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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 EXTENSION OF FINANCIAL ASSISTANCE**

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

Reference is made to the announcements of the Company dated 12 November 2021, 11 May 2022 and 30 December 2022 regarding the Loan Agreement and its supplemental 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 renewals of the Loan.

On 29 December 2023, the Lender and the Borrower entered into the 2023 Supplemental Agreement pursuant to which the principal amount of the Loan be adjusted to HK\$45,800,000 (after repayment of principal amount of HK\$4,200,000) at an interest rate of 14% per annum and the repayment date be further extended for 1 month to 29 January 2024, 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 renewed by the 2023 Supplemental Agreement) exceeds 5% but less than 25%, the 2023 Supplemental Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements.

## **EXTENSION OF FINANCIAL ASSISTANCE**

Reference is made to the announcements of the Company dated 12 November 2021, 11 May 2022 and 30 December 2022 regarding the Loan Agreement and its supplemental loan agreements (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 renewals of the Loan in the principal amount of HK\$50,000,000 (the “**Previous Announcements**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Previous Announcements.

The Board announces that on 29 December 2023, the Lender and the Borrower entered into a supplemental agreement (the “**2023 Supplemental Agreement**”) pursuant to which the principal amount of the Loan be adjusted to HK\$45,800,000 (after repayment of principal amount of HK\$4,200,000) at an interest rate of 14% per annum and the repayment date be further extended for 1 month to 29 January 2024, with the other terms and conditions of the Loan Agreements remaining unchanged save for consequential amendments.

### **2023 SUPPLEMENTAL AGREEMENT**

The principal terms of the Loan Agreements (as amended and supplemented by the 2023 Supplemental Agreement) are set out below:

Effective Date of 2023 Supplemental Agreement:	30 December 2023
Lender:	Planetic International Limited
Borrower:	Supreme Sino Holdings Limited
Loan Amount:	HK\$45,800,000
Interest Rate:	14% per annum
Repayment:	The Borrower shall repay the principal amount and the interest of the Loan at the Loan maturity on 29 January 2024
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 29 December 2023;

- (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\$67,000,000 on 14 December 2023) 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 29 December 2023.

## **CREDIT RISK ASSESSMENT PROCEDURES**

The Group had conducted credit risk assessment before the renewal of the 2023 Supplemental Agreement 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 current values of the security pledged to guarantee the Loan.

After assessing the credit risks involved in the renewal of the 2023 Supplemental Agreement, the Board considered that such credit risks were manageable to the Group.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE 2023 SUPPLEMENTAL AGREEMENT**

The Board is of the view that the renewal of the 2023 Supplemental Agreement is a transaction carried out as part of the ordinary and usual course of business of the Group. The terms of the 2023 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 2023 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 renewed by the 2023 Supplemental Agreement) exceeds 5% but less than 25%, the 2023 Supplemental Agreement 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, 29 December 2023

*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.*