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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 Easyknit International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) in accordance with Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) concerning disclosure of inside information and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders and potential investors of the Company that based on the preliminary assessment of the unaudited consolidated management accounts of the Group and the information currently available to the Board for the year ended 31 March 2022 (the “**Year**”), the Group is expected to record a net profit of not less than HK\$1 billion for the Year which had increased notably as compared with the net profit of approximately HK\$22 million of the corresponding period in 2021. During the Year, the Group had increased its shareholding interests in Eminence Enterprise Limited (“**Eminence**”) (stock code: 616) and held approximately 74.76% of the total issued share capital of Eminence as at 31 March 2022, Eminence was recognised as a subsidiary in the books of the Company and has been consolidated into the Group’s financial statements. The increase in profit of the Group for the Year compared with corresponding period last year was primarily attributable to, among other things, (i) gain on bargain purchase of acquisition of interests in Eminence; (ii) gain on change in fair value of investment properties; (iii) gain on settlement of loans receivable; and (iv) decrease in impairment loss on properties held for development for sale during the Year. Such increase in profit was partially offset by the loss on remeasurement of interests in Eminence, the net loss on changes in fair value of financial assets through profit and loss and the increase in taxation charge.

The Company is still in the process of finalising the consolidated results of the Group for the Year. Therefore, the information contained in this announcement is only based on the preliminary assessment on the unaudited consolidated management accounts of the Group for the Year by the Board which has yet to be confirmed, reviewed or audited by the independent auditors of the Company or reviewed by the Audit Committee of the Company. Details of the performance of the Group for the Year will be disclosed in the annual results announcement of the Company which is expected to be released in late June 2022.

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

By Order of the Board
EASYKNIT INTERNATIONAL HOLDINGS LIMITED
Koon Ho Yan Candy
President and Chief Executive Officer

Hong Kong, 10 June 2022

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