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EASYKNIT ENTERPRISES HOLDINGS LIMITED

永義實業集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 0616)

FURTHER ANNOUNCEMENT TO PROFIT WARNING ANNOUNCEMENT

Reference is made to the profit warning announcement of Easyknit Enterprises 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, the factors causing the loss for the year ended 31 March 2014 (“**Year 2014**”) as compared to the year ended 31 March 2013 (“**Year 2013**”) is a change from a gain to a loss arising on changes in fair value of the financial instruments.

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 the following further information on the change from a profit for the Year 2013 to a loss for the Year 2014:

- (1) the loss arising from changes in fair value of financial instruments was approximately HK\$3 million in Year 2014 as compared for a gain of approximately HK\$6 million in Year 2013;
- (2) the loss arising from changes in fair value of investment properties has been reduced to HK\$660,000 in Year 2014 as compared to a loss of approximately HK\$31 million in Year 2013. This reduction in loss was countered by the absence of the one-off gain of approximately HK\$27 million in Year 2013 in the disposal of subsidiaries.

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 19 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 Enterprises Holdings Limited
Kwong Jimmy Cheung Tim
Chairman 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. Kan Ka Hon, Mr. Lau Sin Ming and Mr. Foo Tak Ching as independent non-executive directors.

** for identification only*