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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 PROVISION OF FINANCIAL ASSISTANCE**

On 12 November 2021, the Lender, an indirect wholly-owned subsidiary of the Company and the Borrower entered into the Loan Agreement pursuant to which the Lender agreed to provide the Borrower the Loan in an aggregate principal amount of HK\$50,000,000 for a term of 6 months at an interest rate of 9% per annum.

On 13 September 2021, the Lender and the Borrower entered into a loan agreement pursuant to which the Lender agreed to provide the Borrower the Previous Loan in the principal amount of HK\$8,500,000 for a term of 3 months at an interest rate of 3% per annum.

#### **LISTING RULES IMPLICATIONS**

As the relevant percentage ratios under the Listing Rules in respect of the Loan on a standalone basis or aggregated with the Previous Loan within 12 months exceeds 5% but less than 25%, the Loan under the Loan Agreement constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements.

#### **PROVISION OF FINANCIAL ASSISTANCE IN RELATION TO THE LOAN**

On 12 November 2021, the Lender, an indirect wholly-owned subsidiary of the Company and the Borrower entered into the Loan Agreement pursuant to which the Lender agreed to provide the Borrower the Loan in an aggregate principal amount of HK\$50,000,000 for a term of 6 months at an interest rate of 9% per annum.

The principal terms of the Loan Agreement are set out below:

Date:	12 November 2021
Lender:	Planetic International Limited
Borrower:	Supreme Sino Holdings Limited
Loan Amount:	HK\$50,000,000
Interest Rate:	9% per annum
Repayment:	The Borrower shall repay the interest on the principal amount of the Loan in 6 monthly instalments and the principal amount at the Loan maturity on 11 May 2022
Security:	<ul style="list-style-type: none"><li>(i) a share charge in favour of the Lender in respect of the entire issued share capital of the Borrower;</li><li>(ii) a first legal charge over all the title, rights and interest in commercial properties located in Mongkok, Kowloon, Hong Kong (with current market value of approximately HK\$91,000,000 which valuation conducted by an independent property valuer on 8 November 2021) executed by the Borrower as its owner in favour of the Lender; and</li><li>(iii) guarantee given by the Guarantor in favour of the Lender as security.</li></ul>

## **INFORMATION ON THE CREDIT RISK RELATING TO THE LOAN**

The Loan is collateralised against the properties provided by the Borrower with an aggregate loan-to-value ratio of approximately 54.9% based on the value of the mortgaged property for the Loan determined by an independent property valuer.

The Guarantor has provided an irrevocable and unconditional guarantee and indemnity to secure the due performance of the Borrower's obligations under the Loan Agreement. The Guarantor has confirmed that the said guarantee and indemnity continues in full force and effect in respect of the Loan under the Loan Agreement.

The Borrower has provided to the Lender a copy of the board resolution approving the Loan and the Loan Agreement, and has confirmed that the share charge and the charge over the properties shall have full force and effect as continuing security for the Loan under the Loan Agreement.

The advance in respect of the Loan was made on the basis of the Company's credit assessments made on the financial strength and repayment ability of the Borrower, the securities and the relatively short term nature of the advance. After taking into account the factors as disclosed above in assessing the risks of the relevant advance, the Company considers that the risks involved in the advance to the Borrower are relatively low.

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENT**

The provision of the Loan to the Borrower is in the ordinary and usual course of business of the Group. The terms and conditions of the Loan Agreement were negotiated on an arm's length basis among the Lender, the Borrower and the Guarantor and are on normal commercial terms. Taking into account of the satisfactory due diligence and assessment on the Borrower, interest income to be received by the Group and the value of the security, the Directors consider that the terms and conditions of the Loan Agreement are fair and reasonable and entering into the Loan Agreement is in the best interest of the Company and its Shareholders as a whole.

### **INFORMATION ON THE BORROWER AND GUARANTOR**

The Borrower is a company incorporated in the Hong Kong with limited liability. Its principal business is investment holding.

The Guarantor is an individual, Mr. Tam, who is the sole director and the sole shareholder of Magnum. Magnum is the wholly-owned beneficial owner of the Borrower.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Guarantor, the Borrower and its ultimate beneficial owner are Independent Third Parties.

### **INFORMATION ON THE GROUP AND THE LENDER**

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

The Lender is an indirect wholly-owned subsidiary of the Company and is incorporated in Hong Kong with limited liability. It is a registered money lender holding a valid money lender's licence under the provision of the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and is principally engaged in the business of money lending services.

### **LISTING RULES IMPLICATIONS**

As the relevant percentage ratios under the Listing Rules in respect of the Loan on a standalone basis or aggregated with the Previous Loan within 12 months exceeds 5% but less than 25%, the Loan under the Loan Agreement constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Board”	the board of Directors
“Borrower”	Supreme Sino Holdings Limited, a company incorporated in Hong Kong with limited liability and an Independent Third Party
“Company”	Easyknit International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 1218)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guarantor”	an Independent Third Party individual, Mr. Tam Chung Wai (“ <b>Mr. Tam</b> ”), provides personal guarantee in favour of the Lender as security for the moneys, obligations and liabilities under the Loan Agreement, and is the sole director and sole shareholder of Magnum
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person(s) who or company(ies) together with its/their ultimate beneficial owner(s) which is/are third party(ies) independent of the Company and its connected person(s) (as defined under the Listing Rules)
“Lender”	Planetic International Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this announcement and a registered money lender holding a valid money lender’s licence under the provisions of the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and is principally engaged in the business of money lending services

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the secured loan with principal amount of HK\$50,000,000 granted by the Lender to the Borrower pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 12 November 2021 entered into among the Lender and the Borrower in respect of the Loan
“Magnum”	Magnum Century International Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Mr. Tam
“Previous Loan”	the loan with principal amount of HK\$8,500,000 for a term of 3 months at an interest rate of 3% per annum, granted by the Lender to the Borrower pursuant to a loan agreement dated 13 September 2021 which shall be fully repaid (comprises the principal and accrued interest) by applying part of the Loan under the Loan Agreement
“Shareholder(s)”	the holder(s) of the ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“%”	per cent

By Order of the Board  
**EASYKNIT INTERNATIONAL HOLDINGS LIMITED**  
**Koon Ho Yan Candy**  
*President and Chief Executive Officer*

Hong Kong, 12 November 2021

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