September	
		截至9月30日止六個月	
		2012	2011
		HK\$'000	HK\$'000
		千港元	千港元
			(Restated)
			(重列)
Loss for the purpose of basic loss per share	就每股基本虧損而言之虧損	<u>(20,613)</u>	<u>(28,080)</u>
			Number of shares
			股份數目
			(Restated)
			(重列)
Weighted average number of ordinary shares for the purpose of basic loss per share	就每股基本虧損而言之加權平均普通股股份數目	<u>658,771,159</u>	<u>557,680,396</u>

From continuing operations:

The calculation of the basic loss per share from continuing operations attributable to owners of the Company is based on the following data:

Loss figures are calculated as follows:

來自持續經營業務：

本公司股東應佔來自持續經營業務之每股基本虧損乃根據以下資料計算：

虧損數字之計算如下：

		Six months ended	
		30 September	
		截至9月30日止六個月	
		2012	2011
		HK\$'000	HK\$'000
		千港元	千港元
			(Restated)
			(重列)
Loss for the period attributable to owners of the Company	本公司股東應佔之本期間虧損	(20,613)	(28,080)
Less: Profit for the period from discontinued operations	減：來自已終止經營業務之本期間溢利	26,617	—
Loss for the purpose of basic loss per share from continuing operations	就來自持續經營業務之每股基本虧損而言之虧損	(47,230)	(28,080)
		Number of shares	Number of shares
		股份數目	股份數目
			(Restated)
			(重列)
Weighted average number of ordinary shares for the purpose of basic loss per share	就每股基本虧損而言之加權平均普通股股份數目	658,771,159	557,680,396

The denominator for the purpose of calculating basic loss per share for both periods has been adjusted to reflect the bonus element of the rights issue completed in October 2012 on the basis of one rights share for every two ordinary shares held.

就計算兩個期間之每股基本虧損而言，分母已被調整，以反映2012年10月按每持有兩股普通股股份獲發一股供股股份之基準供股之紅利成分。

From discontinued operations:

Basic earnings per share from discontinued operations for the six months ended 30 September 2012 is HK cents 4.04 per share, based on the profit for the period from discontinued operations of HK\$26,617,000 for six months ended 30 September 2012 and the denominators detailed above for basic loss per share from continuing and discontinued operations.

No diluted earnings per share is presented as the Group did not have any potential ordinary shares for both periods.

9. TRADE AND OTHER RECEIVABLES

The Group allows an average credit period of up to 90 days to its customers under garment sourcing and exporting. The aged analysis of trade receivables, based on the invoice date, at the end of the reporting period is as follows:

Trade receivables:

0 – 60 days

61 – 90 days

Over 90 days

貿易應收款項：

0 – 60日

61 – 90日

超過90日

Prepayments

Deposits for suppliers to be realised within 1 year

Other receivables

預付款

將於一年內變現之供應商按金

其他應收款項

10. BILLS RECEIVABLE

At 30 September 2012, the bills receivable are aged within 60 days.

來自己終止經營業務：

截至2012年9月30日止六個月，來自己終止經營業務之每股基本盈利為每股4.04港仙，此乃根據截至2012年9月30日止六個月來自己終止經營業務之本期間溢利26,617,000港元及以上詳述之來自持續及已終止經營業務之每股基本虧損之分子而計算。

由於本集團於兩個期間均沒有任何潛在可攤簿普通股股份，故不呈列每股攤簿盈利。

9. 貿易及其他應收款項

本集團給予採購及出口成衣客戶平均信貸期達90日。於報告期末，根據發票日期，貿易應收款項之賬齡分析如下：

	30 September 9月30日 2012 HK\$'000 千港元	31 March 3月31日 2012 HK\$'000 千港元
	25,790	15,550
	22	20
	1	–
	<u>25,813</u>	<u>15,570</u>
	582	339
	1,542	5,632
	<u>1,682</u>	<u>4,248</u>
	<u>29,619</u>	<u>25,789</u>

10. 應收票據

於2012年9月30日，應收票據之賬齡為60日內。

11. TRADE AND OTHER PAYABLES

The aged analysis of trade payables, based on the invoice date, at the end of the reporting period is as follows:

		30 September	31 March
		9月30日	3月31日
		2012	2012
		HK\$'000	HK\$'000
		千港元	千港元
Trade payables:	貿易應付款項：		
0 – 60 days	0 – 60日	13,076	7,252
Rental deposits received and rental received in advance	已收租金按金及預收租金	4,020	2,701
Proceeds from rights issue of shares to be refunded (<i>note</i>)	將退還之供股所得款項 (<i>附註</i>)	17,685	–
Accruals	預提費用	3,349	2,968
Other tax payable	其他應付稅項	4,373	11,070
Other payables	其他應付款項	310	719
		42,813	24,710

Note: The Company's rights issue of 381,428,337 rights shares at a subscription price of HK\$0.077 per rights share was over-subscribed by 229,676,797 rights shares. Proceeds amounting to HK\$17,685,000 in respect of such over-subscribed rights shares were refunded on 5 October 2012.

12. BILLS PAYABLE

At 30 September 2012, the bills payable are aged within 30 days (31 March 2012: 30 days).

11. 貿易及其他應付款項

於報告期末，根據發票日期，貿易應付款項之賬齡分析如下：

	30 September	31 March
	9月30日	3月31日
	2012	2012
	HK\$'000	HK\$'000
	千港元	千港元
貿易應付款項：		
0 – 60日	13,076	7,252
已收租金按金及預收租金	4,020	2,701
將退還之供股所得款項 (<i>附註</i>)	17,685	–
預提費用	3,349	2,968
其他應付稅項	4,373	11,070
其他應付款項	310	719
	42,813	24,710

*附註：*本公司以每股0.077港元之認購價發行381,428,337股供股股份之超額認購229,676,797股供股股份。超額認購供股股份之所得款項17,685,000港元已於2012年10月5日退還。

12. 應付票據

於2012年9月30日，應付票據之賬齡為30日內（2012年3月31日：30日）。

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2012 (2011: nil).

CORPORATE RESULTS

For the six months ended 30 September 2012 (the “**Period**”), the Group recorded a turnover of approximately HK\$120,165,000, representing a decrease of approximately HK\$45,920,000 or 27.7% from approximately HK\$166,085,000 for the corresponding period in 2011.

Loss attributable to owners of the Company for the Period amounted to approximately HK\$20,613,000 representing a slight improvement when compared to a loss of approximately HK\$28,080,000 for the last corresponding period. The loss was mainly attributable to the increase of loss of approximately HK\$45,006,000 arising on changes in fair value of investment properties.

The basic loss per share from continuing and discontinued operations for the Period was approximately HK cents 3.13 (2011: basic loss per share of approximately HK cents 5.04).

BUSINESS REVIEW

During the Period, the Group was principally engaged in the garment sourcing and export businesses, property investment and investment in securities.

Geographical Analysis of Turnover

During the Period, the turnover from garment sourcing and export businesses was mainly derived from customers in the USA. Rental income from the investment properties was derived from properties located in Hong Kong and the PRC.

管理層討論及分析

中期股息

董事會不建議就截至2012年9月30日止6個月派發中期股息（2011年：無）。

公司業績

截至2012年9月30日止6個月（「**期內**」），本集團之營業額錄得約120,165,000港元，較2011年同期166,085,000港元減少約45,920,000港元或27.7%。

於期內，本公司權益持有人應佔虧損約為20,613,000港元相比去年同期虧損約28,080,000已有輕微改善。期內之虧損主要由於投資物業之公平值變動出現虧損約45,006,000港元。

於期內，持續及已終止經營業務之每股基本虧損約為3.13港仙（2011：每股基本虧損約為5.04港仙）。

業務回顧

於期內，本集團主要從事採購及出口成衣業務、物業投資及投資上市證券。

營業額地區性分析

於期內，採購及出口成衣業務之營業額主要源於美國之客戶。投資物業所得之租金收入來自位於香港及中國之物業。

(i) Garment Sourcing and Export Businesses

For the Period, this segment recorded a turnover of approximately HK\$114,653,000 (2011: approximately HK\$163,794,000) representing approximately 30.0% decrease comparing with 2011. Cost of sales for the Period amounted to approximately HK\$102,985,000 (2011: approximately HK\$148,957,000). The loss of approximately HK\$450,000 (2011: loss of approximately HK\$475,000) was mainly due to the decrease of turnover resulted in decrease of gross profit for the Period.

(ii) Property Investment

For the Period, the aggregate rental generated from the property investments was approximately HK\$5,512,000 (2011: approximately HK\$2,291,000) of which approximately HK\$3,552,000 and HK\$1,960,000 were generated from the properties in Hong Kong and the PRC respectively.

In May 2012, the Group completed the purchase of a property at the Ground Floor, No. 6 Cannon Street, Causeway Bay, Hong Kong at a consideration of HK\$180,000,000. In addition, in June 2012, the Group completed the purchase of five properties situated at No. 15 Matheson Street, Causeway Bay, Hong Kong at a total consideration of HK\$81,000,000.

The Group has two blocks of factory premises and four blocks of workers' quarters with a total gross floor area of approximately 52,624 sq.m. in Huzhou, PRC. In addition, the construction works on new factory block targets to be completed in early 2013.

(iii) Investments held-for-trading

The Group has maintained a portfolio of listed equity securities in Hong Kong which are held for short-term investment. In respect of securities investment, the loss of approximately HK\$2,309,000 was recorded though it has improved from last year. The loss was mainly attributable to the fair market value accounting adjustments as of the reporting date.

(i) 採購及出口成衣業務

於期內，本分部之營業額錄得約為114,653,000港元(2011：約163,794,000港元)，較2011年下降約30.0%。期內之銷售成本約為102,985,000港元(2011：約148,957,000港元)。期內虧損約為450,000港元(2011：虧損約475,000港元)是由於營業額的減少引致毛利下降。

(ii) 物業投資

於期內，物業投資產生累積租金約為5,512,000港元(2011：約2,291,000港元)，而香港物業及中國物業分別產生約為3,552,000港元及1,960,000港元。

於2012年5月，本集團以180,000,000港元完成購入位於香港銅鑼灣景隆街6號地下之物業。另外，於2012年6月，本集團以81,000,000港元完成購入位於香港銅鑼灣勿地臣街15號之5個物業。

本集團於中國湖州擁有2座廠房及4座員工宿舍，總建築面積約為52,624平方米。另外，興建新廠房之工程將於2013年年初竣工。

(iii) 持作買賣投資

本集團持有一個香港上市股本證券組合，持作短期投資。證券投資方面，儘管相對去年已改善，仍然錄得約2,309,000港元之虧損。虧損主要由於報告日期對市場公平值進行會計調整所致。

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group financed its operation through internally generated cash flow, public fund raisings and bank borrowings. As at 30 September 2012, the Group's bank borrowings amounted to HK\$172,021,000. The gearing ratio of the Group calculated as a ratio of total borrowings to shareholders' equity, for the Period was approximately 0.3 (31 March 2012: nil).

As at 30 September 2012, the Group has net current assets of approximately HK\$215,353,000 (31 March 2012: approximately HK\$249,241,000). Current ratio as at 30 September 2012 was 4.8 (31 March 2012: 7.1). The bank balances and cash together with bank deposits with original maturity of more than three months as at 30 September 2012 was approximately HK\$183,360,000 (31 March 2012: approximately HK\$205,477,000).

Capital Structure

- (i) On 12 June 2012, the Company completed the placing of 97,470,000 new shares to not less than six places at a placing price of HK\$0.141 per share. The Company raised approximately HK\$13,606,000 (net of expenses).
- (ii) On 31 July 2012, the Company completed the placing of 114,700,000 new shares to not less than six places at a placing price of HK\$0.106 per share. The Company raised approximately HK\$12,037,000 (net of expenses).
- (iii) On 15 August 2012, the Company entered into an underwriting agreement in relation to the proposed rights issue of 381,428,337 rights shares at the subscription price of HK\$0.077 per rights share on the basis of one rights share for every two existing shares held. The Company raised approximately HK\$28,370,000 (net of expenses). Details of the rights issue are set out in the Company's prospectus dated 11 September 2012.

財務回顧

流動資金及財務資源

本集團以內部產生的流動現金、公開籌集資金及銀行借貸撥付其營運所需。於2012年9月30日，本集團銀行借貸約172,021,000港元。本集團的資產負債比率（按借貸總額與股東資產的比率計算）約為0.3（2012年3月31日：無）。

於2012年9月30日，本集團有流動資產淨額約215,353,000港元（2012年3月31日：約249,241,000港元）。於2012年9月30日的流動比率為4.8（2012年3月31日：7.1）。本集團於2012年9月30日的銀行結餘及現金連同超過3個月到期之銀行存款約為183,360,000港元（2012年3月31日：約205,477,000港元）。

股本結構

- (i) 於2012年6月12日，本公司以每股配售價0.141港元完成配售97,470,000新股份予不少於6名承配人。本公司共集資約13,606,000港元（已扣除開支）。
- (ii) 於2012年7月31日，本公司以每股配售價0.106港元完成配售114,700,000新股份予不少於6名承配人。本公司共集資約12,037,000港元（已扣除開支）。
- (iii) 於2012年8月15日，本公司簽訂一份包銷協議有關建議供股381,428,337股按每2股現有股份可獲1股供股股份之基準供股，以認購價每股供股股份0.077港元。本公司共集資約28,370,000（已扣除開支）。詳細供股資料刊於本公司章程日期為2012年9月11日。

As at 30 September 2012, the total number of issued ordinary shares of the Company was 762,856,675 shares (31 March 2012: 550,686,675 shares).

Charge on Group Assets

As at 30 September 2012, bank loans amounting to approximately HK\$172,021,000 (31 March 2012: nil) were secured by the investment properties of the Group having a net book value of approximately HK\$359,000,000.

Exposure on Foreign Exchange Fluctuations

Most of the Group's revenues and payments are in US dollars, Hong Kong dollars and Renminbi. During the Period, the Group had no significant exposure to fluctuations in exchange rates and thus, no financial instrument for hedging purposes was employed. The directors consider the risk of exposure to currency fluctuation to be minimal.

Material Acquisitions and Disposals

The Group had no material acquisitions or disposals of subsidiaries and associated companies during the Period.

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 30 September 2012 (31 March 2012: nil).

Capital Expenditure and Capital Commitments

During the Period, the Group spent approximately HK\$999,000 on acquisition of property, plant and equipment (2011: approximately HK\$178,000).

As at 30 September 2012, the Group has capital commitments in respect of capital expenditure contracted for but not provided of approximately HK\$8,921,000 (31 March 2011: approximately HK\$171,850,000).

於2012年9月30日，本公司之已發行普通股份數目為762,856,675股（2012年3月31日：550,686,675股）。

本集團之資產抵押

於2012年9月30日，銀行貸款約172,021,000港元（2012年3月31日：無）以本集團投資物業賬面淨值約為359,000,000港元作抵押。

承受兌換率波動

本集團之收入與支出以美元、港元及人民幣為主。於期內，本集團並無因兌換率波動而承受重大風險，因此並無運用任何金融工具作對沖用途。董事認為承受兌換率波動之風險極微。

重大收購及出售

於期內，本集團並無附屬或聯營公司之重大收購或出售。

或然負債

於2012年9月30日，本集團並無任何重大或然負債（2012年3月31日：無）。

資本開支及資本承擔

於期內，本集團用於購買物業、廠房及設備之款項約為999,000港元（2011：約178,000港元）。

於2012年9月30日，本集團已訂約但未撥備資本性開支之資本承擔約為8,921,000港元（2011年3月31日：約171,850,000港元）。

PROSPECTS

Although the third round of Quantitative Easing was announced by the Federal Reserve in the US in September this year, the continuing concerns over European sovereign debt are still likely to maintain pressure on liquidity in global banking system thus increase market cost of borrowing. Coupled with the slower-than expected US recovery that led to the conservative consumer's consumption together with two consecutive years of decline in the US garment import, resulting in negative impact on the Group's turnover. Nevertheless, the Board considers that the Group maintains sufficient liquidity to support its ongoing operations. The garment industry could remain challenging in the rest of this financial year.

The local property market has been rising in the past year. This reflects Hong Kong remaining one of the most attractive markets for property investment. The Board will keep the existing properties for investment purpose and constantly look for other opportunities to maximise shareholders' return.

In respect of securities short-term investment, the Hang Seng Index has been improving after the Period. The investment philosophy of the Company remains conservative and management is cautiously optimistic on a better return.

As disclosed in 2011/12 annual report of the Company with the intention to explore the investment opportunities in hotel and serviced apartment projects, notwithstanding, the Company currently has not identified any specific acquisition target.

In face of the complexity of the global economy, the Group will continue to adopt a prudent approach in the coming six months to strengthen the existing businesses. At the same time, it will strategically transform the potential value of the investments into shareholders' value, generating sustained revenue for the shareholders.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period.

展望

儘管美國在今年9月份宣佈了第三輪量化寬鬆政策，但對於歐盟主權債務的持續憂慮，很有可能仍令全球金融市場之流動性持續受壓，從而提高市場借貸成本。加上比預期緩慢的美國經濟復蘇促使消費者謹慎消費，以致美國成衣進口過去兩年連續下降，對集團的盈利能力持續構成負面打擊。然而，董事會認為本集團將維持充足的現金流以支援其持續經營。本集團相信在不久之未來紡織行業的經營環境將仍然具挑戰性。

本地物業市場於去年持續上升，反映香港仍是最具吸引力之物業投資市場之一。董事會將持有現有物業作投資用途，並不斷物色其他機會以為股東帶來最高回報。

短期證券投資方面，恒生指數於期內後有所好轉。本公司之投資理念依然趨於保守，且管理層對獲取更高之回報保持審慎樂觀。

如本公司2011/2012年報中提述有意探求酒店及服務式公寓項目之投資機會，然而，本公司仍未確定任何特定收購目標。

面對全球經濟的複雜性，本集團於未來半年將繼續採審慎態度強化現有的業務。同時策略性地將各投資項目的潛在價值轉化為股東價值，為各股東帶來持續收益。

購買、出售或贖回本公司之上市證券

於期內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

CORPORATE GOVERNANCE

The Stock Exchange of Hong Kong Limited made various amendments to the Code on Corporate Governance Policies (the “Former Code”) contained in Appendix 14 to the Listing Rules and renamed it to Corporate Governance Code (the “CG Code”). The CG Code took effect on 1 April 2012.

The Company has applied the principles and complied with all the code provisions and some recommended best practices of the Former Code; and fully complied with the CG Code during the Period, with the exception of the following deviation.

Code Provision A.2.1 chairman and chief executive officer should not be performed by the same individual

The Company does not have separate appointments for chairman and chief executive officer. Mr. Kwong Jimmy Cheung Tim holds both positions. The Board believes that vesting the roles of both chairman and chief executive officer in the same person enables the Company to have a stable and consistent leadership. It also facilitates the planning and execution of the Company’s strategy and is hence, for the interests of the Company and its shareholders.

REVIEW OF INTERIM RESULTS

The interim results of the Group for the Period have not been audited, but have been reviewed by the audit committee of the Company.

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

Hong Kong, 15 November 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.

企業管治

香港聯合交易所有限公司對上市規則附錄14所載之企業管治常規守則（「前守則」）已作出各項修訂，並改稱為企業管治守則（「管治守則」）。管治守則已於2012年4月1日生效。

本公司於期內，除下列偏離外，全面遵守前守則的所有守則條文及部份建議最佳常規；和全面遵守管治守則。

守則條文第A.2.1條：主席與行政總裁不應由一人同時兼任

本公司並未分別委任主席與行政總裁。鄺長添先生現兼任本公司的主席與首席行政總裁。董事會認為鄺先生兼任主席及首席行政總裁可以為本集團提供穩健及一貫的領導，利於本公司戰略的有效策劃及推行，符合本公司和股東利益。

審閱中期業績

本集團於本期間之中期業績未經審核，但已由本公司之審核委員會審閱。

承董事會命
永義實業集團有限公司
鄺長添
主席兼首席行政總裁

香港，2012年11月15日

於本通告日期，董事會成員包括執行董事鄺長添先生、雷玉珠女士及官可欣女士，非執行董事謝永超先生，以及獨立非執行董事簡嘉翰先生、劉善明先生及傅德楨先生。