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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)**

### **DISCLOSEABLE TRANSACTION SUBSCRIPTION OF LISTED SECURITIES**

#### **THE SUBSCRIPTION**

The Board announces that on 16 August 2024 (after trading hours), the Subscriber (a direct wholly-owned subsidiary of the Company), through the Placing Agent, agreed to subscribe for 18,580,000 Pacific Legend Shares at a consideration of approximately HK\$3,066,000 (exclusive of transaction cost), representing HK\$0.165 per Pacific Legend Share. Completion of the Subscription shall take place on or before 28 August 2024.

Immediately after completion of the Subscription, the Group shall hold 18,580,000 Pacific Legend Shares, representing approximately 6.86% of the total number of issued Pacific Legend Shares as enlarged by the allotment and issuance of the Pacific Legend Shares pursuant to the Placing.

#### **LISTING RULES IMPLICATION**

As certain applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Subscription exceed 5% but are less than 25%, the Subscription constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

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As at the date of this announcement, the 18,580,000 Pacific Legend Shares subject to the Subscription represented approximately 8.15% of the total number of issued Pacific Legend Shares. Immediately after completion of the Subscription, the 18,580,000 Pacific Legend Shares subject to the Subscription shall represent approximately 6.86% of the total number of issued Pacific Legend Shares as enlarged by the allotment and issuance of the Pacific Legend Shares pursuant to the Placing.

The consideration for the Subscription was settled in cash from the internal resources of the Group.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, Pacific Legend and the ultimate beneficial owner(s) of Pacific Legend are Independent Third Parties of the Company.

## **INFORMATION OF THE SUBSCRIBER AND THE GROUP**

The Subscriber, a direct wholly-owned subsidiary of the Company, is a company incorporated in Hong Kong with limited liability. The principal business of the Subscriber is investment holding.

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

## **INFORMATION OF PACIFIC LEGEND GROUP**

Based on the information available to the Company, Pacific Legend is a company incorporated in the Cayman Islands and the shares of which are listed on GEM of the Stock Exchange (stock code: 8547). Pacific Legend Group is principally involved in (i) sale of home furniture and accessories (which includes retail, corporate sales, online shops, wholesale and franchise); (ii) rental of home furniture and accessories; and (iii) project and hospitality services (which typically involve designing, styling, decorating and furnishing commercial or residential properties such as hotels, serviced apartments and showflats).

The following information is extracted from Pacific Legend's annual report for the two financial years ended 31 December 2022 and 2023:

	<b>Year ended 31 December</b>	
	<b>2023</b>	<b>2022</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
	<b>(audited)</b>	<b>(audited)</b>
Revenue	<b>250,566</b>	204,038
Loss before tax	<b>(35,843)</b>	(47,886)
Loss for the year	<b>(35,912)</b>	(47,888)

As stated in the 2023 annual report of Pacific Legend, Pacific Legend Group had an audited net asset value of HK\$38,641,000 as at 31 December 2023.

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION**

One of the Group's principal businesses is securities investment.

Having considered the business operation and business prospects of Pacific Legend Group, the Directors hold positive views towards the business prospects of Pacific Legend Group and are of the view that the Subscription provides the Group with a good investment opportunity to expand its securities investment portfolio and believe that the Subscription will provide satisfactory return on investment to the Group.

Based on the above, the Directors are of the view that the Subscription was fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATION**

As certain applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Subscription exceed 5% but are less than 25%, the Subscription constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings when used herein:

“Board”	the board of Directors
“Company”	Easyknit International Holdings Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1218)
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	party(ies) independent of and not connected with the Company and its connected persons (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Pacific Legend”	Pacific Legend Group Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability and the issued shares of which are listed on GEM of the Stock Exchange (stock code: 8547)
“Pacific Legend Group”	Pacific Legend and its subsidiaries
“Pacific Legend Share(s)”	ordinary shares of HK\$0.10 each in the share capital of Pacific Legend

“Placing”	the placing of up to 42,700,000 new Pacific Legend Shares pursuant to the conditional placing agreement entered into between Pacific Legend and the Placing Agent dated 8 August 2024 (as supplemented by the supplemental placing agreement entered into between Pacific Legend and the Placing Agent dated 12 August 2024)
“Placing Agent”	Constance Capital Limited, a licensed corporation incorporated in Hong Kong to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities for the purpose of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), which is also an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Gold Winner Investment Limited, a company incorporated in Hong Kong with limited liability, which is also a direct wholly-owned subsidiary of the Company
“Subscription”	the subscription of 18,580,000 Pacific Legend Shares for a consideration of approximately HK\$3,066,000 (exclusive of transaction costs) by the Subscriber (a direct wholly-owned subsidiary of the Company) pursuant to the Placing, which shall be completed on or before 28 August 2024
“%”	per cent.

By Order of the Board

**EASYKNIT INTERNATIONAL HOLDINGS LIMITED**

**Koon Ho Yan Candy**

*President and Chief Executive Officer*

Hong Kong, 16 August 2024

*As at the date hereof, the Board comprises Ms. Koon Ho Yan Candy and Ms. Lui Yuk Chu as executive Directors; and Mr. Tsui Chun Kong, Mr. Jong Koon Sang and Mr. Lau Chak Hang Charles as independent non-executive Directors.*