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KNT

KNT HOLDINGS LIMITED

嘉藝控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1025)

**FULFILMENT OF THE MINIMUM PROCEEDS CONDITION
AND
RESULTS OF THE RIGHTS ISSUE
ON THE BASIS OF ONE (1) RIGHTS SHARES
FOR EVERY TWO (2) EXISTING SHARES
HELD ON THE RECORD DATE ON
A NON-UNDERWRITTEN BASIS**

Reference is made to the prospectus of KNT Holdings Limited (the “**Company**”) dated 20 January 2022 (the “**Prospectus**”) and the Company’s announcement dated 11 February 2022 (the “**Announcement**”). Unless otherwise stated, terms used herein shall have the same meanings as those defined in the Prospectus.

* For identification purpose only

RESULTS OF THE RIGHTS ISSUE

As disclosed in the Announcement, a total of 9 valid acceptances of provisional allotments under the PALs were received for a total of 72,952,607 Rights Shares, representing approximately 23.38% of the total number of 312,000,000 Rights Shares being offered under the Rights Issue. There will be no fractional entitlements to the Rights Shares arising from the Rights Issue. Based on the subscription results, the Rights Issue was under-subscribed by 239,047,393 Rights Shares, representing approximately 76.62% of the total number of the Rights Shares available for subscription under the Rights Issue.

THE COMPENSATORY ARRANGEMENTS AND THE PLACING

As disclosed in the Announcement, based on the results of acceptances and applications of the Rights Issue, a total of 239,047,393 Untaken Shares and nil NQS Unsold Rights Shares were subject to the Placing (the “**Placing Shares**”) by the Placing Agent on a best effort basis under the Compensatory Arrangements. The Placing of the Placing Shares by the Placing Agent commenced on Monday, 14 February 2022 and ended at 4:00 p.m. on Wednesday, 16 February 2022.

The Board is pleased to announce that as at 4:00 p.m. on Wednesday, 16 February 2022, being the latest time of placing of Placing Shares by the Placing Agent, a total of 145,480,000 Placing Shares (representing approximately 60.86% of the total number of Placing Shares) have been successfully placed by the Placing Agent to not less than six placees pursuant to the terms of the Placing Agreement at the Placing Price of HK\$0.275 per Placing Share, representing nil premium over the Subscription Price. Accordingly, the amount of the Net Gain per Untaken Share under the Placing is nil and no Net Gain was realised and to be received by any No Action Shareholders on Friday, 11 March 2022.

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, and based on the information provided by the Placing Agent, each of the placees under the Placing was an independent professional, institutional or other investor who and whose ultimate beneficial owner(s) (if any) were third parties independent of, and not acting in concert (within the meaning of the Takeovers Code) with and not connected with any of the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates, and that none of the placees (whether individually or together with their respective associates or together with any party acting in concert (within the meaning of the Takeovers Code) with it) had become a substantial shareholder (as defined under the Listing Rules) of the Company as a result of and upon completion of the Placing and the Rights Issue.

FULFILMENT OF THE MINIMUM PROCEEDS CONDITION

The total gross proceeds raised under the Placing were approximately HK\$40.01 million. Accordingly, the aggregate total gross proceeds raised by the Company from the Placing and the Rights Issue were approximately HK\$60.07 million, which is greater than the Minimum Proceeds Condition of HK\$42.90 million. As such, the Minimum Proceeds Condition for both the Rights Issue and the Placing has been fulfilled.

THE RIGHTS ISSUE AND THE PLACING BECOMING UNCONDITIONAL

In addition to the fulfilment of the Minimum Proceeds Condition, all other conditions to the Rights Issue and the Placing were also fulfilled. Accordingly, the Rights Issue and the Placing became unconditional at 6:00 p.m. on Thursday, 17 February 2022.

The net proceeds from the Placing received by the Company, after deducting all related costs, fees, expenses and commission, were approximately HK\$39.01 million, representing a net issue price of approximately HK\$0.27 per Placing Share. The aggregate net proceeds raised from the Rights Issue (including the Placing), after deducting all related costs, fees, expenses and commission, were approximately HK\$57.49 million.

Upon completion of the Rights Issue and the Placing, an aggregate of 218,432,607 Rights Shares (approximately 70.01% of the total number of 312,000,000 Rights Shares available for subscription under the Rights Issue) will be allotted and issued, out of which (i) 72,952,607 Rights Shares will be allotted and issued under valid acceptances of PALs; and (ii) 145,480,000 Rights Shares will be allotted and issued to places under the Placing.

As the Rights Issue was proceeded on a non-underwritten basis irrespective of the level of acceptances and there was no minimum amount to be raised under the Rights Issue in order for the Rights Issue to proceed (in each case subject only to the satisfaction of the Minimum Proceeds Condition), the remaining Placing Shares not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

EFFECT OF THE RIGHTS ISSUE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Based on the information available to the Company and to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the shareholding structure of the Company immediately before and after completion of the Rights Issue are as follows:

	Immediately before the Rights Issue		Immediately after completion of the Rights Issue	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
Substantial Shareholders				
Strategic Elite Limited (<i>Note 1</i>)	235,950,000	37.81	235,950,000	28.01
Total Clarity Investments Limited (<i>Note 2</i>)	132,050,000	21.16	132,050,000	15.67
Sub-total	368,000,000	58.97	368,000,000	43.68
Public Shareholders				
Outlets Asset Management Group Co., Limited (<i>Note 3</i>)	61,528,000	9.86	84,148,000	9.99
Other independent placees (<i>Note 3</i>)	–	–	119,840,000	14.23
Other public Shareholders	194,472,000	31.17	270,444,607	32.10
Sub-total	256,000,000	41.03	474,432,607	56.32
Total	624,000,000	100.00	842,432,607	100.00

Notes:

- As at the date of this announcement, Strategic Elite Limited is beneficially and wholly-owned by Mr. Chong Sik, the chairman, chief executive officer and an executive Director. Therefore, Mr. Chong Sik is deemed to be interested in all the Shares held by Strategic Elite Limited pursuant to the SFO.

2. As at the date of this announcement, Total Clarity Investments Limited is beneficially and wholly-owned by Mr. Chong Pun, an executive Director. Therefore, Mr. Chong Pun is deemed to be interested in all the Shares held by Total Clarity Investments Limited pursuant to the SFO.
3. Based on the information provided by the Placing Agent, out of the 145,480,000 Placing Shares successfully placed by the Placing Agent under the Placing, a total of 25,640,000 Placing Shares were placed to Outlets Asset Management Group Co., Limited.

INTENDED USE OF THE NET PROCEEDS FROM THE RIGHTS ISSUE

As stated in the Prospectus, as the Minimum Proceeds Condition has been achieved, the Company will apply HK\$34.50 million of the net proceeds from the Rights Issue as general working capital of the Group and the remaining net proceeds of approximately HK\$22.99 million will be applied for the Outlet Business. For details of the Outlet Business, please refer to the section headed “Letter from the Board – Reasons for the Rights Issue and the Use of Proceeds” in the Prospectus.

DESPATCH OF SHARE CERTIFICATES FOR FULLY-PAID RIGHTS SHARES

The share certificates in respect of the valid acceptance of Rights Shares under the PALs and the Placing Shares successfully placed to the placees under the Placing are expected to be despatched to those entitled thereto by ordinary post to their respective registered address, at their own risk, on Thursday, 24 February 2022. Given the Rights Issue has become unconditional, no monies received in respect of the relevant PALs will be refunded, and no refund cheque will be posted, to any accepting or applying Shareholders.

COMMENCEMENT OF DEALINGS OF THE RIGHTS SHARES IN FULLY-PAID FORM

The Stock Exchange has granted the approval for the listing of, and the permission to deal in, the Rights Shares. Dealings in the Rights Shares in their fully-paid form, including those Placing Shares successfully placed to the placees under the Placing, are expected to commence on the Stock Exchange at 9:00 a.m. on Friday, 25 February 2022.

By order of the Board
KNT Holdings Limited
Chong Sik
Chairman and Executive Director

Hong Kong, 23 February 2022

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.