EASYKNIT INTERNATIONAL HOLDINGS LIMITED
永義國際集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1218)

SUPPLEMENTAL ANNOUNCEMENT
DISCLOSEABLE TRANSACTION
ACQUISITION OF LISTED SECURITIES

Reference is made to the announcement of Easyknit International Holdings Limited (the "**Company**") dated 28 July 2026 (the "**Announcement**") in relation to the acquisition of listed securities (the "**Acquisition**"). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board wishes to provide the Shareholders and potential investors with supplementary information regarding the detailed basis of the Board's assessment in relation to the Acquisition.

The Board's positive view towards Best Food Group's financial performance and future prospects is largely based on Best Food Group's latest annual report for the year ended 31 December 2025 (the "**2025 Annual Report**"). Taking into account Best Food's principal business activities (i.e. operation of food and beverage business in the PRC), loss-making, and net liabilities position, the Board considered that the underlying data demonstrates a material improvement in operating performance and financial position of Best Food Group based on the following specific factors:

Material improvement in operating performance and scale

As stated in the 2025 Annual Report, Best Food Group's total system sales, including sales of all restaurants, both owned and franchised under the brands of the Group and its associates, amounted to approximately RMB3,740.0 million, representing an increase of 7% compared to the corresponding period of 2024. Best Food Group reported revenue of approximately RMB399.2 million for the year ended 31 December 2025 and successfully maintained a sizeable network of 1,149 stores, proving its significant operational scale and market presence in the Chinese catering sector.

Substantial narrowing of loss for the year

The loss for the year narrowed materially to approximately RMB9.2 million for the year ended 31 December 2025 from approximately RMB257.9 million in the prior year. The Board noted that this substantial reduction in net loss indicates that the effects of direct-store closures and restructuring provisions have largely been absorbed, and that the core business has recorded an improved loss position.

Strengthened balance sheet structure

Best Food Group's net liabilities position substantially decreased to approximately RMB152.5 million as at 31 December 2025 from approximately RMB220.2 million as at 31 December 2024. The Board recognized that these remaining liabilities are largely comprised of lease liabilities under International Financial Reporting Standards 16 associated with its extensive retail footprint, rather than high-risk immediate bank debt, meaning the financial position has stabilized significantly.

Strategic growth framework & partnership ecosystem

The Board noted from the 2025 Annual Report that Best Food Group's business model was described as "investment plus operational empowerment", utilizing a dual-drive strategy of operational empowerment and investment management. Best Food continues its efforts to consolidate existing businesses, expand incremental businesses, and build an ecosystem platform centered on new catering opportunities. In particular, the establishment of the "Shendianbao" partnership enterprise as part of its strategic development (with reference to Best Food's announcement dated 10 November 2025 regarding the formation of the partnership) is fully consistent with that direction and provides a capital-light expansion business model.

The Board considered that this partnership structure enables Best Food to pursue additional investment opportunities on a capital-light basis while leveraging the capital, networks and capabilities of its co-investment partners, and that Best Food's dual-drive strategy of investment management and operational empowerment may broaden its investment pipeline, diversify its portfolio of catering and food-and-beverage businesses and create opportunities for recurring investment and value enhancement. Accordingly, the Directors are of the view that the investment in Best Food represents an opportunity for the Group to enhance its investment portfolio with exposure to a quality consumer-sector asset and pursue potential long-term appreciation and satisfactory returns on investment.

Positive growth prospect of the PRC food and beverage market

The Directors considered that the PRC food and beverage industry presents attractive long-term growth opportunities, supported by the large consumer market, continuing urbanisation, rising disposable incomes and increasingly diversified consumption scenarios. The development of lower-tier markets, together with growing consumer demand for higher-quality, healthier, more convenient and differentiated food and beverage products, is expected to create opportunities for the expansion of well-positioned catering brands. In addition, the increasing adoption of digital ordering, e-commerce and delivery platforms, together with advances in branding, product innovation and supply-chain capabilities, may support the scalability and operating efficiency of the food and beverage businesses.

In view of the above, the Directors considered that Best Food possesses a number of competitive advantages in the PRC food and beverage market, including its multi-brand platform, established experience in investment management and operational empowerment, brand development and innovation capabilities, digital and omni-channel operating capabilities and access to a broad industry and partnership ecosystem. Best Food's portfolio covers different cuisines, dining formats and consumer occasions, while its business model enables it to combine capital investment with operational support, including brand management, marketing planning, management services and other business resources. In addition, through its participation in Shendianbao and other partnership arrangements, Best Food may access additional catering and food project opportunities on a capital-light basis and leverage the resources, networks and capabilities of its co-investment partners. The Directors consider that these strengths position Best Food to capture the growth opportunities arising from the evolving consumption patterns and continuing development of the PRC food and beverage industry, and support the potential long-term value of the Group's investment in Best Food.

Against this backdrop, the Directors considered that Best Food's investment management and operational empowerment platform is well positioned to identify and support promising catering and food-and-beverage brands in the PRC, thereby creating potential opportunities for portfolio growth and long-term value enhancement.

Long-term strategic backing by Hony Capital

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Best Food is ultimately backed by Hony Capital as its core institutional investor. Established in 2003, Hony Capital is a leading Chinese private equity and alternative investment management firm specializing in buyout investments, state-owned enterprise restructurings, and cross-border expansion, with total assets under management exceeding RMB 120 billion. Hony Capital is sponsored and fundamentally backed by Legend Holdings Corporation, a company listed on the Main Board of the Stock Exchange (stock Code: 3396), as its key controlling shareholder and cornerstone investor. Mr. John Zhao, the chairman and executive director of Best Food is also the chairman of Hony Capital. Best Food has long been positioned as Hony Capital's listed food and beverage investment platform, and that Hony Capital has continued to support Best Food's strategic expansion in the PRC catering sector, providing vital institutional corporate governance and financial stability. The Board considered that the Acquisition provides the Company with exposure to a business supported by one of China's pioneering private equity firms and a broader investment-led growth strategy.

Taking into account Best Food's established operating scale, the significant reduction in net loss and net liabilities position, the partnership-based business development, and Hony Capital's strategic backing, the Board considered that Best Food has demonstrated immense turnaround potential and clear medium-term growth prospects despite its net liabilities position.

In view of the foregoing, the Board considered that the Acquisition could enhance investment return because it provides the Company with exposure to a business with an established operating platform, a sizeable store network, and a clear investment-and-operation-driven growth strategy, as reflected in the 2025 Annual Report. While Best Food did not declare any dividend for the two years ended 31 December 2025, the Board believed that if Best Food continues to improve operating efficiency, expand its investment-led initiatives, and leverage partnership platforms such as Shendianbao, the Company may benefit significantly from capital appreciation and improved long-term return.

Furthermore, the Acquisition was executed on the open market at prevailing market prices on an arm's-length basis. The Board is therefore of the view that the Acquisition is fair and reasonable as it is supported by Best Food Group's latest published financial and operational information. Accordingly, the Board considered that the Acquisition is in the interests of the Company and its Shareholders as a whole, as it gives the Company exposure to a business with recovery potential, strategic flexibility, and additional upside from the execution of Best Food's latest business development initiatives and Hony Capital-supported platform strategy, while efficiently diversifying the Group's asset portfolio.

GENERAL

Save for the supplemental information in this announcement, all other information disclosed in the Announcement remains unchanged.

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

Hong Kong, 11 August 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.