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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)

PROFIT WARNING

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong).

The board of directors of Easyknit International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary assessment of the unaudited consolidated management accounts of the Group, the Group is expecting to report a net loss of approximately more than HK\$140 million for the six months period ended 30 September 2019 (the “**Period**”). The expected loss for the Period is primarily due to (i) the loss on deemed disposal of equity interests in an associate; (ii) the decrease in revenue generated from the sales of properties since the Group did roll out new properties during the Period; (iii) the decrease in gain on changes in fair value of investment properties; and (iv) the increase in impairment loss of financial assets.

The information contained in this announcement is only based on the preliminary assessment by the Company’s management according to the latest unaudited consolidated management accounts of the Group and not based on information or figures audited or reviewed by the auditor of the Company and/or the audit committee of the Company. The unaudited interim results of the Group for the Period have not yet been finalized. Shareholders and potential investors should read carefully the interim results announcement for the Period of the Group which is expected to be published on or before 30 November 2019.

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

By Order of the Board
Easyknit International Holdings Limited
Tse Wing Chiu Ricky
President and Chief Executive Officer

Hong Kong, 1 November 2019

As at the date hereof, the Board comprises Mr. Tse Wing Chiu Ricky, Ms. Lui Yuk Chu and Ms. Koon Ho Yan Candy as executive directors; and Mr. Tsui Chun Kong, Mr. Jong Koon Sang and Mr. Hon Tam Chun as independent non-executive directors.

** For identification purposes only*