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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)

MEMORANDUM OF UNDERSTANDING IN RELATION TO A POSSIBLE ACQUISITION

This announcement is made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

MEMORANDUM OF UNDERSTANDING

The board (the “**Board**”) of directors (the “**Directors**”) of Easyknit International Holdings Limited (the “**Company**”) is pleased to announce that on 12 March 2026 (after trading hours), the Company as the potential purchaser (the “**Purchaser**”) entered into a non-legally binding memorandum of understanding (the “**MOU**”) with Skill Master as the potential vendor (the “**Vendor**”). Pursuant to the MOU, the Vendor intends to dispose and the Purchaser intends to acquire 10% to 20% of the equity interests in the Target Company (the “**Possible Acquisition**”). The Target Company is incorporated in the BVI with limited liability, which is principally engaged in property development business.

Principal Terms of the MOU

Date: 12 March 2026 (after trading hours)

Parties:

- (i) The Purchaser; and
- (ii) The Vendor.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Target Company is indirectly wholly-owned by Asset Chain. As at the date of this announcement, the Company and certain of its subsidiaries hold 82,286,811 Asset Chain Shares in aggregate, representing approximately 4.41% of the total number of Asset Chain Shares. In the event that (i) the 2025 Convertible Note is fully converted at the initial conversion price of HK\$0.169 per conversion share of Asset Chain (subject to adjustment); and (ii) the outstanding 2023 Convertible Note is fully converted at the conversion price of HK\$0.05 per conversion share of Asset Chain (subject to adjustment), a total of 2,187,045,100 Asset Chain Shares would be issued to the Group, representing approximately 55.97% of the issued share capital of Asset Chain as enlarged by that issue and assuming no other change in the number of issued Asset Chain Shares.

The Possible Acquisition, if materialized, may constitute a notifiable transaction for the Company under the relevant Listing Rules. In the event that the Company enters into the Formal Agreement (as defined below), further announcement(s) will be made by the Company as and when appropriate in compliance with the Listing Rules.

Assets to be acquired

Under the MOU, the Company intends to acquire and the Vendor intends to dispose 10% to 20% of the equity interests in the Target Company subject to further negotiation between the parties to the MOU. As at the date of this announcement, the material asset of the Target Company is a property under development located at Nos. 646, 648 and 648A Castle Peak Road, Kowloon which is planned to be developed into a student hostel and the estimated value of which is approximately HK\$940 million.

Consideration

The consideration for the Possible Acquisition and the manner of payment shall be further negotiated between the Purchaser and the Vendor and be determined in the Formal Agreement (as defined below).

Refundable deposit

Pursuant to the terms of the MOU, the Company shall pay a refundable deposit of HK\$30 million in cash to the Vendor within 15 business days upon signing of the MOU. If the Formal Agreement (as defined below) has been entered into between the Company and the Vendor, the refundable deposit of HK\$30 million shall be applied as partial payment of the consideration for the Possible Acquisition in accordance with the terms of the Formal Agreement (as defined below).

In the event that the MOU is terminated or that the Formal Agreement (as defined below) is not entered into within the Valid Period (as defined below) for whatever reasons, the aforesaid refundable deposit (without interest) will be returned to the Purchaser within ten business days from the date of written notice provided by the Purchaser or the date of expiry of the Valid Period (as defined below) (whichever is earlier).

Due diligence review

Pursuant to the MOU, the Purchaser may, within the Valid Period (as defined below), conduct due diligence review on, including but without limitation the incorporation and subsisting status, assets, liabilities, business operations status of the Target Company. The Vendor and the Target Company shall use their best endeavours to procure the Target Company to provide assistance and information that is necessary for the Purchaser to complete its due diligence review on the Target Company.

Exclusivity

After the date of execution of the MOU and before 12 June 2026 (or such other date as agreed between the Company and the Vendor in writing) (the “**Valid Period**”), the Purchaser shall have exclusive right to negotiate with the Vendor in relation to the terms of the Possible Acquisition. During the Valid Period, the Vendor and the Target Company shall not directly or indirectly negotiate or agree with any other party with respect to potential transaction regarding the Target Company’s capital equity, business and/or assets without prior written consent of the Purchaser.

Formal Agreement

Subject to the Purchaser being satisfied with the due diligence review results, the Purchaser and the Vendor shall use their best endeavours to procure a legally binding formal agreement in relation to the Possible Acquisition (the “**Formal Agreement**”) within the Valid Period.

Binding effect

Save for the provisions relating to the due diligence review, refundable deposit, exclusivity and confidentiality, the MOU does not constitute a legally binding agreement on the parties to the MOU.

REASONS FOR THE POSSIBLE ACQUISITION

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.

As set out in the Company’s published interim report for the six months ended 30 September 2025, the Group will continue to focus its efforts on the development of its existing principal businesses and will exercise prudent capital management and approach in its operations. The Group will continue to monitor the market changes closely and strengthen the principal segments of its businesses while exploring other potential opportunities with a view to providing steady and favourable returns for the Shareholders and bringing increased values to the Group’s stakeholders.

The prospects of student hostel market in Hong Kong

The Group successfully developed a student hostel of 29-storeys with nearly 200 rooms located at Nos. 470, 472, 474, 476 and 478 Chatham Road North, Kowloon, Hong Kong, named as “The Quad”. The hostel offers six distinct unit types featuring complete furnishings, floor-to-ceiling windows, branded kitchen and bathroom fixtures. As at the date of this announcement, 100% of the rooms were rented out.

It is observed by the Company that the student hostel market in Hong Kong is currently experiencing a period of rapid growth and transformation, shifting from a niche segment to a mainstream real estate asset class. Driven by a massive supply-demand imbalance and government policy support, the sector is attracting significant private equity and institutional investment. In July 2025, the “Hostels in the City Scheme” was introduced, encouraging private sector participation in converting existing commercial buildings into student accommodations. This initiative has increased interest from joint ventures, investors and fund managers, who aim for substantial returns in this emerging sector. The Company is of the view that the Possible Acquisition enables the Group to further participate in the student hostel market in Hong Kong.

Shareholders and potential investors of the Company should note that no legally binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. If the Possible Acquisition materialises, it may constitute a notifiable transaction for the Company. Moreover, the Possible Acquisition will be subject to certain conditions precedent which may not be able to be fulfilled or waived. Shareholders and potential investors of the Company are urged to exercise caution when dealing in the securities of the Company. Further announcement(s) in respect of the Possible Acquisition will be made by the Company in the event that the Formal Agreement has been entered into.

DEFINITIONS

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

“2023 Convertible Note”	the 5% per annum coupon rate convertible note issued to Goodco by Asset Chain in the original principal amount of HK\$209,000,000 conferring rights to convert at any time before the fifth anniversary of the issue thereof the principal amount into Asset Chain Shares on the basis of a conversion price (subject to adjustments). Details of which were set out in the joint circular of the Company and Asset Chain dated 21 January 2023, the circulars of Asset Chain dated 6 March 2024 and 28 July 2025, the announcements of Asset Chain dated 17 April 2024, 3 February 2025 and 16 January 2026, and the joint announcement of the Company and Asset Chain dated 4 June 2025
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“2025 Convertible Note”	the 5% per annum coupon rate convertible note issued to Goodco by Asset Chain in the principal amount of HK\$286,800,622 conferring rights to convert at any time before the fifth anniversary of the issue thereof the principal amount into Asset Chain Shares on the basis of an initial conversion price of HK\$0.169 per conversion share (subject to adjustments). Details of which were set out in the announcements of the Company dated 10 October 2025 and 16 January 2026, the circular of the Company dated 25 November 2025, and the announcement of Asset Chain dated 16 January 2026
“Asset Chain”	Asset Chain Limited (財富鏈有限公司), 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: 616)
“Asset Chain Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of Asset Chain
“BVI”	the British Virgin Islands
“Goodco”	Goodco Development Limited (佳豪發展有限公司), a company incorporated in the BVI with limited liability, the holder of the 2023 Convertible Note and 2025 Convertible Note, an indirect wholly-owned subsidiary of the Company and a shareholder of Asset Chain
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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
“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)
“Skill Master”	Skill Master Investments Limited, a company incorporated in the BVI with limited liability, and a direct wholly-owned subsidiary of Asset Chain
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	a subsidiary for the purposes of the Listing Rules
“Target Company”	Treasure Arts International Group Limited (寶藝國際集團有限公司), a company incorporated in the BVI with limited liability, and an indirect wholly-owned subsidiary of Asset Chain
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 12 March 2026

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.