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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 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 2023 (the “**Year**”), the net profit of the Group for the Year is expected to record to decrease by more than 90% as compared with last year. The decrease in profit was primarily attributable to, among other things, (i) the decrease in revenue; (ii) the increase in finance costs; (iii) the increase in loss on changes in fair value of fair value through profit or loss; and (iv) the decrease in deemed gain on bargain purchase of additional interest in an associate. Such decrease in net profit was partially offset by (v) increase in gain on change in fair value of investment properties and (vi) decrease in impairment loss on financial assets.

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 2023.

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, 12 June 2023

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