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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)

**FURTHER ANNOUNCEMENT TO
PROFIT WARNING ANNOUNCEMENT**

Reference is made to the profit warning announcement of Easyknit International Holdings Limited (the “**Company**”, together with its subsidiaries, (the “**Group**”)) dated 4 June 2014 (the “**Profit Warning Announcement**”).

As mentioned in the Profit Warning Announcement, one of the factors causing the significant decrease in profit for the year ended 31 March 2014 (“**Year 2014**”) as compared to the year ended 31 March 2013 (“**Year 2013**”) is the significant decrease in gain arising on changes in fair value of the investment properties.

Based on the draft management accounts of the Group, the board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and the potential investors further information on the fair value gains of the investment properties which was decreased to approximately HK\$41 million in Year 2014 as compared to a gain of approximately HK\$487 million in Year 2013. This change in fair value in investment properties does not affect the Group’s principal business of holding investment properties for rental income and the Group’s cash flow.

The Company would like to draw your attention that the Profit Warning Announcement and the above-mentioned figures are only based on the Company’s preliminary review of the draft management accounts of the Group, which will be subject to the review, audit and finalization of the Company’s auditors.

The Company is in the process of finalizing the audited annual results of the Group for the year ended 31 March 2014, which is expected to be published by 25 June 2014.

Shareholders of the Company 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
Kwong Jimmy Cheung Tim
President and Chief Executive Officer

Hong Kong, 16 June 2014

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 and Mr. Lai Law Kau as non-executive directors and Mr. Tsui Chun Kong, Mr. Jong Koon Sang and Mr. Hon Tam Chun as independent non-executive directors.

** for identification only*