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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 FURTHER EXTENSION OF FINANCIAL ASSISTANCE**

#### **FURTHER EXTENSION OF FINANCIAL ASSISTANCE**

Reference is made to the announcements of the Company dated 12 November 2021 and 11 May 2022 regarding the Loan Agreement and the Supplemental Agreement entered into between the Lender (an indirect wholly-owned subsidiary of the Company) and the Borrower (an Independent Third Party) respectively, regarding the grant and the renewal of the Loan in the principal amount of HK\$50,000,000 with repayment date on 29 December 2022 at an interest rate of 9% per annum.

On 30 December 2022, the Lender entered into the Second Supplemental Agreement with the Borrower, pursuant to which the Lender agreed to further extend the repayment date of the Loan to 29 December 2023 at an interest rate of 12% per annum with the other terms and conditions of the Loan Agreements remaining unchanged save for consequential amendments.

#### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios under the Listing Rules in respect of the Loan (as extended by the Second Supplemental Agreement) exceeds 5% but less than 25%, the Second Extension constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements.

## **FURTHER EXTENSION OF FINANCIAL ASSISTANCE**

Reference is made to the announcements of the Company dated 12 November 2021 and 11 May 2022 regarding the Loan Agreement and the Supplemental Loan Agreement (collectively the “**Loan Agreements**”) entered into between the Lender (an indirect wholly-owned subsidiary of the Company) and the Borrower (an Independent Third Party) respectively, regarding the grant and the renewal of the Loan in the principal amount of HK\$50,000,000 with repayment date on 29 December 2022 at an interest rate of 9% per annum (the “**Previous Announcements**”). As of the date of this announcement, the Borrower has paid to the Lender all interest accrued on the Loan in the aggregate sum of HK\$2,846,000 pursuant to the Supplemental Loan Agreement. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Previous Announcements.

The Board announces that on 30 December 2022, the Lender entered into a second supplemental agreement (the “**Second Supplemental Agreement**”) with the Borrower, pursuant to which the Lender agreed to extend the repayment date of the Loan to 29 December 2023 at an interest rate of 12% per annum (the “**Second Extension**”) with the other terms and conditions of the Loan Agreements remaining unchanged save for consequential amendments.

## **SECOND SUPPLEMENTAL AGREEMENT**

The principal terms of the Loan Agreements (as amended and supplemented by the Second Supplemental Agreement) are set out below:

Date of Second Supplemental Agreement:	30 December 2022
Lender:	Planetic International Limited
Borrower:	Supreme Sino Holdings Limited
Loan Amount:	HK\$50,000,000
Interest Rate:	12% per annum
Repayment:	The Borrower shall repay the interest on the principal amount of the Loan in 12 instalments and the principal amount at the Loan maturity on 29 December 2023
Security:	(i) a share charge in favour of the Lender in respect of the entire issued share capital of the Borrower as supplemented by a confirmatory share charge dated 30 December 2022;

- (ii) a first legal charge over all the title, rights and interest in commercial properties located in Mongkok, Kowloon, Hong Kong (which are valued by an independent property valuer at approximately HK\$70,000,000 on 19 December 2022) executed by the Borrower as its owner in favour of the Lender; and
- (iii) guarantee given by the Guarantor in favour of the Lender as supplemented by a confirmatory guarantee dated 30 December 2022.

## **CREDIT RISK ASSESSMENT PROCEDURES**

The Group had conducted credit risk assessment before the Second Extension in accordance with its customary procedures in assessing the provision and renewal of loans. In particular, the Group had carried out the following measures:

- (i) examining the background of the Borrower, including but not limited to its business development, financial strength and repayment ability (including recent settlement record in which there were no incidents of default);
- (ii) maintaining regular contact with the Borrower and paying regular attention to its latest business development and the developments of different sectors of the relevant industries;
- (iii) conducting litigation and winding up searches against the Borrower and Magnum; and litigation and bankruptcy searches against the Guarantor; and
- (iv) considering the relatively short-term nature of the Loan.

After assessing the credit risks involved in the Second Extension, the Board considered that such credit risks were manageable to the Group.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE SECOND SUPPLEMENTAL AGREEMENT**

The Board is of the view that the Second Extension is a transaction carried out as part of the ordinary and usual course of business of the Group. The terms of the Second Supplemental Agreement (including the interest rate) have been arrived at by the parties after arm's length negotiation, having regard to prevailing commercial practice and the amount of the Loan. Having considered (i) the financial background of the Borrower and the Guarantor; and (ii) the interest income to be brought to the Group, the Board considers that the terms of the Second Supplemental Agreement are on normal commercial terms and are fair and reasonable and in the 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 one or more of the applicable percentage ratios under the Listing Rules in respect of the Loan (as extended by the Second Supplemental Agreement) exceeds 5% but less than 25%, the Second Extension constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements.

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

Hong Kong, 30 December 2022

*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.*