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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 GRANT OF A LOAN

The Board announced that on 29 March 2016, the Lender entered into a loan agreement with the Borrower, pursuant to which, the Lender has agreed to lend HK\$25,000,000 to the Borrower for a period of 3 months. The Borrower shall pay monthly interest to the Lender on the Loan at the rate of 8% per annum.

As the relevant Percentage Ratio(s) for the grant of the Loan under Rule 14.06 of the Listing Rules exceeds 5% but is less than 25%, the grant of the Loan constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules.

THE LOAN AGREEMENT

Date: 29 March 2016

Parties: (1) Planetic International Limited, as lender; and
(2) Mr. Chen, as the borrower

To the best knowledge of the Directors, and having made all reasonable enquiries, the Borrower is an Independent Third Party.

Purpose of the Loan

The Loan shall be exclusively for the personal use of the Borrower.

Principal terms

Amount of the Loan: HK\$25,000,000

Interest rate: Interest shall accrue on the Loan at the rate of 8% per annum

Loan period: The loan period is 3 months up to 29 June 2016

Repayment: The total outstanding principal together with any interest accrued thereon and any other sums payable to the Lender under the Loan must be fully repaid and discharged on or before 29 June 2016

** for identification purposes only*

Principal terms

Amount of the Loan:	HK\$25,000,000
Interest rate:	Interest shall accrue on the Loan at the rate of 8% per annum
Loan period	The loan period is 3 months up to 29 June 2016
Repayment:	The total outstanding principal together with any interest accrued thereon and any other sums payable to the Lender under the Loan must be fully repaid and discharged on or before 29 June 2016

The terms of the Loan Agreement were arrived at after arm's length negotiations between the Lender and the Borrower.

REASONS FOR AND THE BENEFITS OF THE TRANSACTION

The reason for the Loan is to enable investment of cash resources of the Company not immediately required in its operations in a loan offering a return well in excess of returns available from bank deposits or similar investments, and the Company will benefit from the interest payable to it on the Loan.

Having considered the terms of the Loan, including the interest rate, the Directors consider that the Loan is on normal commercial terms and the terms of the Loan Agreement are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE GROUP, LENDER AND BORROWER

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

The Lender has a Money Lenders Licence and is principally engaged in loan financing business.

The Borrower is an Independent Third Party.

LISTING RULES IMPLICATIONS

As the relevant Percentage Ratio(s) for the grant of the Loan under Rule 14.06 of the Listing Rules exceeds 5% but is less than 25%, the grant of the Loan constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Borrower”	Mr. Chen is a businessman and is 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

“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	any person(s) to the best of Directors’ knowledge, information and belief having made all reasonable enquiries, is third party independent of the Company and its connected persons in accordance with the Listing Rules
“Lender”	Planetic International Limited, a company incorporated in Hong Kong with limited liability and is a wholly-subsiary of the Company, having a Money Lenders Licence issued under the Money Lenders Ordinance (Chapter 163)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan in the amount of HK\$25,000,000 granted by the Lender to the Borrower subject to and upon the terms of the Loan Agreement
“Loan Agreement”	the loan agreement dated 29 March 2016 entered into between the Lender and the Borrower
“Percentage Ratio(s)”	percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board
EASYKNIT INTERNATIONAL HOLDINGS LIMITED
Kwong Jimmy Cheung Tim
President and Chief Executive Officer

Hong Kong, 30 March 2016

As at the date hereof, the Board comprises Mr. Kwong Jimmy Cheung Tim, Ms. Lui Yuk Chu and Ms. Koon Ho Yan Candy as executive directors; Mr. Tse Wing Chiu Ricky and Mr. Lai Law Kau as non-executive directors; and Mr. Tsui Chun Kong, Mr. Jong Koon Sang and Mr. Hon Tam Chun as independent non-executive directors.