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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)

INSIDE INFORMATION

OCCURRENCE OF EVENT OF DEFAULT IN RELATION TO GRANT OF A LOAN

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

BACKGROUND

References are made to seven (7) announcements of the Company dated 17 November 2016, 16 November 2017, 14 February 2018, 14 August 2018, 17 September 2018, 20 December 2018 and 5 February 2020 (collectively, the “**Announcements**”) and the circulars of the Company dated 8 December 2016 and 7 December 2017 respectively in relation to the grant and extension of a loan by the Lender to the Borrower. Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

BREACH OF THE LOAN AGREEMENT (AS AMENDED BY THE AMENDMENT AGREEMENT) AND OCCURRENCE OF EVENT OF DEFAULT

In accordance with the Amendment Agreement, among other things, on the occurrence of certain events of default (the “**Event(s) of Default**”) specified in it, the Lender is entitled to demand immediate repayment of the Loan and all amounts payable under the Loan Agreement (as amended by the Amendment Agreement).

** for identification purposes only*

ENFORCEMENT OF SHARE CHARGES

The Board hereby announces that an Event of Default has occurred under the Loan Agreement (as amended by the Amendment Agreement) and on 12 March 2020, the Lender initiated the process of enforcement of the Share Charges and enforcement of its rights generally under the Loan Agreement (as amended by the Amendment Agreement).

The Board is in the process of assessing the financial impact of the Events of Default on the Group and will take into account the final course of action of the Lender in making its assessment.

The Company will issue further announcement with respect to its actions taken in response to the Events of Default as and when required in accordance with the Listing Rules.

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

Hong Kong, 12 March 2020

The English text of this announcement shall prevail over the Chinese text to the extent of any inconsistency.

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.