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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)

SUPPLEMENTAL ANNOUNCEMENT

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

Reference is made to the announcement of Easyknit International Holdings Limited (the “**Company**”) dated 12 March 2020 (the “**Announcement**”) in relation to the occurrence of event of default in relation to grant and extension of a loan. Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

The Board would like to provide further information on the details on the Event of Default to keep the Company’s investors and shareholders well-informed.

OCCURRENCE OF EVENT OF DEFAULT

In accordance with the Amendment Agreement, the Borrower shall pay interest to the Lender according to the repayment schedule stated in the Amendment Agreement. In accordance with the Loan Agreement (as amended by the Amendment Agreement), it is an Event of Default if, among other things, the Borrower fails to pay any sum payable under the Loan Agreement (as amended by the Amendment Agreement). The Lender did not receive from the Borrower an interest payment of HK\$1,276,502.73 which was due on 28 February 2020 (such is still outstanding as at the date of the Announcement), therefore, an Event of Default has occurred.

In this regard, the Lender has 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 Company will issue further announcement(s) with respect to its actions taken in response to the Event(s) of Default as and when required in accordance with the Listing Rules.

** for identification purposes only*

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

Hong Kong, 16 March 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.