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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 EXTENSION OF FINANCIAL ASSISTANCE

EXTENSION OF FINANCIAL ASSISTANCE

On 7 December 2023, the Lender entered into the Supplemental Agreement with the Borrower, pursuant to which the Lender agreed to extend the repayment date of the Loan in the principal amount of HK\$35,400,000 for further 2 years to 7 December 2025 at an interest rate of 5% per annum with the other terms and conditions of the Loan Agreements remaining unchanged save for consequential amendments.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under the Listing Rules in respect of the Loan (as extended by the Supplemental Agreement) exceeds 5% but less than 25%, the Extension constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements.

EXTENSION OF FINANCIAL ASSISTANCE

The Board announces that on 7 December 2023, the Lender entered into a supplemental agreement (the “**Supplemental Agreement**”) with the Borrower, pursuant to which the Lender agreed to extend the repayment date of the Loan in the principal amount of HK\$35,400,000 for further 2 years to 7 December 2025 at an interest rate of 5% per annum (the “**Extension**”) with the other terms and conditions of the Loan Agreements remaining unchanged save for consequential amendments.

SUPPLEMENTAL AGREEMENT

The principal terms of the Loan Agreements (as amended and supplemented by the Supplemental Agreement) are set out below:

Date of Supplemental Agreement:	7 December 2023
Lender:	Planetic International Limited
Borrower:	Mr. Ting Chung Ying
Loan Amount:	HK\$35,400,000
Interest Rate:	5% per annum
Repayment:	The Borrower shall repay the interest on the principal amount of the Loan in 24 instalments and the principal amount at the Loan maturity on 7 December 2025
Security:	a share charge in favour of the Lender in respect of 30,000,000 ordinary issued shares of Best Food as confirmed by a confirmatory share charge dated 7 December 2023

CREDIT RISK ASSESSMENT PROCEDURES

The Group had conducted credit risk assessment before the Extension in accordance with its customary procedures in assessing the provision and renewal of loans. In particular, the Group had carried out the following measures:

- (i) examining the background of the Borrower, including but not limited to his business investment, financial strength and repayment ability (including recent settlement record in which there were no incidents of default);
- (ii) maintaining regular contact with the Borrower and paying regular attention to his latest business investment and activities;
- (iii) conducting bankruptcy searches against the Borrower; and
- (iv) the current values of the security pledged as security of the Loan.

After assessing the credit risks involved in the Extension, the Board considered that such credit risks were manageable to the Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL AGREEMENT

The Board is of the view that the Extension is a transaction carried out as part of the ordinary and usual course of business of the Group. The terms of the Supplemental Agreement (including the interest rate) have been arrived at by the parties after arm's length negotiation, having regard to prevailing commercial practice and the amount of the Loan. Having considered (i) the financial background of the Borrower; and (ii) the interest income to be brought to the Group, the Board considers that the terms of the Supplemental Agreement are on normal commercial terms and are fair and reasonable and in the interest of the Company and its shareholders as a whole.

INFORMATION ON THE BORROWER

The Borrower is an individual and a merchant.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Borrower is an Independent Third Party.

INFORMATION ON THE GROUP AND THE LENDER

The Group is principally engaged in property investment, property development, securities investment and loan financing businesses.

The Lender is an indirect wholly-owned subsidiary of the Company and is incorporated in Hong Kong with limited liability. It is a registered money lender holding a valid money lender's licence under the provision of the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and is principally engaged in the business of money lending services.

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). 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 financial years ended 31 December 2021 and 2022 and the interim report for the six months ended 30 June 2023:

	Six months ended	Year ended 31 December	
	30 June 2023	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>
Revenue	305,248	537,510	752,959
Loss before tax	(5,298)	(182,179)	(665,685)
Loss for the period / year	(5,692)	(166,708)	(651,837)

As stated in the interim report for the six months ended 30 June 2023 and the 2022 annual report of Best Food, Best Food Group had an unaudited net asset value of RMB196,327,000 as at 30 June 2023 and an audited net asset value of RMB 210,608,000 as at 31 December 2022.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under the Listing Rules in respect of the Loan (as extended by the Supplemental Agreement) exceeds 5% but less than 25%, the Extension constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Best Food”	Best Food Holding Company Limited (formerly known as Lee & Man Handbags Holding Limited), a company with limited liability incorporated in the Cayman Islands and whose shares are listed on the main board of Stock Exchange (Stock Code: 1488)
“Board”	the board of Directors
“Borrower”	Mr. Ting Chung Ying, an individual and a merchant, and an Independent Third Party
“Company”	Easyknit International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 1218)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), 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)”	person(s) who or company(ies) together with its/their ultimate beneficial owner(s) which is/are third party(ies) independent of the Company and its connected person(s) (as defined under the Listing Rules)
“Lender”	Planetic International Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this announcement and a registered money lender holding a valid money lender’s licence under the provisions of the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and is principally engaged in the business of money lending services
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Loan”	the secured loan with principal amount of HK\$35,400,000 granted by the Lender to the Borrower pursuant to the Loan Agreements
“Loan Agreements”	the loan agreement dated 6 December 2016 entered into among the Lender and the Borrower (as supplemented by supplemental agreements dated 7 December 2017, 7 December 2018, 6 December 2019, 7 December 2020 and 7 December 2021)
“Shareholder(s)”	the holder(s) of the ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws 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, 7 December 2023

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.