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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 - DISPOSAL OF LISTED SECURITIES

THE DISPOSAL

The Board announces that, Mark Profit, an indirect wholly-owned subsidiary of the Company, disposed in a series of transactions for a total of 17,600,000 Best Food Shares (representing approximately 1.11% of the total issued Best Food Shares) on the open market on 10 September 2024 with an aggregate gross sales proceeds of HK\$14,960,000 (exclusive of expenses) (equivalent to an average price of HK\$0.85 per Disposed Share).

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Disposal exceed(s) 5% but is or are less than 25% pursuant to Rule 14.07 of the Listing Rules, the Disposal constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE DISPOSAL

The Board announces that, Mark Profit, an indirect wholly-owned subsidiary of the Company, disposed in a series of transactions for a total of 17,600,000 Best Food Shares (representing approximately 1.11% of the total issued Best Food Shares) on the open market on 10 September 2024 with an aggregate gross sales proceeds of HK\$14,960,000 (exclusive of expenses) (equivalent to an average price of HK\$0.85 per Disposed Share).

Immediately prior to the Disposal, the Group held 76,636,000 Best Food Shares (representing approximately 4.85% of the total issued Best Food Shares). Following the Disposal, the Group holds 59,036,000 Best Food Shares (representing approximately 3.74% of the total issued Best Food Shares).

As the Disposal was made on the open market, the Group was not aware of the identities of the purchaser(s) of the Disposed Shares and accordingly, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, the purchaser(s) of the Disposed Shares and their respective ultimate beneficial owner(s) (where applicable) are Independent Third Parties.

INFORMATION OF BEST FOOD

According to publicly available information, Best Food is a company incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1488). The Best Food Group is principally engaged in the operation of chain restaurants and mainly operates its food and beverage business in the Chinese market. Best Food also operates investment, acquisition and management business of food and beverage brands, franchising and other businesses.

The following information is extracted from Best Food's annual report for the two (2) financial years ended 31 December 2022 and 2023 respectively and the interim results announcement for the six months ended 30 June 2024:

	Six months ended	Year ended 31 December	
	30 June 2024	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>
Revenue	243,952	610,619	537,510
Loss before tax	(46,119)	(158,168)	(182,179)
Loss for the period or year	(46,569)	(162,695)	(166,708)

As stated in the interim results announcement for the six months ended 30 June 2024 and the 2023 annual report of Best Food, the Best Food Group had an unaudited net liabilities of RMB4,307,000 as at 30 June 2024 and an audited net asset value of RMB46,753,000 as at 31 December 2023.

INFORMATION ON THE GROUP AND MARK PROFIT

The Company is an investment holding company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1218). The Group is principally engaged in property development, property investment, investment in securities and others and loan financing businesses.

Mark Profit, an indirect wholly-owned subsidiary of the Company, is incorporated under the laws of Hong Kong with limited liability. Mark Profit is principally engaged in property holding and securities investment.

REASONS FOR AND BENEFITS OF THE DISPOSAL AND USE OF PROCEEDS

In view of the current economic uncertainties and volatility in financial markets, the Directors are of the view that it is beneficial to adopt a cautious investment strategy to liquidate its investment in the Disposed Shares with an aim to enhance the liquidity position of the Group. As a result of the Disposal, the Group is expected to recognize a loss of approximately HK\$6,931,000 (exclusive of expenses), which is calculated on the basis of the difference between the aggregate acquisition costs, being HK\$21,891,000 (exclusive of expenses), and the aggregate gross sales proceeds, being HK\$14,960,000 (exclusive of expenses). The Group intends to use the sales proceeds from the Disposal as the Group's general working capital.

As the Disposal was made at market price on the open market, the Board is of the view that the Disposal is fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Disposal exceed(s) 5% but is or are less than 25% pursuant to Rule 14.07 of the Listing Rules, the Disposal constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings when used herein:

“Best Food”	Best Food Holding Company Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1488)
“Best Food Group”	Best Food and its subsidiaries
“Best Food Share(s)”	ordinary shares of par value of HK\$0.10 each in the share capital of Best Food
“Board”	the board of the Directors
“Company”	Easyknit International Holdings Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1218)
“Director(s)”	director(s) of the Company
“discloseable transaction”	as defined in the Listing Rules
“Disposal”	the disposal by Mark Profit on the open market a total of 17,600,000 Best Food Shares on 10 September 2024 with an aggregate gross sales proceeds of HK\$14,960,000 (exclusive of expenses)
“Disposed Share(s)”	a total of 17,600,000 Best Food Shares (representing approximately 1.11% of the total issued Best Food Shares) disposed by Mark Profit on the open market on 10 September 2024
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party(ies)”	person(s) (and in the case of company(ies) and corporation(s), their ultimate beneficial owner(s)) who, to the best knowledge and belief of the Directors, as the case may be, having made all reasonable enquiries, is or are third party(ies) independent of and not connected with the Company, as the case may be, and their respective connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the main board maintained and operated by the Stock Exchange
“Mark Profit”	Mark Profit Development Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“%”	per cent.

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

Hong Kong, 10 September 2024

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.