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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)

POSSIBLE MAJOR TRANSACTION POSSIBLE DISPOSAL OF LISTED SECURITIES

POSSIBLE DISPOSAL

The Board wishes to announce that the Company intends to seek Shareholders' approval for the possible disposal of Best Food Shares, through its wholly-owned subsidiaries, Mark Profit and Constance Capital, on the open market in the amounts that could constitute major transactions.

Under the relevant Listing Rules, certain percentage ratios are used to determine the classification of transaction. In the event that any such percentage ratio for the possible disposal and the previous disposal(s), if any, of the listed shares in the same company within a twelve-month period on an aggregate basis is equivalent to or more than 25% but less than 75%, such transaction will constitute a major transaction for the Company under Chapter 14 of the Listing Rules. Due to the fact that the percentage ratios under the relevant Listing Rules are required to be based on the information available at the time of the relevant transaction, the figures used in this announcement (except the minimum disposal price) are for illustration only.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the possible disposal of Best Food Shares and the Previous Disposals on an aggregate basis equal(s) to or exceed(s) 25% but is or are less than 75% pursuant to Rule 14.07 of the Listing Rules, such transaction will constitute a major transaction for the Company under Rule 14.06(3) of the Listing Rules and are therefore subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

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Possible disposal of Best Food Shares

As at the date of this announcement, the Company holds 70,460,000 Best Food Shares, which represent approximately 4.46% of the existing issued share capital of Best Food. The Company is considering the possible disposal of some or all of those shares in one or more on-market transactions at a minimum price of HK\$0.80 per Best Food Share which represents a discount of approximately 17.5% to the closing price per Best Food Share of HK\$0.97 as quoted on the Stock Exchange on the Last Trading Day.

No contractual arrangement has been entered into by the Company with any party in relation to the possible disposal of Best Food Shares and the Company intends to seek advance Shareholders' approval for the possible disposal to be effected expeditiously when the market conditions are favorable. The possible disposal of all Best Food Shares held by the Company and the Previous Disposals on an aggregate basis will constitute a major transaction for the Company under the relevant Listing Rules, for which Shareholders' approval is required. No Shareholder is required to abstain from voting on the approval of the possible disposal.

The possible disposal of Best food Shares for which the Shareholders' approval to be sought will only be effected if:

- (i) the minimum disposal price equals to or exceeds HK\$0.80 per Best Food Share;
- (ii) all of the percentage ratios under the relevant Listing Rules for the relevant disposal of the Best Food Shares are below 75%; and
- (iii) the relevant disposal of Best Food Shares is completed within 12 months from the approval of Shareholders being given.

As the possible disposal of 70,460,000 Best Food Shares will be made on the open market, the identities of the counterparties of such disposal cannot be ascertained. The Directors will make all reasonable enquiries and base on their knowledge, information and belief to ensure that the counterparties and the ultimate beneficial owner(s) of the counterparties of the Best Food Shares to be disposed are Independent Third Parties.

The minimum disposal price per Best Food Share represents:

- (i) a discount of approximately 17.5% to the closing price of HK\$0.970 per Best Food Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 14.3% to the average closing price of HK\$0.934 per Best Food Share as quoted on the Stock Exchange for the last five days up to and including the Last Trading Day;
- (iii) a discount of approximately 19.0% to the average closing price of HK\$0.988 per Best Food Share as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 20.4% to the average closing price of HK\$1.005 per Best Food Share as quoted on the Stock Exchange for the last 60 trading days up to and including the Last Trading Day; and
- (v) a discount of approximately 19.8% to the average closing price of HK\$0.998 per Best Food Share as quoted on the Stock Exchange for the last 180 trading days up to and including the Last Trading Day.

Upon approval by the Shareholders of the possible disposal of Best Food Shares which may constitute a major transaction (together with the Previous Disposals on an aggregate basis) for the Company, the Company will closely monitor any disposal of Best Food Shares to ensure that the aggregate disposals will not give rise to a very substantial disposal. If such an event occurs, the Company will either discontinue further disposals or adhere to any additional requirements under the relevant Listing Rules, including seeking further approval by the Shareholders, if required, before proceeding with further disposal of Best Food Shares.

Based on the current market capitalisation of the Company, the estimated maximum amount of disposal of Best Food Shares (disregarding the total number of Best Food Shares held by the Company) which will not constitute a very substantial disposal is approximately HK\$68.9 million, before expenses, for the Company after taking into account the Previous Disposals.

Financial effect of the possible disposal of Best Food Shares

According to the Group's internal records, the average acquisition cost per Best Food Share was approximately HK\$0.77, resulting in an estimated profit on disposal of approximately HK\$2,124,000, before expenses, based on the minimum price of HK\$0.80 per Best Food Share and the sale of all 70,460,000 Best Food Shares on hand as at the date of this announcement.

Information on Best Food

According to publicly available information, Best Food is a company incorporated in the Cayman Islands and the issued 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 financial information is extracted from the 2024 Annual Report of Best Food:

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)
Revenue	474,209	610,619
Loss before taxation	(265,765)	(158,168)
Loss for the year	(257,851)	(162,695)

As stated in the 2024 Annual Report of Best Food, Best Food Group had audited net liabilities of RMB220,177,000 as at 31 December 2024 and audited net assets of RMB46,753,000 as at 31 December 2023.

Reasons for and benefits of the possible disposal of Best Food Shares

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 Best Food Shares with an aim to enhance the liquidity position of the Group. As a result of the possible disposal, the Group is expected to recognize a profit of approximately HK\$2,124,000 (exclusive of expenses), which is calculated on the basis of the difference between the aggregate acquisition costs, being approximately HK\$54,244,000 (exclusive of expenses), and the expected gross sales proceeds, being approximately HK\$56,368,000 (exclusive of expenses). The Group intends to use the sales proceeds from the possible disposal for the Group's general working capital.

As the possible disposal will be made on the open market, the Directors are 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.

The Previous Disposal (1)

As disclosed in the Company's announcement dated 10 September 2024, 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 as at 10 September 2024) on the open market on 10 September 2024, with a gross sales proceeds of approximately HK\$14,960,000 (exclusive of expenses) (equivalent to an average price of approximately HK\$0.85 per Disposed Share).

The Previous Disposal (2)

As disclosed in the Company's announcement dated 21 July 2025, Mark Profit, an indirect wholly-owned subsidiary of the Company, disposed in a series of transactions for a total of 990,000 Best Food Shares (representing approximately 0.06% of the total issued Best Food Shares as at 21 July 2025) on the open market on 21 July 2025 with a gross sales proceeds of approximately HK\$960,300 (exclusive of expenses) (equivalent to an average price of approximately HK\$0.97 per Disposed Share).

The Previous Disposal (3)

As disclosed in the Company's announcement dated 24 July 2025, Mark Profit, an indirect wholly-owned subsidiary of the Company, disposed in a series of transactions for a total of 2,590,000 Best Food Shares (representing approximately 0.16% of the total issued Best Food Shares as at 24 July 2025) on the open market on 24 July 2025 with a gross sales proceeds of approximately HK\$2,512,300 (exclusive of expenses) (equivalent to an average price of approximately HK\$0.97 per Disposed Share).

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the possible disposal of Best Food Shares and the Previous Disposals on an aggregate basis equal(s) to or exceed(s) 25% but is or are less than 75% pursuant to Rule 14.07 of the Listing Rules, such transaction will constitute a major transaction for the Company under Rule 14.06(3) of the Listing Rules and are therefore subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

The Company is an investment holding company incorporated in Bermuda with limited liability, the issued 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.

Constance Capital, an indirect wholly-owned subsidiary of the Company, is incorporated under the laws of Hong Kong with limited liability. It is a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

A circular containing further information about the possible disposal of Best Food Shares as required under the relevant Listing Rules together with notice of the special general meeting is expected to be despatched to the Shareholders on or before 15 August 2025.

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 (百福控股有限公司), 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 Directors

“Company”	Easyknit International Holdings Limited (永義國際集團有限公司), an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1218)
“Constance Capital”	Constance Capital Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Director(s)”	the director(s) of the Company
“Disposed Share(s)”	the Best Food Shares disposed in the Previous Disposals
“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)
“Last Trading Day”	24 July 2025, being the last trading day for the Best Food Shares on the Stock Exchange (which is the business day immediately prior to the date of this announcement)
“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
“major transaction”	as defined in the Listing Rules

“Mark Profit”	Mark Profit Development Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Previous Disposals”	collectively, the Previous Disposal (1), the Previous Disposal (2) and the Previous Disposal (3)
“Previous Disposal (1)”	the disposal done in a series of transactions by Mark Profit for a total of 17,600,000 Best Food Shares (representing approximately 1.11% of the total issued Best Food Shares as at 10 September 2024) on the open market on 10 September 2024; with a gross sales proceeds of approximately HK\$14,960,000 (exclusive of expenses) (equivalent to an average price of approximately HK\$0.85 per Disposed Share)
“Previous Disposal (2)”	the disposal done in a series of transactions by Mark Profit for a total of 990,000 Best Food Shares (representing approximately 0.06% of the total issued Best Food Shares as at 21 July 2025) on the open market on 21 July 2025 with a gross sales proceeds of approximately HK\$960,300 (exclusive of expenses) (equivalent to an average price of approximately HK\$0.97 per Disposed Share)
“Previous Disposal (3)”	the disposal done in a series of transactions by Mark Profit for a total of 2,590,000 Best Food Shares (representing approximately 0.16% of the total issued Best Food Shares as at 24 July 2025) on the open market on 24 July 2025 with a gross sales proceeds of approximately HK\$2,512,300 (exclusive of expenses) (equivalent to an average price of approximately HK\$0.97 per Disposed Share)
“Share(s)”	ordinary share(s) of par value of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)

“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, 25 July 2025

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. Lau Chak Hang Charles and Mr. Ma Man Yuet as independent non-executive Directors.

In case of any inconsistency, the English version of this announcement shall prevail over the Chinese version.