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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 (Chapter 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 not less than HK\$290.0 million for the year ended 31 March 2020 as compared with the net profit of approximately HK\$315.8 million for the year ended 31 March 2019, owing considerably to the impact of the worldwide outbreak of the novel coronavirus (COVID-19) pandemic. The expected loss is mainly attributable to (i) loss on changes in fair value of investment properties; (ii) impairment loss on properties held for development for sale; (iii) the decrease in revenue generated from the sales of properties since the Group did not roll out new properties during the year; and (iv) increase in impairment loss of financial assets. Such loss was partially offset by the decrease in cost recognised in the sales of properties as well as the related distribution and selling expenses.

The Company is still in the process of finalising the annual results of the Group for the year ended 31 March 2020. 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. Shareholders and potential investors should read carefully the annual results announcement of the Group for the year ended 31 March 2020 which is expected to be published in early June 2020.

*\* for identification purposes only*

**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, 20 May 2020

*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.*