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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 ACQUISITIONS OF LISTED SECURITIES

THE ACQUISITIONS

The Board announces that in a series of transactions conducted during 12 October 2020 to 15 June 2021, the Group, acquired an aggregate of 31,678,000 Best Food Shares on the open market at an aggregate consideration of approximately HK\$20,000,000 (excluding stamp duty and related expenses).

LISTING RULES IMPLICATION

As certain applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisitions exceed 5% but less than 25%, the Acquisitions constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

THE ACQUISITIONS

During 12 October 2020 to 15 June 2021, the Group, through its subsidiaries, acquired an aggregate of 31,678,000 Best Food Shares on the open market at an aggregate consideration of approximately HK\$20,000,000 (excluding stamp duty and related expenses), at the price between HK\$0.47 to HK\$0.75 per Best Food Share. The average price (exclusive of stamp duty and transaction costs) for the Acquisitions of each Best Food Share was approximately HK\$0.63. The aggregate consideration of approximately HK\$20,000,000 (exclusive stamp duty and transaction costs) which were paid in cash from internal resources of the Group.

As the Acquisitions were conducted in the open market, the identities of the counterparties of the Acquisitions cannot be ascertained. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the counterparties and the ultimate beneficial owner(s) of the counterparties of the Acquired Shares are Independent Third Parties of the Company.

The Acquired Shares represent approximately 2.01% of the total issued shares of Best Food as at the date of this announcement.

INFORMATION OF BEST FOOD

Best Food, is a company incorporated in the Cayman Islands and listed on the main board of the Stock Exchange (stock code: 1488). Best Food Group is principally engaged in the operation of chain restaurants.

The following information is extracted from the 2020 Annual Report of Best Food for the two financial years ended 31 December:

	Year ended 31 March	
	2020	2019
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	650,691	998,250
Loss before tax	(160,689)	(79,257)
Loss for the year	(150,996)	(86,270)

As stated in the 2020 Annual Report of Best Food, Best Food Group had an audited net asset value of RMB 1,000,671,000 as at 31 December 2020 and RMB 984,966,000 as at 31 December 2019.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Group's principal businesses are property investment, property development, securities investment and loan financing business.

Best Food Group operates Chinese fast food and hot pot restaurants. It also provides technical consultation and service, leasing and business, catering management services; and manufactures condiments.

The Directors hold positive views towards the prospects of Best Food and are of the view that the Acquisitions provide the Group with a good investment opportunity to expand its investment portfolio with quality assets and believe that the Acquisitions are attractive investments which will provide satisfactory return to the Group.

The Directors are of the view that the terms of the Acquisitions are fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As certain applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisitions exceed 5% but less than 25%, the Acquisitions constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

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

“Acquired Shares”	31,678,000 Best Food Shares representing approximately 2.01% of the entire issued share capital of Best Food as at the date of this announcement, which are fully paid up or credited as fully paid
“Acquisitions”	the acquisitions of the Acquired Shares by the Group on the Stock Exchange
“Best Food”	Best Food Holding Company Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the main board of the Stock Exchange (stock code: 1488)
“Best Food Group”	Best Food and its subsidiaries
“Best Food Shares”	ordinary shares of HK\$0.10 each in the share capital of Best Food
“Board”	the board of 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
“Director(s)”	director(s) 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 People’s Republic of China
“Independent Third Party(ies)”	a party(ies) independent of and not connected with the Company and its connected persons (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 16 June 2021

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.