

Unless otherwise defined, terms and expressions used in this announcement shall have the same meanings as those defined in the prospectus dated 30 November 2016 (the “Prospectus”) issued by KNK Holdings Limited (the “Company”).

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This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company. Potential investors should read the Prospectus carefully for detailed information about the Placing before deciding whether or not to invest in the Placing Shares thereby being offered.

Prospective investors of the Placing Shares should note that AOCL (for itself and on behalf of the Underwriters) is entitled to terminate the Underwriting Agreement by giving notice in writing to the Company upon the occurrence of any of the events stated in the paragraph headed “Grounds for termination” in the “Underwriting” section of the Prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date.

KNK Holdings Limited

(incorporated in the Cayman Islands with limited liability)

LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF PLACING

Number of Placing Shares : 138,000,000 Placing Shares
**Placing Price : HK\$0.325 per Placing Share (payable in full
upon application in Hong Kong dollars, plus
brokerage of 1%, SFC transaction levy of
0.0027% and Stock Exchange trading fee of
0.005%)**
Nominal value : HK\$0.01 per Share
Stock code : 8039

Sole Sponsor

AmCap

Ample Capital Limited

豐盛融資有限公司

Ample Capital Limited

Sole Global Coordinator and Sole Bookrunner

AmCap

Ample Orient Capital Limited

豐盛東方資本有限公司

Joint Lead Managers

AmCap
Ample Orient Capital Limited
豐盛東方資本有限公司

 **CONVOY**
Investment services
康宏證券投資
Convoy Investment Services Limited

- The Placing Price has been determined at HK\$0.325 per Placing Share (excluding brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).
- Based on the Placing Price of HK\$0.325 per Placing Share and the Offer Size Adjustment Option being exercised in full, the net proceeds to be received by the Company from the Placing, after deducting the underwriting commission, the Stock Exchange trading fee and SFC transaction levy for the Placing Shares and the fees and expenses in connection with the Placing, are estimated to be approximately HK\$25.0 million. The Directors intend to apply the net proceeds from the Placing in accordance with the purposes set forth in the section headed “Future Plans and Use of Proceeds” in the Prospectus.
- The 120,000,000 Placing Shares initially offered under the Placing have been slightly oversubscribed. The Offer Size Adjustment Option is exercised in full by AOCL.
- Pursuant to the Placing, a total of 138,000,000 Shares have been conditionally allocated to a total of 147 selected professional, institutional and other investors including retail investors in Hong Kong. A total of 131 placees have been allotted four board lot Shares or less, representing approximately 89.1% of total number placees under the Placing. A total of 80 placees have been allotted two board lot Shares or less, representing approximately 54.4% of the total number placees under the Placing.
- The Directors confirmed that to the best of their knowledge and belief, all placees under the Placing are independent of and not connected with the Company and any of the Directors, chief executive, Controlling Shareholders, substantial Shareholders or significant shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, and their respective close associates (as defined in the GEM Listing Rules), and are not any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing, and none of the Placing Shares subscribed by the placees has been financed directly or indirectly by any of the Directors, chief executive, Controlling Shareholders, Substantial Shareholders or significant shareholders of the Company or any of its subsidiaries or their respective close associates, and none of the placees is accustomed to taking instructions from any of the Directors, chief executive, Controlling Shareholders, Substantial Shareholders or significant shareholders of the Company or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of Shares registered in his/her/its name or otherwise held by him/her/it. No placee, individually, has been or will be placed more than 10% of the enlarged issued share capital of the Company immediately after completion of the Placing and the Capitalisation Issue. The Directors also confirmed that there will not be any new Substantial Shareholder within the meaning of the GEM Listing Rules immediately after completion of the Placing and the Capitalisation Issue.

- Pursuant to Rule 11.23(7) of the GEM Listing Rules, the Company is required to maintain a public float of not less than 25% of its total issued share capital at the time when the Shares commence dealings on GEM and at all times thereafter. Pursuant to Rule 11.23(8) of the GEM Listing Rules, not more than 50% of the Shares in public hands at the time of Listing shall be beneficially owned by the three largest public Shareholders. The Directors confirm that, immediately after completion of the Placing, the public float of the Company will be 33.01% of the enlarged issued share capital of the Company, and not more than 50% of the Shares in public hands at the time of Listing will be beneficially owned by the three largest public Shareholders.
- No receipt will be issued for subscription monies for the Placing Shares. The Company will not issue temporary documents of title.
- Dealings in the Shares on GEM are expected to commence at 9:00 a.m. on Monday, 12 December 2016. Shares will be traded in board lots of 8,000 Shares each. The stock code of the Shares is 8039.

Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares in the secondary market. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

PLACING PRICE AND USE OF PROCEEDS

The Placing Price has been determined at HK\$0.325 per Placing Share (excluding brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).

Based on the Placing Price of HK\$0.325 and the Offer Size Adjustment Option being exercised in full, the net proceeds to be received by the Company from the Placing, after deducting the underwriting commission, the Stock Exchange trading fee and SFC transaction levy and the fees and expenses in connection with the Placing, are estimated to be approximately HK\$25.0 million.

The Directors intend to apply such net proceeds of the Placing in accordance with the purposes set forth in the section headed “Business Objectives, Future Plans and Use of Proceeds” in the Prospectus in the following manner:

- (a) approximately 50% of the total estimated net proceeds, or approximately HK\$12.5 million, will be used for strengthening our in-house team of professional staff;
- (b) approximately 30% of the total estimated net proceeds, or approximately HK\$7.5 million, will be used to upgrade our Group’s infrastructure, by upgrading our software and computer-aided drawing system, office expansion and renovation and staff training and development;
- (c) approximately 10% of the total estimated net proceeds, or approximately HK\$2.5 million, will be used for strengthening our in-house team of support staff to support our expansion in business; and

(d) approximately 10% of the total estimated net proceeds, or approximately HK\$2.5 million, will be used as working capital of our Group.

LEVELS OF INDICATIONS OF INTERESTS UNDER THE PLACING

The 120,000,000 Placing Shares initially offered under the Placing have been slightly oversubscribed and the Offer Size Adjustment Option is exercised in full by AOCL.

RESULTS OF ALLOCATION

Pursuant to the Placing, 138,000,000 Placing Shares have been conditionally allocated to a total of 147 selected professional, institutional and other investors including retail investors in Hong Kong. A total of 131 places have been allotted four board lot Shares or less, representing approximately 89.1% of total number places under the Placing. A total of 80 places have been allotted two board lot Shares or less, representing approximately 54.4% of the total number places under the Placing. The distribution of the Placing Shares is set out as below:

	Aggregate number of Placing Shares allocated	Aggregate percentage of the total number of Placing Shares allocated	Approximate percentage of the enlarged issued share capital of the Company immediately after the completion of the Placing and the Capitalisation Issue
Top 2 places	32,000,000	23.19	7.66
Top 5 places	77,000,000	55.80	18.42
Top 10 places	129,272,000	93.68	30.93
Top 25 places	135,824,000	98.42	32.49
Number of Placing Shares allocated		Number of places	% of Placing
8,000 to 80,000		136	1.98
80,001 to 8,000,000		2	8.70
8,000,001 to 12,000,000		3	23.38
12,000,001 to 14,000,000		1	10.14
14,000,001 and above		5	55.80
Total:			<u><u>100</u></u>

The Directors confirmed that to the best of their knowledge and belief, all places under the Placing are independent of and not connected with the Company and any of the Directors, chief executive, Controlling Shareholders, substantial Shareholders or significant shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, and their respective close associates (as defined in the GEM Listing Rules), and

are not any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing, and none of the Placing Shares subscribed by the placees has been financed directly or indirectly by any of the Directors, chief executive, Controlling Shareholders, Substantial Shareholders or significant shareholders of the Company or any of its subsidiaries or their respective close associates, and none of the placees is accustomed to taking instructions from any of the Directors, chief executive, Controlling Shareholders, Substantial Shareholders or significant shareholders of the Company or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of Shares registered in his/her/its name or otherwise held by him/her/it. No placee, individually, has been or will be placed more than 10% of the enlarged issued share capital of the Company immediately after completion of the Placing and the Capitalisation Issue. The Directors also confirmed that there will not be any new Substantial Shareholder within the meaning of the GEM Listing Rules immediately after completion of the Placing and the Capitalisation Issue.

Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares in the secondary market. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

MINIMUM PUBLIC FLOAT REQUIREMENT

Pursuant to Rule 11.23(7) of the GEM Listing Rules, the Company is required to maintain a public float of at least 25% of its total issued share capital at the time when the Shares commence dealings on GEM and of the Listing and at all times thereafter. Pursuant to Rule 11.23(8) of the GEM Listing Rules, not more than 50% of the Shares in public hands at the time of the Listing shall be beneficially owned by the three largest public Shareholders. The Directors confirmed that, immediately after completion of the Placing and the Capitalisation Issue, the public float of the Company will be about 33.01% of the enlarged issued share capital of the Company, and not more than 50% of the Shares in public hands at the time of the Listing will be beneficially owned by the three largest public Shareholders.

DEPOSIT OF SHARE CERTIFICATES INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on GEM and the compliance by the Company with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date (i.e. Monday, 12 December 2016) or on any other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made for the Shares to be admitted into CCASS.

No receipt will be issued for subscription monies for the Placing Shares. The Company will not issue temporary documents of title.

The share certificates issued in respect of the Placing Shares will be deposited into CCASS on or about Friday, 9 December 2016 for credit to the respective CCASS participants' stock account or investor participants' stock accounts designated by AOCL (for itself and on behalf of the Underwriters), the placees or their agents (as the case may be) based on their respective instructions.

Prospective investors of the Placing Shares should note that AOCL (for itself and on behalf of the Underwriters) is entitled, in its discretion, to terminate its obligation under the Underwriting Agreement by giving notice in writing to the upon the occurrence of any of the events stated in the paragraph headed "Grounds for termination" in the "Underwriting" section of the Prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date, i.e. Monday, 12 December 2016. In the event that the Underwriting Agreement is terminated, the Placing will lapse and thereafter, all money received will be refunded to applicants of the Placing without interests and the Stock Exchange will be notified immediately. Notice of the lapse will be published by the Company on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.knk.com.hk accordingly.

All share certificates for the Placing Shares will only become valid certificates of title when the Placing has become unconditional in all respects and the Underwriting Agreement has not been terminated in accordance with its terms prior to 8:00 a.m. on the Listing Date (i.e. Monday, 12 December 2016).

COMMENCEMENT OF DEALINGS

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. on Monday, 12 December 2016. If there is any change to the expected timetable, an announcement will be published immediately by the Company on the Stock Exchange Website at www.hkexnews.hk and the Company's website at www.knk.com.hk. Shares will be traded in board lot of 8,000 Shares each. The GEM stock code for the Shares is 8039.

By order of the Board
KNK HOLDINGS LIMITED
Poon Kai Kit Joe
Chairman and Executive Director

Hong Kong, Friday, 9 December 2016

As at the date of this announcement, the executive Directors are Mr. Poon Kai Kit Joe, Ms. Chan Ka Yee and Mr. Fok Yat Cheong; 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 jointly and severally accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and (ii) there are no matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the Stock Exchange's website at www.hkexnews.hk and on the "Latest Company Announcements" page for at least 7 days from the date of its posting. This announcement will also be published on the Company's website at www.knk.com.hk.