

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.*

# KNT

**KNT HOLDINGS LIMITED**

**嘉藝控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1025)**

**(1) PROPOSED RIGHTS ISSUE  
ON THE BASIS OF ONE (1) RIGHTS SHARE  
FOR EVERY TWO (2) EXISTING SHARES  
HELD ON THE RECORD DATE ON  
A NON-UNDERWRITTEN BASIS;  
(2) CLOSURE OF REGISTER OF MEMBERS;  
AND  
(3) CHANGE IN BOARD LOT SIZE**

**Placing Agent to the Company**

**ARTA** | ARTA Global Markets  
TechFin | 裕承環球市場

**Arta Global Markets Limited**

## **PROPOSED RIGHTS ISSUE**

The Board proposes to raise gross proceeds of up to approximately HK\$85.80 million before expenses by way of a rights issue of 312,000,000 Rights Shares at a price of HK\$0.275 per Rights Share on the basis of one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date. Assuming that there is no change in the number of issued Shares on or before the Record Date, the net proceeds from the Rights Issue (after deducting the estimated expenses) are estimated to be up to approximately HK\$84.50 million.

\* For identification purpose only

The Rights Issue is only available to the Qualifying Shareholders and will not be available to the Prohibited Shareholders. Pursuant to the Rights Issue, the Qualifying Shareholders will be provisionally allotted one (1) Rights Share in nil-paid form for every two (2) existing Shares held on the Record Date.

The Rights Shares (when allotted, issued and fully paid) will rank *pari passu* with the then existing Shares in issue in all respects. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the Rights Shares.

**Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares.**

The Company has not received any information or irrevocable undertaking from any substantial Shareholder of the Company of any intention in relation to the Rights Shares to be provisionally allotted to that Shareholder under the Rights Issue as at the date of this announcement.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Thursday, 6 January 2022 to Wednesday, 12 January 2022 (both days inclusive) for determining the entitlements to the Rights Issue during which period no transfer of Shares will be registered.

## **CHANGE IN BOARD LOT SIZE**

The Board announces that the board lot size of the Shares for trading on the Stock Exchange will be changed from 4,000 Shares to 8,000 Shares with effect from 9:00 a.m. on Thursday, 13 January 2022. The Company will arrange odd lot matching services in order to facilitate the trading of odd lots.

## **LISTING RULES IMPLICATIONS**

As the Company has not conducted any rights issue or open offer within the 12-month period prior to the date of this announcement and the Rights Issue will not increase the issued share capital or market capitalisation of the Company by more than 50.00%, the Rights Issue is not subject to the Shareholders' approval under the Listing Rules. The Rights Issue will be carried out in compliance with Rule 7.21(1)(b) of the Listing Rules.

## **WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES IN NIL-PAID FORM**

**The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms and the Minimum Proceeds Condition. Please refer to the section headed "Conditions of the Rights Issue" in this announcement.**

**Shareholders and potential investors of the Company should note that if the conditions of the Rights Issue are not satisfied, the Rights Issue will not proceed. Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.**

**The Shares are expected to be dealt in on an ex-rights basis from Tuesday, 4 January 2022. Dealings in the Rights Shares in nil-paid form in the new board lots of 8,000 Rights Shares are expected to take place from Monday, 17 January 2022 to Monday, 24 January 2022 (both days inclusive). Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers.**

## **PROPOSED RIGHTS ISSUE**

The Board proposes to raise gross proceeds of up to approximately HK\$85.80 million before expenses by way of a rights issue of 312,000,000 Rights Shares at a price of HK\$0.275 per Rights Share on the basis of one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date. Assuming that there is no change in the number of issued Shares on or before the Record Date, the net proceeds from the Rights Issue (after deducting the estimated expenses) are estimated to be up to approximately HK\$84.50 million.

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares.

Further details of the Rights Issue are set out below:

### **Issue statistics**

<b>Basis of the Rights Issue:</b>	One (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders as at the close of business on the Record Date
<b>Subscription Price:</b>	HK\$0.275 per Rights Share
<b>Number of Shares in issue as at the date this announcement:</b>	624,000,000 Shares
<b>Number of Rights Shares:</b>	Up to 312,000,000 Rights Shares (assuming no new Shares being issued and no Shares being repurchased on or before the Record Date)
<b>Gross proceeds from the Rights Issue:</b>	Up to approximately HK\$85.80 million before expenses (assuming no new Shares are issued or repurchased on or before the Record Date and all Rights Shares are taken up by the Qualifying Shareholders)

The 312,000,000 Rights Shares represent (i) 50.00% of the total number of issued Shares as at the date of this announcement; and (ii) approximately 33.33% of the total number of issued Shares as enlarged by the allotment and issuance of all the Rights Shares immediately upon Completion.

The Company has no outstanding share options, warrants, options or convertible securities or other similar rights which are convertible or exchangeable into Shares as at the date of this announcement.

## **Undertakings**

The Company has not received any information or irrevocable undertaking from any substantial Shareholder of the Company of any intention in relation to the Rights Shares to be provisionally allotted to that Shareholder under the Rights Issue as at the date of this announcement.

## **Qualifying Shareholders**

The Rights Issue is only available to the Qualifying Shareholders. The Company will send (i) the Prospectus Documents to the Qualifying Shareholders; and (ii) the Overseas Letter together with the Prospectus, for information only, to the Prohibited Shareholders.

To qualify for the Rights Issue, a Shareholder must at the close of business on the Record Date: (i) be registered on the registers of members of the Company; and (ii) not be a Prohibited Shareholder.

In order to be registered as members of the Company on the Record Date, the Shareholders must lodge any transfer of the Shares (with the relevant share certificates) for registration with the Registrar by 4:30 p.m. on Wednesday, 5 January 2022.

The branch share registrar and transfer office of the Company in Hong Kong is:

Tricor Investor Services Limited  
Level 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong

## **Closure of register of members**

The register of members of the Company will be closed from Thursday, 6 January 2022 to Wednesday, 12 January 2022 (both days inclusive) for determining the entitlements to the Rights Issue during which period no transfer of Shares will be registered.

## **Subscription Price**

The Subscription Price of HK\$0.275 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue or when a transferee of the nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 15.38% to the closing price of HK\$0.325 per Share as quoted on Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 14.33% to the average closing price of HK\$0.321 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to the Last Trading Day;
- (iii) a discount of approximately 12.28% to the average closing price of approximately HK\$0.314 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to the Last Trading Day;
- (iv) a discount of approximately 10.81% to the ex-rights price of approximately HK\$0.308 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 5.13%, represented by the theoretical diluted price of approximately HK\$0.308 per Share to the benchmarked price of approximately HK\$0.325 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of (i) the closing price of the Shares as quoted on the Stock Exchange on the Last Trading Day and (ii) the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of this announcement); and
- (vi) a premium of approximately 281.94% over the audited net asset value per Share of approximately HK\$0.072 based on the latest audited consolidated net asset value of the Group of approximately HK\$44,819,000 as at 31 March 2021 and 624,000,000 Shares.

The Subscription Price was arrived at after arm's length negotiation with reference to, among other things, (i) the prevailing market price of the Shares and the financial conditions of the Group; (ii) the prevailing market conditions of the capital market in Hong Kong; and (iii) the reasons for the Rights Issue and the use of proceeds as set out in the section headed "Reasons for the Rights Issue and the Use of Proceeds" in this announcement. As the Rights Shares are offered to all Qualifying Shareholders, the Directors would like to set the Subscription Price at a level that would attract the Qualifying Shareholders to participate in the Rights Issue. Each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its existing shareholding in the Company. The Directors consider that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **Status of the Rights Shares**

The Rights Shares (when allotted, issued and fully paid) will rank *pari passu* in all respects with the existing Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the Rights Shares will be entitled to receive all future dividends and distributions, which may be declared, made or paid on or after the date of allotment and issue of the fully-paid Rights Shares.

## **Basis of provisional allotments**

The basis of the provisional allotment shall be one (1) Rights Share (in nil-paid form) for every two (2) existing Shares held by the Qualifying Shareholders as at the close of business on the Record Date.

Qualifying Shareholders may apply for all or any part of their respective provisional allotment by lodging a duly completed PAL(s) and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

## **Rights of the Overseas Shareholders (if any)**

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. The Company will comply with Rule 13.36(2)(a) of the Listing Rules and make enquiries regarding the feasibility of extending the offer of the Rights Shares to the Overseas Shareholders, if any. If, based on the legal opinions to be provided by the legal advisers of the Company, the Directors consider that it is necessary or expedient not to offer the Rights Shares to any Overseas Shareholders on account of either the legal restrictions under the laws of the place(s) of their registered address(es) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in such place(s), the Rights Issue will not be extended to such Overseas Shareholders.

The Company will send the Prospectus to the Prohibited Shareholders for their information only, but will not send any PAL to them.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Prohibited Shareholders, to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and before dealings in the nil-paid Rights Shares end, if a premium (net of expenses) can be obtained. The proceeds from such sale, less expenses, of more than HK\$100 will be paid on a pro-rata basis to the relevant Prohibited Shareholders. In view of administrative costs, the Company will retain individual amounts of HK\$100 or less for its own benefit.

**Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2) (a) of the Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.**

#### **Procedures in respect of the Untaken Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements**

The Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rules to dispose of the Untaken Shares and the NQS Unsold Rights Shares by offering the Untaken Shares and the NQS Unsold Rights Shares to independent placees for the benefit of Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue. On 19 December 2021, the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Untaken Shares and the NQS Unsold Rights Shares to independent placees on a best effort basis.

Pursuant to the Placing Agreement, the Company has appointed the Placing Agent to place the Untaken Shares and the NQS Unsold Rights Shares during the Placing Period to independent placees on a best effort basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders and Prohibited Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Tuesday, 8 February 2022, acquires for all (or as many as possible) of those Untaken Shares and the NQS Unsold Rights Shares. Any Untaken Shares and the NQS Unsold Rights Shares which are not placed will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) to the No Action Shareholders and Prohibited Shareholders as set out below on a pro-rata basis (but rounded down to the nearest cent):

- A. the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and
- B. the relevant Prohibited Shareholders with reference to their shareholdings in the Company on the Record Date.

If and to the extent in respect of any Net Gain, any No Action Shareholders or Prohibited Shareholders become entitled on the basis described above to an amount of HK\$100 or more, such amount will be paid to the relevant No Action Shareholder(s) and Prohibited Shareholders in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit.

***Placing Agreement for the Untaken Shares and the NQS Unsold Rights Shares***

Details of the Placing Agreement are summarised as follows:

- Date : 19 December 2021
- Issuer : The Company
- Placing Agent : Arta Global Markets Limited was appointed as the Placing Agent to procure, on a best efforts basis, places to subscribe for the Untaken Shares and the NQS Unsold Rights Shares during the Placing Period.

The Placing Agent confirmed that it and its ultimate beneficial owner(s) are Independent Third Parties.

- Placing Period : the period commencing from the third Business Day after the Latest Time for Acceptance and ending at 4:00 p.m. on the fifth Business Day after the Latest Time for Acceptance

Commission and expenses : Subject to completion of the Placing, the Company shall pay to the Placing Agent a placing commission equal to 2.50% (the “**Commission**”) of the placing price multiplied by the number of Untaken Shares and NQS Unsold Rights Shares successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement.

Commitment Fee : The Placing Agent shall be entitled to a commitment fee (the “**Commitment Fee**”) equal to 0.10% of the maximum potential gross proceeds raised by the Rights Issue before expenses, and payable by the Company upon the signing of this Agreement.

The Commitment Fee shall offset against the Commission. For the avoidance of doubt, if the amount of Commission payable by the Company is less than the amount of Commitment Fee, no Commitment Fee shall be refunded to the Company.

Placing price of the Untaken Shares and the NQS Unsold Rights Shares : The placing price of the Untaken Shares and the NQS Unsold Rights Shares shall be not less than the Subscription Price and the final price determination will be depended on the demand for and the market conditions of the Untaken Shares and the NQS Unsold Rights Shares during the process of placement.

- Placees: : The Placing Agent shall procure that not less than six placees will take up the Placing Shares. The placees shall be professional, institutional and other investors. The Placing Agent shall ensure that the placees, and whose ultimate beneficial owner(s), shall be third party(ies) independent of the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates. The Placing Agent will ensure that none of the placees (whether individually or when aggregated with their respective associates) will become a substantial shareholder of the Company as a result of the Placing.
- Ranking of the placed Untaken Shares and NQS Unsold Rights Shares : The placed Untaken Shares and NQS Unsold Rights Shares (when allotted, issued and fully paid, if any) shall rank *pari passu* in all respects among themselves and with the existing Shares in issue as at the date of Completion.
- Conditions of the Placing Agreement : The obligations of the Placing Agent under the Placing Agreement are conditional upon the following conditions being fulfilled:
- (i) the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Rights Shares;
  - (ii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained;
  - (iii) Placing Agreement not having been terminated in accordance with the provisions thereof, including provisions regarding the force majeure events; and

- (iv) the gross proceeds raised by the Company from the Rights Issue (or, if the Rights Shares are not fully taken up under the Rights Issue, in aggregate with the Placing) being not less than 50.00% of the maximum gross proceeds raised (i.e. HK\$42.90 million).

Conditions to the Placing Agreement may not be waived by the Company or the Placing Agent in any event.

For the avoidance of doubt, if all the Rights Shares are fully subscribed under the Rights Issue, the Placing will not proceed.

The Company shall use its best endeavour to procure the fulfilment of the conditions to the Placing and undertakes to inform the Placing Agent promptly of any matter or circumstance which comes to the attention of it and indicating that any of such conditions being unable or fail to fulfil. If any of such conditions have not been fulfilled by the Placing Long Stop Date (as defined below) or become incapable of being fulfilled (unless extended by mutual consent of the Company and the Placing Agent), then all respective rights, obligations and liabilities of the Company and the Placing Agent in relation to the Placing shall cease and determine, save in respect of any accrued rights or obligations under the Placing Agreement and none of the parties thereto shall have any claim against any other in respect of the Placing.

Termination : If any of the following events occur at any time prior to 6:00 p.m. on the first Business Day after the last day of the Placing Period (the “**Placing Long Stop Date**”), the Placing Agent may (after such consultation with the Company and/or its advisers as the circumstances shall admit or be necessary), by giving a written notice to the Company, at any time prior to the date of completion of the Placing provided that such notice is received by the Company prior to 6:00 p.m. on the Placing Long Stop Date, terminate the Placing Agreement without liability to the other parties and, subject to clauses in the Placing Agreement which survives termination, the Placing Agreement shall thereupon cease to have effect and none of the parties to the Placing Agreement shall have any rights or claims by reason thereof save for any rights or obligations which may accrue under the Placing Agreement prior to such termination:

- (a) in the reasonable opinion of the Placing Agent there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing; or
- (b) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any matter whatsoever which may adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

- (c) any material breach of any of the representations and warranties by the Company comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the date of completion of the Placing which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (d) any moratorium, suspension or restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances; or
- (e) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing.

If the Rights Issue does not achieve the Minimum Proceeds Condition (i.e. HK\$42.90 million) on a standalone basis, the Placing will have to raise the minimum gross proceeds to make up the amount for satisfying the Minimum Proceeds Condition under the Rights Issue and the Placing in aggregate. Therefore, assuming nil acceptance of the Rights Shares by the Qualifying Shareholders under the Rights Issue, the completion of the Placing is subject to, amongst other things, the successful placing of a minimum of 156,000,000 Untaken Shares and/or NQS Unsold Rights Shares raising gross proceeds of at least HK\$42.90 million in order for the Rights Issue and the Placing to become unconditional and thereby proceed to completion. The maximum number of Shares subject to the Placing is 312,000,000 Untaken Shares and/or NQS Unsold Rights Shares assuming nil acceptance of the Rights Shares by the Qualifying Shareholders under the Rights Issue.

As the Rights Issue is a relatively costly process, the Directors consider the setting of the Minimum Proceeds Condition can minimize unnecessary costs by aborting the process in the event that the response for the Rights Issue is not favorable.

The engagement between the Company and the Placing Agent of the Untaken Shares and the NQS Unsold Rights Shares (including the commission payable) was determined after arm's length negotiation between the Placing Agent and the Company and is on normal commercial terms with reference to the market comparables, the existing financial position of the Group, the size of the Rights Issue, and the current and expected market conditions. The Directors consider that the terms of Placing Agreement in respect of the Untaken Shares and the NQS Unsold Rights Shares (including the commission payable) are on normal commercial terms.

As explained above, the Untaken Shares and the NQS Unsold Rights Shares will be placed by the Placing Agent to Independent Third Parties on a best effort basis for the benefits of the No Action Shareholders and Prohibited Shareholders. If all or any of the Untaken Shares and NQS Unsold Rights Shares are successfully placed, any premium over the Subscription Price will be distributed to the relevant No Action Shareholders and Prohibited Shareholders. Any NQS Unsold Rights Shares and/or Untaken Shares that are not placed by the Placing Agent will not be issued by the Company. As at the date of this announcement, the Placing Agent has not identified any placee(s). In any case, any placees shall be independent among themselves and should be independent of and not acting at the direction of or having any significant relationships with any connected person of the Company.

The Directors considered that the Compensatory Arrangements are fair and reasonable and provide adequate safeguard to protect the interests of the Company's minority Shareholders since the Compensatory Arrangements would provide (i) a distribution channel of the Untaken Shares and the NQS Unsold Rights Shares to the Company; (ii) an additional channel of participation in the Rights Issue for the Qualifying Shareholders and the Prohibited Shareholders; and (iii) a compensatory mechanism for the No Action Shareholders and Prohibited Shareholders.

In particular, excess application is considered as a passive arrangement to facilitate additional participation of the Qualifying Shareholders. Taking into account the low liquidity of the Shares before the Last Trading Day, the Directors consider it would be more desirable for the Company to adopt a more active measure by way of the Compensatory Arrangements to mitigate the uncertainty of the fund raising exercise.

### **No fractional entitlement**

On the basis of the entitlement to subscribe one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise from the Rights Issue.

### **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

Dealing in the Rights Shares in both their nil-paid and fully-paid forms will be in the new board lots of 8,000 Rights Shares.

### **Rights Shares will be eligible for admission into CCASS**

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

## **Stamp duty and other applicable fees**

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of (i) stamp duty; (ii) the Stock Exchange trading fee; (iii) SFC transaction levy; and (iv) any other applicable fees and charges in Hong Kong.

## **Share certificates and refund cheques for Rights Issue**

Subject to the fulfilment of the conditions of the Rights Issue as set out below, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered address, at their own risks, on or before Wednesday, 16 February 2022. If the Rights Issue does not become unconditional, refund cheques are expected to be despatched on or before Wednesday, 16 February 2022 by ordinary post at the respective Shareholders' own risk.

## **The Rights Issue on a non-underwritten basis**

Subject to the fulfilment for the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. Any Untaken Shares or NQS Unsold Rights Shares remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

The Completion is conditional upon the fulfilment of the conditions set out in the section headed "Conditions of the Rights Issue" in this announcement including, amongst other things, the Minimum Proceeds Condition. **As the proposed Rights Issue is subject to conditions, it may or may not proceed.**

The Cayman legal advisers of the Company have confirmed that there are no applicable statutory requirements regarding minimum subscription levels in respect of the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, any Shareholder who applies to take up all or part of his/her/its entitlement under the PAL may unwittingly incur an obligation to make a general offer under the Takeovers Code, unless a waiver from the Executive (as defined in the Takeovers Code) has been obtained. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Qualifying Shareholder (except for HKSCC Nominees Limited) for his/her/its entitlement under the PAL be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules.

### **Conditions of the Rights Issue**

The Rights Issue is conditional upon the following conditions:

- (1) the delivery of the Prospectus Documents to the Stock Exchange and the issue by the Stock Exchange on or before the Posting Date of a certificate authorizing registration of the Prospectus Documents with Hong Kong Companies Registry;
- (2) a duly certified copy of each of the Prospectus Documents (and other required documents) having been lodged with Hong Kong Companies Registry and Hong Kong Companies Registry issuing a confirmation of registration on or before the Posting Date;
- (3) following registration, the posting of the Prospectus Documents to the Qualifying Shareholders (and where applicable, the posting of the Prospectus to the Prohibited Shareholders, if any, for information purposes only) and the publication of the Prospectus Documents on the website of the Stock Exchange on or before the Posting Date;
- (4) the grant of listing of the Rights Shares by the Stock Exchange (either unconditionally or subject only to the allotment and despatch of the share certificates in respect thereof) and the grant of permission to deal in the nil-paid Rights and the Rights Shares by the Stock Exchange (and such permission and listing not subsequently having been withdrawn or revoked);
- (5) the gross proceeds raised by the Company from the Rights Issue (or, if the Rights Shares are not fully taken up under the Rights Issue, in aggregate with the Placing) being not less than 50.00% of the maximum gross proceeds raised (i.e. HK\$42.90 million); and

- (6) all other necessary waivers, consents and approvals (if required) from the relevant governmental or regulatory authorities for the Rights Issue and the transactions contemplated thereunder having been obtained and fulfilled.

None of the above conditions precedent can be waived. If any of the conditions referred to above are not fulfilled at or before 5:00 p.m. on Wednesday, 9 February 2022 (or such later date as the Company may determine), the Rights Issue will not proceed.

**As the proposed Rights Issue is subject to the above conditions, it may or may not proceed.**

### **EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES**

The Latest Time for Acceptance of and payment for the Rights Shares will not take place if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning, or “extreme conditions” caused by super typhoons issued by the Hong Kong Observatory:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Time for Acceptance. Instead the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Latest Time for Acceptance. Instead the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m..

If the Latest Time for Acceptance of and payment for the Rights Shares does not take place on the currently scheduled date, the dates mentioned in the section headed “Expected Timetable” may be affected. An announcement will be made by the Company in such event as soon as practicable.

## **WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES IN NIL-PAID FORM**

The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms and the Minimum Proceeds Condition. Please refer to the section headed “Conditions of the Rights Issue” in this announcement.

Shareholders and potential investors of the Company should note that if the conditions of the Rights Issue are not satisfied, the Rights Issue will not proceed. Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

The Shares are expected to be dealt in on an ex-rights basis from Tuesday, 4 January 2022. Dealings in the Rights Shares in nil-paid form in the new board lots of 8,000 Rights Shares are expected to take place from Monday, 17 January 2022 to Monday, 24 January 2022 (both days inclusive). Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

## **REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS**

### **Allocation of the Proceeds**

The net proceeds of the Rights Issue are estimated to be up to approximately HK\$84.50 million after the deduction of all estimated expenses (assuming full acceptance of the Rights Issue and assuming that no new Shares will be allotted or issued on or before the Record Date).

The Directors currently intend to apply the net proceeds as follows:

- (i) HK\$50.00 million of the net proceeds for its new outlet business (the “**Outlet Business**”); and

- (ii) the remaining net proceeds in the amount of approximately HK\$34.50 million will be used as general working capital of the Group.

### **Use for the Outlet Business**

As disclosed in the announcements of the Company dated 12 November 2021 and 22 November 2021, the Company is currently negotiating with a reputable outlet operator (the “**Outlet Partner**”) in the People’s Republic of China (the “**PRC**”) (which, for the purposes of this announcement, excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan) in developing possible procurement and distribution business for new retailing and the Outlet Partner in the PRC (the “**Possible Cooperation**”).

The Directors are of the view that the Possible Cooperation enables the Group to (i) commence procurement and distribution business for branded fashion, garments, and accessories in the PRC; and (ii) have its products reach out to the consumers in the PRC through the platform of the Outlet Partner. As such, the Directors believe that the Possible Cooperation could, on one hand, complement the Group’s existing business as manufacturer and exporter and diversify our business role to procurement, sourcing and trading business of garments as well. On the other hand, the Possible Cooperation would enable the Group to be benefited from expanding its client base from the existing markets (mainly United States and Europe) to that in the PRC, which would result in more diversified geographical segment and lower overall political risks. Accordingly, it will broaden the Group’s revenue base in the future and is expected to increase investment returns to the Shareholders.

Based on further discussion between the Company and the Outlet Partner, the Company anticipates that the Group would require approximately HK\$50.00 million to fund the Possible Cooperation in areas including (i) staff costs; (ii) office rentals; (iii) office renovation; and (iv) working capital. While the negotiation between the Company and the Outlet Partner has been in an advanced stage, no binding agreement in relation to the Possible Cooperation has yet been entered as the Outlet Partner is assessing the Group’s financial capability to proceed with the Possible Cooperation. As the Possible Cooperation may or may not proceed, investors and Shareholders are urged to exercise caution when dealing in the shares of the Company. Further announcement in respect of the Possible Cooperation will be made by the Company as and when appropriate in accordance with the Listing Rules.

## **Use for the General Working Capital of the Group**

The Directors consider fund-raising for additional working capital is key although, on 20 October 2021, a total of 104,000,000 new shares of the Company at nominal value of HK\$0.01 each were successfully placed at the placing price of HK\$0.250 per placing share (“**October Placing**”) and the net proceeds from October Placing, after deducting commission and other expenses incidental to the Placing, amounted to approximately HK\$25,300,000 which were intended to be used as general working capital of the Group.

As disclosed in the interim report of the Company for the six months ended 30 September 2021, the Group continued to experience a challenging operating environment in view of prolonged trade disputes between the United States and the PRC, tariff imposed, political tensions and continuing uncertainties in global economy. Since the Group’s revenue was mostly derived from customers based in the United States, these factors in aggregate led to a certain extent of impact on the overall business performance of the Group. As a result, the revenue of the Group decreased for the six months ended 30 September 2021 as compared to the six months ended 30 September 2020.

As at 30 November 2021, the cash and cash equivalents of the Group amounted to approximately HK\$7.99 million and the bank overdrafts and loans of the Group amounted to approximately HK\$23.23 million.

The above challenging operational environment had led to ongoing cash net outflow of the Group since early 2019 (with an average monthly cash outflow of HK\$3.00 million). Taking into account that the larger part of the proceeds from October Placing (approximately HK\$24.80 million out of approximately HK\$25.30 million) has already been used by the Group for repayment of loans and payables, the Directors consider it is prudent and in the interests of the Company and the Shareholders as a whole to raise additional fund of approximately HK\$34.5 million, for working capital of which approximately HK\$15.00 million will be used for repayment of bank loans and approximately HK\$19.50 million will be used for payment to suppliers and operating expenses, so that the Group has sufficient financial resources to meet the financial obligations when they fall due in the following 18 months from the date of this announcement.

In the event that the proceeds raised by the Rights Issue or Placing is less than the aforesaid estimated net proceeds of approximately HK\$84.50 million, the Company will further evaluate options including amongst others, scaling down the proposed size of the Outlet Business or exploring other financing and/or fund-raising alternatives.

## **Other Fund-raising Alternatives**

Apart from the Rights Issue, the Directors have considered other debt/equity fund raising alternatives such as bank borrowings, placing or an open offer. The Directors noted that bank borrowings will carry interest costs and may require the provision of security and creditors will rank before the Shareholders, and placings will dilute the interests of Shareholders without giving them the opportunity to take part in the exercise. As opposed to an open offer, the Rights Issue enables the Shareholders to sell the nil-paid rights in the market. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Company.

Having considered the abovementioned alternatives, the Directors consider raising funds by way of the Rights Issue is more attractive in the current market condition and the Rights Issue will enable the Company to strengthen its working capital base and enhance its financial position, while at the same time, allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company.

Based on the above, the Board considers that raising capital through the Rights Issue is in the interests of the Company and the Shareholders as a whole. In addition, having considered the capital needs of the Group, the terms of the Rights Issue and the Subscription Price, the Board also considers that it is in the interests of the Company to proceed with the Rights Issue on a non-underwritten basis. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Prohibited Shareholder(s), if any, should note that their shareholdings will be diluted.

It is the Board's intention to continue the Group's existing business after commencing the Outlet Business. As at the date of this announcement, the Company has no intention to dispose of, terminate or scale down its existing business.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 624,000,000 Shares in issue. Set out below are the shareholding structures of the Company (i) as at the date of this announcement; and (ii) under the following three scenarios arising from different acceptance ratios of the Rights Issue and the Placing (if any) (for illustrative purpose only):

- (i) assuming full acceptance by the Qualifying Shareholders of the Rights Shares leaving no Untaken Shares or NQS Unsold Rights Shares to be placed in the Placing (“**Scenario I**”);
- (ii) assuming nil acceptance by the Qualifying Shareholders of the Rights Shares and successful placing of a minimum 156,000,000 Untaken Shares and/or NQS Unsold Rights Shares to render the Rights Issue and Placing unconditional (“**Scenario II**”); and
- (iii) assuming nil acceptance by the Qualifying Shareholders of the Rights Shares and successful placing of the maximum 312,000,000 Untaken Shares and/or NQS Unsold Rights Shares (“**Scenario III**”).

	As at the date of this announcement		Scenario I		Scenario II		Scenario III	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
<b>Substantial Shareholders</b>								
Strategic Elite Limited ( <i>Note 1</i> )	235,950,000	37.81	353,925,000	37.81	235,950,000	30.25	235,950,000	25.21
Total Clarity Investments Limited ( <i>Note 2</i> )	132,050,000	21.16	198,075,000	21.16	132,050,000	16.93	132,050,000	14.11
Sub-total	368,000,000	58.97	552,000,000	58.97	368,000,000	47.18	368,000,000	39.32
<b>Public Shareholders</b>								
Outlets Asset Management Group Co., Limited	61,528,000	9.86	92,292,000	9.86	61,528,000	7.89	61,528,000	6.57
Independent Places	–	–	–	–	156,000,000	20.00	312,000,000	33.33
Other public Shareholders	194,472,000	31.17	291,708,000	31.17	194,472,000	24.93	194,472,000	20.78
Sub-total	256,000,000	41.03	384,000,000	41.03	412,000,000	52.82	568,000,000	60.68
Total	624,000,000	100.00	936,000,000	100.00	780,000,000	100.00	936,000,000	100.00

### Notes:

1. Ms. Lok Pui Yee, Fanny is the spouse of Mr. Chong Sik and is deemed to be interested in all the shares indirectly held or interested in by Mr. Chong Sik through Strategic Elite Limited pursuant to the SFO.
2. Ms. Tsang Kit Fong is the spouse of Mr. Chong Pun and is deemed to be interested in all the shares indirectly held or interested in by Mr. Chong Pun through Total Clarity Investments Limited pursuant to the SFO.

## **CHANGE IN BOARD LOT SIZE**

As set out in the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by Hong Kong Exchanges and Clearing Limited, it is requested that the value of each board lot shall be no less than HK\$2,000. In order to increase the value of each board lot of the Shares, as well as to reduce transaction and registration costs incurred by the Shareholders and investors of the Company, the Board proposes that the board lot size of the Shares for trading on the Stock Exchange will be changed from 4,000 Shares to 8,000 Shares with effect from 9:00 a.m. on Thursday, 13 January 2022. The change in board lot size will not result in any change in the relative rights of the Shareholders. The Board is of the opinion that the change in board lot size is in the interests of the Company and its Shareholders as a whole.

Based on the theoretical ex-rights price of approximately HK\$0.308 per Share, the market value of each existing board lot is approximately HK\$1,233 and the estimated market value of each proposed new board lot is approximately HK\$2,467.

To alleviate the difficulties in trading odd lots of the Shares arising from the change in board lot size of the Shares, a designated broker will be appointed to provide matching services to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from 9:00 a.m. on Thursday, 13 January 2022 to 4:00 p.m. on Monday, 28 February 2022 (both days inclusive). Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility. Further details in respect of the odd lots arrangement will be set out in the Prospectus.

All existing share certificates in board lot of 4,000 shares will remain good evidence of the legal title to the Shares and continue to be valid for delivery, transfer, trading and settlement purposes. No new share certificates for existing Shareholders will be issued as a result of the change in the board lot size, and therefore no arrangement for free exchange of existing share certificates in board lot size 4,000 shares to new share certificate in board lot size of 8,000 shares is necessary.

## FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has conducted the following equity fund raising activities in the past twelve months immediately prior to the date of this announcement:

Date of relevant announcements	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
30 September 2021, 20 October 2021 and 29 October 2021	Placing of new shares under general mandate	HK\$25.30 million	General working capital of the Group	<ul style="list-style-type: none"> <li>– HK\$14.58 million for the repayment of bank loans and amount due to a controlling shareholder</li> <li>– HK\$10.22 million for payment to suppliers and operating expenses</li> </ul>

Save as disclosed above, the Company has not conducted any equity fund raising activities in the past twelve months immediately prior to the date of this announcement.

## EXPECTED TIMETABLE

The expected timetable for the Rights Issue set out below is for indicative purposes only and it has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled.

Events	Date (Hong Kong time)
Publication of announcement in relation to the Rights Issue . . . . .	Monday, 20 December 2021
Last day of dealings in the Shares on a cum-entitlement basis relating to the Rights Issue . . . . .	Monday, 3 January 2022

<b>Events</b>	<b>Date (Hong Kong time)</b>
First day of dealings in Shares on an ex-entitlement basis relating to the Rights Issue . . . . .	Tuesday, 4 January 2022
Latest time for the Shareholders to lodge transfer documents of Shares in order to be qualified for the Rights Issue . . . . .	4:30 p.m. on Wednesday, 5 January 2022
Closure of register of members to determine the entitlements of the Rights Issue (both dates inclusive) . . . . .	Thursday, 6 January to Wednesday, 12 January 2022
Record date for the Rights Issue . . . . .	Wednesday, 12 January 2022
Register of members of the Company re-opens . . . . .	Thursday, 13 January 2022
Despatch of the Prospectus Documents (in case of the Prohibited Shareholders, the Prospectus only) . . . . .	Thursday, 13 January 2022
Effective date of change in board lot size from 4,000 Shares to 8,000 Shares . . . . .	Thursday, 13 January 2022
Designated broker starts to stand in the market to provide matching services for odd lots of Shares . . . . .	9:00 a.m. on Thursday, 13 January 2022
First day of dealings in nil-paid Rights Shares . . . . .	9:00 a.m. on Monday, 17 January 2022
Latest time for splitting the nil-paid PAL . . . . .	4:30 p.m. on Wednesday, 19 January 2022

<b>Events</b>	<b>Date (Hong Kong time)</b>
Last day of dealing in nil-paid Rights Shares . . . . .	Monday, 24 January 2022
Latest time to lodge transfer documents of nil-paid Rights Shares in order to qualify for the payment of Net Gain . . . . .	4:00 p.m. on Thursday, 27 January 2022
Latest time for acceptance of and payment for the Rights Shares . . . . .	4:00 p.m. on Thursday, 27 January 2022
Announcement of the number of Untaken Shares and NQS Unsold Rights Shares subject to the Placing . . . . .	Monday, 31 January 2022
Commencement of placing of Untaken Shares and NQS Unsold Rights Shares by the Placing Agent . . . . .	Friday, 4 February 2022
Latest time of placing of Untaken Shares and NQS Unsold Rights Shares by the Placing Agent . . . . .	4:00 p.m. on Tuesday, 8 February 2022
Latest time for the Rights Issue to become unconditional . . . . .	5:00 p.m. on Wednesday, 9 February 2022
Announcement of the results of the Rights Issue (including the results of the placing of the Untaken Shares and NQS Unsold Rights Shares and the amount of the Net Gain per Untaken Share and NQS Unsold Rights Share under the Placing) . . . . .	Tuesday, 15 February 2022
Refund cheques, if the Rights Issue does not become unconditional, to be despatched on or before . . . . .	Wednesday, 16 February 2022

<b>Events</b>	<b>Date (Hong Kong time)</b>
Certificates for fully-paid Rights Shares to be despatched on or before . . . . .	Wednesday, 16 February 2022
Commencement of dealings in fully-paid Rights Shares . . . . .	9:00 a.m. on Thursday, 17 February 2022
The last day for the designated broker to provide matching services for odd lots of Shares. . . . .	4:00 p.m. on Monday, 28 February 2022
Payment of Net Gain to the No Action Shareholder(s) and Prohibited Shareholders (if any) . . . . .	Thursday, 3 March 2022

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above or in other parts of this announcement are indicative only and may be extended or varied. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate in accordance with the Listing Rules.

## **LISTING RULES IMPLICATIONS**

As the Company has not conducted any rights issue or open offer within the 12-month period prior to the date of this announcement and the Rights Issue will not increase the issued share capital or market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the Shareholders' approval under the Listing Rules. The Rights Issue will be carried out in compliance with Rule 7.21(1)(b) of the Listing Rules.

## **GENERAL**

Subject to the fulfilment of certain conditions of the Rights Issue, the Company will despatch the Prospectus Documents setting out details of the Rights Issue to the Qualifying Shareholders.

The Company will despatch the Prospectus to the Prohibited Shareholders for their information only but the Company will not send the PAL to the Prohibited Shareholders.

## DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, a Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted in Hong Kong between 9:00 a.m. to 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	KNT Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Compensatory Arrangements”	the compensatory arrangements pursuant to Rule 7.21(1)(b) of the Listing Rules as described in the paragraph headed “Procedures in respect of the Untaken Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements” in this announcement
“Completion”	completion of the Rights Issue
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong (as amended from time to time)
“Director(s)”	directors of the Company

“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong from time to time or any delegate of such Executive Director
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons
“Last Trading Day”	Friday, 17 December 2021, being the last trading day for the Shares on the Stock Exchange immediately prior to the date of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 27 January 2022 (or such other time or date as may be determined by the Company), being the latest time for acceptance of the offer of and payment for, the Rights Shares
“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Minimum Proceeds Condition”	the gross proceeds from the Rights Issue (or, if the Rights Shares are not fully taken up under the Rights Issue, in aggregate with the Placing) being not less than 50.00% of the maximum gross proceeds raised (i.e. HK\$42.90 million)

“NQS Unsold Rights Shares”	the Rights Shares which would otherwise have been provisionally allotted to the Prohibited Shareholders in nil-paid form that have not been sold by the Company
“Net Gain”	the aggregate of any premiums, being the aggregate amount paid by the placees after deducting the aggregate amount of the Subscription Price for the Untaken Shares and the NQS Unsold Rights Shares placed by the Placing Agent under the Placing Agreement
“No Action Shareholder(s)”	Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the PAL(s) or their renounees, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed
“Overseas Letter”	a letter from the Company to the Prohibited Shareholders explaining the circumstances in which the Prohibited Shareholders are not permitted to participate in the Rights Issue
“Overseas Shareholders”	Shareholder(s) with registered address(es) (as shown on the register of members of the Company on the Record Date) which is(are) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) for the Rights Issue
“Placing”	the offer by way of private placing of the Untaken Shares and the NQS Unsold Rights Shares on a best effort basis by the Placing Agent to the independent placee(s) during the Placing Period on the terms and conditions set out in the Placing Agreement
“Placing Agent”	Arta Global Markets Limited, a licensed corporation to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO

“Placing Agreement”	the placing agreement dated 19 December 2021 and entered into between the Company and the Placing Agent in relation to the placing of Untaken Shares and the NQS Unsold Rights Shares
“Placing Period”	the period commencing from the third Business Day after the Latest Time for Acceptance and ending at 4:00 p.m. on the fifth Business Day after the Latest Time for Acceptance
“Posting Date”	Thursday, 13 January 2022 (or such other date as may be determined by the Company), being the date of despatch of Prospectus Documents to the Qualifying Shareholders or Prospectus to the Prohibited Shareholders for information only (as the case may be)
“Prohibited Shareholder(s)”	those Overseas Shareholder(s) to whom the Board, after making enquires, considers it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Rights Shares to them
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Prospectus Documents”	collectively, the Prospectus and the PAL
“Qualifying Shareholders”	the Shareholders, other than the Prohibited Shareholders, whose names appear on the register of members of the Company as at the close of business on the Record Date
“Record Date”	Wednesday, 12 January 2022, (or such other date as may be determined by the Company), being the date for determining entitlements of Shareholders to participate in the Rights Issue

“Registrar”	the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Rights Issue”	proposed offer for subscription of up to 312,000,000 Rights Shares by way of rights issue at the Subscription Price to be made by the Company to the Qualifying Shareholders on the basis of one (1) Rights Share for every two (2) existing Shares in issue and held on the Record Date
“Rights Share(s)”	up to 312,000,000 Shares to be allotted and issued pursuant to the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap. 571, of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.275 per Share for the Rights Shares
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Untaken Share(s)”	the number of unsubscribed Rights Shares not taken up by Qualifying Shareholders under PAL(s) during the Rights Issue
“%”	per cent.

“HK\$”

Hong Kong dollars, the lawful currency of Hong Kong

By Order of the Board

**KNT Holdings Limited**

**Chong Sik**

*Chairman and Executive Director*

Hong Kong, 20 December 2021

*As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Chong Sik, Mr. Chong Pun, Mr. Lam Chi Yuen and Mr. Zhou Hai; one non-executive Director, namely Mr. Hu Shilin; and four independent non-executive Directors, namely, Mr. Leung Martin Oh Man, Mr. Lau Koong Yep, Mr. Yuen King Sum and Mr. Lau Kwok Fan.*