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KNK Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8039)

HIGH CONCENTRATION OF SHAREHOLDING

This announcement is made at the request of the Stock Exchange in respect of the concentration of the shareholding of the Company in the hands of a limited number of Shareholders as at 15 December 2017.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in respect of the concentration of the shareholding of KNK Holdings Limited (the “**Company**”) in the hands of a limited number of shareholders of the Company (the “**Shareholders**”) as at 15 December 2017.

HIGH CONCENTRATION OF SHAREHOLDING

The Company noted that an announcement has been published by the Securities and Futures Commission (the “**SFC**”) on 29 December 2017 (the “**SFC Announcement**”).

As disclosed in the SFC Announcement, the SFC has recently completed an enquiry into the shareholding of the Company. The SFC’s findings indicated that as at 15 December 2017, 17 Shareholders held an aggregate of 107,104,000 shares of the Company (the “**Shares**”), representing 25.62% of the issued Shares. Such shareholding, together with 303,624,000 Shares (representing 72.64% of the issued Shares) held by three substantial Shareholders, namely Energetic Way Limited (the “**Energetic Way**”), Ke Yuexian and Mr. Cheung Tuen Ting and Ms. Wang Chang Yu Judy, represented 98.26% of the issued Shares as at 15 December 2017. Therefore, only 7,272,000 Shares (representing 1.74% of the issued Shares) were held by other Shareholders.

As disclosed in the SFC Announcement, the shareholding structure of the Company as at 15 December 2017 was as follows:

	Number of Shares held <i>(Shares)</i>	% of total number of issued Shares <i>(%)</i>
Energetic Way <i>(Note 1)</i>	196,000,000	46.89
Ke Yuexian	83,624,000	20.01
Mr. Cheung Tuen Ting and Ms. Wang Chang Yu Judy <i>(Note 2)</i>	24,000,000	5.74
A group of 17 shareholders	107,104,000	25.62
Other shareholders	7,272,000	1.74
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Total	<u>418,000,000</u>	<u>100.00</u>

Note 1: Energetic Way is owned as to 50% by Mr. Poon Kai Kit Joe, the chairman and executive director (the “**Director**”) of the Company, and 50% by Ms. Chan Ka Yee, the spouse of Mr. Poon Kai Kit Joe and executive director of the Company.

Note 2: Mr. Cheung Tuen Ting and Ms. Wang Chang Yu Judy, the spouse of Mr. Cheung Tuen Ting, directly held 14,000,000 and 10,000,000 shares in the Company respectively.

As disclosed in the SFC Announcement:

The price of the Shares closed at a range between HK\$1.67 and HK\$1.80 during the period from 1 November 2017 to 16 November 2017. Since then, it started to increase substantially and the Shares closed at HK\$3.70 on 12 December 2017, which was 106% higher than the closing price of HK\$1.80 on 16 November 2017. It closed at HK\$3.18 on 15 December 2017.

On 14 November 2017, the Company announced its interim results for the six months ended 30 September 2017, recording a profit for the period attributable to owners of the Company of HK\$5,654,000, which represented a 9% decrease from the profit of HK\$6,240,000 for the corresponding period in 2016.

As at 28 December 2017, the Shares closed at HK\$3.30, which was 83% higher than the closing price of HK\$1.80 on 16 November 2017.

The board of Directors (the “**Board**”) wishes to clarify that the above information is extracted from the SFC Announcement and that the Board has not verified independently such information except for the respective shareholdings of Energetic Way, Ke Yuexian and Mr. Cheung Tuen Ting and Ms. Wang Chang Yu Judy as set out in the table above. Please refer to the SFC Announcement for further information.

PUBLIC FLOAT

Based on the information available and to the best knowledge of the Board after making all reasonable enquiries, the Company confirms that not less than 25% of the issued Shares are held in public hands as at 15 December 2017 and the date of this announcement and the Company has maintained a sufficient public float as required under the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

By Order of the Board
KNK Holdings Limited
Poon Kai Kit Joe
Chairman

Hong Kong, 29 December 2017

As at the date of this announcement, the executive Directors are Mr. Poon Kai Kit Joe, Ms. Chan Ka Yee, Mr. Fok Yat Cheong and Mr. Cheung Hoi Chung; and the independent non-executive Directors are Mr. Kong Kam Wang, Mr. Sung Hak Keung Andy and Mr. Wong Kai Tat.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on Growth Enterprise Market (“GEM”) of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication and on the Company’s website at www.knk.com.hk.