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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)

AMENDMENTS TO MAJOR TRANSACTION (LOAN AGREEMENT)

On 17 September 2018, the Lender signed the consent letter with the Borrower, the Guarantor and the chargors under the Share Charges, pursuant to which the Lender has agreed at the request of the Borrower to extend the Repayment Date of the remaining outstanding amount of the Loan of HK\$40,000,000 to 14 October 2018 in accordance with the revised terms and conditions as stipulated therein.

BACKGROUND

Reference are made to four (4) announcements of the Company dated 17 November 2016, 16 November 2017, 14 February 2018 and 14 August 2018 respectively (collectively the “**Announcements**”) in relation to the grant of the loan in the amount of HK\$100,000,000 (the “**Loan**”) by Great Sail Global Limited (a wholly owned subsidiary of the Company) as the lender to Fortunate Gravity Hongkong Limited as the borrower pursuant to the terms and conditions of the facility agreement dated 16 November 2016 (as supplemented and amended by two supplemental agreements dated 16 November 2017 and 14 February 2018 respectively) (the “**Loan Agreement**”). Terms used herein shall have the same meaning as defined in the Announcements unless otherwise stated.

Pursuant to the terms and conditions of the Loan Agreement, the Lender granted the Loan, which was secured by the Share Charges and the Personal Guarantee, to the Borrower at the interest rate of 12% per annum for a period of 15 months up to 14 February 2018.

On 14 February 2018, the Lender entered into a second supplemental agreement (the “**Second Supplemental Agreement**”) with the Borrower, the Guarantor and the chargors under the Share Charges whereby it was agreed, inter alia, that the Lender would extend the term for the remaining outstanding balance of the Loan in the total amount of HK\$40,000,000 (the “**Outstanding Amount**”) for a further 6 months up to 14 August 2018.

** for identification purposes only*

On 14 August 2018, the Lender signed the Consent Letter with the Borrower, the Guarantor and the chargors under the Share Charges, pursuant to which the Lender has agreed to extend the Repayment Date for the Outstanding Amount to 14 September 2018 in accordance with the revised terms and conditions as stipulated therein.

FURTHER AMENDMENTS TO THE LOAN AGREEMENT

On 17 September 2018, the Lender signed the Consent Letter with the Borrower, the Guarantor and the chargors under the Share Charges, pursuant to which the Lender has agreed to extend the Repayment Date for the Outstanding Amount to 14 October 2018 in accordance with the revised terms and conditions as stipulated therein.

The interest calculated and payable on the Outstanding Amount shall accrue at 18.00% per annum from 15 September 2018 up to the date of actual payment (the “**New Interest**”). New Interest shall be paid to the Lender on or before 14 October 2018; and in any event, the Outstanding Amount shall be repaid to the Lender in full on or before 14 October 2018.

Save in relation to the extension of the Repayment Date to 14 October 2018 for the Outstanding Amount and the interest rate thereon, all other terms and conditions of the Loan Agreement remain unchanged.

REASON AND BENEFIT FOR FURTHER AMENDMENTS TO THE LOAN AGREEMENT

The Group is principally engaged in property investment, property development, securities investment and loan financing business.

The terms of the Loan Agreement and the Consent Letter have been arrived by the parties thereto after arm’s length negotiations with reference to the prevailing commercial practice and the amount of the Loan. Having considered the recurring interest income to be generated by the grant of the Loan, the Board considers that the terms of the Loan Agreement and the Consent Letter are normal commercial terms and are fair and reasonable and the grant of the Loan is in the interest of the Company and Shareholders as a whole.

This announcement is made by the Company pursuant to Rule 14.36 of the Listing Rules, as signing the Consent Letter constitutes a variation to the terms of the transactions previously disclosed under the Announcements.

By Order of the Board
Easyknit International Holdings Limited
Tse Wing Chiu Ricky
President and Chief Executive Officer

Hong Kong, 17 September 2018

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.