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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)**

### **MAJOR TRANSACTION EXTENSION OF LOAN AGREEMENT**

Reference is made to the Company's announcement dated 17 November 2016 regarding the Loan Agreement between the Lender and the Borrower. Pursuant to the Loan Agreement, the Lender conditionally agreed to lend HK\$100,000,000 to the Borrower for a period of 12 months from the Drawdown Date, being 17 November 2016, until 16 November 2017.

The Board announces that on 16 November 2017, the Lender entered into a Supplemental Agreement with the Borrower, the Guarantor and the chargors under the Share Charges to extend the term of the Loan Agreement to 14 February 2018.

As the highest applicable Percentage Ratio calculated under Rule 14.07 of the Listing Rules in respect of the Supplemental Agreement is more than 25% but less than 100%, the entering into of the Supplemental Agreement constitutes a major transaction of the Company and is therefore subject to the announcement and shareholders' approval requirements under the Listing Rules.

#### **EXTENSION OF THE LOAN AGREEMENT**

Reference is made to the Company's announcement dated 17 November 2016 ("**Announcement**") regarding the Loan Agreement between the Lender and the Borrower. Pursuant to the Loan Agreement, the Lender conditionally agreed to lend HK\$100,000,000 to the Borrower for a period of 12 months from the Drawdown Date, being 17 November 2016, until 16 November 2017. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement

The Board announces that on 16 November 2017, the Lender entered into a supplemental agreement with the Borrower, the Guarantor and the chargors under the Share Charges to extend the term of the Loan Agreement to 14 February 2018 ("**Supplemental Agreement**").

*\* for identification purposes only*

## **DETAILS OF SUPPLEMENTAL AGREEMENT**

Date of the Supplemental Agreement:	16 November 2017
Lender:	Great Sail Global Limited
Borrower:	Fortunate Gravity Hongkong Limited
Loan amount:	HK\$100,000,000
Interest rate:	12% per annum
Security:	the Share Charges and the Personal Guarantee
Repayment:	the Borrower shall repay (a) the interest accrued on the outstanding principal amount of the Loan on a monthly basis in arrears; and (b) the outstanding principal amount of the Loan together with any accrued and unpaid interest in one lump sum in full on the final repayment date

## **REASONS FOR AND THE BENEFIT OF SUPPLEMENTAL AGREEMENT**

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

The loan financing is one of the principal activities of the Group. The terms of the Supplemental Agreement was arrived at by the parties after arm's length negotiations with reference to the prevailing market conditions and practices. Having considered that the Supplemental Agreement is in the ordinary and usual course of business of the Group and is beneficial to the Group in terms of return (i.e. additional interest income), the Directors consider that the terms of the Supplemental Agreement are normal commercial terms and reasonable and in the interests of the Company and the Shareholders as whole.

## **LISTING RULES IMPLICATIONS**

As the highest applicable Percentage Ratio calculated under Rule 14.07 of the Listing Rules in respect of the Supplemental Agreement is more than 25% but less than 100%, the entering into of the Supplemental Agreement constitutes a major transaction of the Company and is therefore subject to the announcement and shareholders' approval requirements under the Listing Rules.

## **WRITTEN SHAREHOLDERS' APPROVAL**

Pursuant to Rule 14.44 of the Listing Rules, in lieu of a resolution to be passed at a general meeting of the Company, written approvals of the Supplemental Agreement and the transaction contemplated under the Supplemental Agreement have been obtained from Sea Rejoice Limited and Magical Profits Limited, the substantial shareholders of the Company with an aggregate interest in 46,609,144 Shares, representing approximately 58.69% of the issued share capital of the Company as at the date of this announcement. Sea Rejoice Limited which holds 17,429,664 Shares, representing approximately 21.95% of the issued shares of the Company, is wholly-owned by Ms. Lui Yuk Chu, the vice president and an executive director of the Company. Magical Profits Limited, which holds 29,179,480 Shares, representing approximately 36.74% of the issued shares of the Company is wholly-owned by The

Winterbotham Trust Company Limited as the trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu and her family members (including Ms. Koon Ho Yan Candy, daughter of Ms. Lui Yuk Chu and an executive director of the Company) other than the spouse of Ms. Lui Yuk Chu). Sea Rejoice Limited and Magical Profits Limited are therefore a “closely allied group of shareholders” for the purpose of the Listing Rules.

A circular containing, among other things, details of the Supplemental Agreement and the Security Documents is expected to be despatched to the Shareholders for information on or before 7 December 2017 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, 16 November 2017

*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.*