
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **KNT Holdings Limited**, you should at once hand the Prospectus Documents to the purchaser(s) or the transferee(s), or to the bank manager, licensed securities dealer, registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser(s) or transferee(s).

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed “(XVIII) Documents delivered to the Registrar of Companies in Hong Kong” in “Appendix III General information” to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, the Stock Exchange and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents or any other document(s) referred to above. The attention of Shareholders with registered addresses in, and investors who are located or residing in, any of the jurisdictions outside Hong Kong or holding Shares on behalf of beneficial owners of Shares with such addresses is drawn to the paragraph headed “Rights of the Overseas Shareholders (if any)” in the “Letter from the Board” of this Prospectus.

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both 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 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 their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC and you should consult your stockbroker, a licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange of Hong Kong Limited and HKSCC take no responsibility for the contents of this Prospectus, 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 Prospectus.

KNT

KNT HOLDINGS LIMITED
嘉藝控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1025)

PROPOSED RIGHTS ISSUE ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

Financial Adviser



Placing Agent



Capitalised terms used on this cover page shall have the same meanings as defined in this Prospectus.

The latest time for payment for and acceptance of the Rights Shares is at 4:00 p.m. on Monday, 17 March 2025. The procedures for acceptance and transfer of the Rights Shares are set out in the section headed “Procedures for acceptance, splitting of PAL and payment or transfer” in the “Letter from the Board” of this Prospectus. It should be noted that the Shares have been dealt on an ex-rights basis from Tuesday, 18 February 2025. Dealings in the Rights Shares in their nil-paid form will take place from Wednesday, 5 March 2025 to Wednesday, 12 March 2025 (both days inclusive). If the conditions of the Rights Issue are not fulfilled or waived (as applicable), the Rights Issue will not proceed. Any persons contemplating dealings in the Shares prior to the date on which the conditions of the Rights Issue are fulfilled or waived (as applicable), and/or dealings in the nil-paid Rights Shares, are accordingly subject to the risk that the Rights Issue may not become unconditional or may not proceed.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares and is subject to the fulfilment of conditions. Please refer to the paragraph headed “Conditions of the Rights Issue” in the “Letter from the Board” of this Prospectus. Shareholders and potential investors of the Company should note that: (a) if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed; and (b) the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders will be placed to independent Placers under the Compensatory Arrangements. Any Unsubscribed Rights 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. There is no requirement for minimum amount to be raised under the Rights Issue. Accordingly, the Rights Issue and the Placing may or may not proceed. Any Shareholder or other person contemplating transferring, selling, purchasing or otherwise dealing with the Shares and/or the Rights Shares in their nil-paid forms is advised to exercise caution when dealing in the Shares and/or Rights Shares. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled, will accordingly bear the risk that the Rights Issue and the Placing may not become unconditional or may not proceed.

* For identification purposes only

CONTENTS

	<i>Pages</i>
EXPECTED TIMETABLE	ii
DEFINITIONS	1
LETTER FROM THE BOARD	8
APPENDIX I — FINANCIAL INFORMATION OF THE GROUP	I-1
APPENDIX II — UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP	II-1
APPENDIX III — GENERAL INFORMATION	III-1

EXPECTED TIMETABLE

The expected timetable for the Rights Issue set out below is indicative only. The expected timetable is subject to change, and any such change will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this Prospectus refer to the Hong Kong local times and dates:

Event	Timeline
Prospectus Documents are made available and/or despatched (as the case may be) to the Qualifying Shareholders (in the case of the Non-Qualifying Shareholders, the Prospectus only)	Monday, 3 March 2025
First day of dealings in nil-paid Rights Shares	Wednesday, 5 March 2025
Latest time for splitting of the PAL(s)	4:30 p.m. on Friday, 7 March 2025
Last day of dealings in nil-paid Rights Shares	Wednesday, 12 March 2025
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 Monday, 17 March 2025
Latest Time for Acceptance of, and payment for, the Rights Shares and application for and payment for the Rights Shares	4:00 p.m. on Monday, 17 March 2025
Announcement of the number of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares subject to the Compensatory Arrangements	Thursday, 20 March 2025
Commencement of the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent	Friday, 21 March 2025
Latest Placing Time/Latest Placing Date for the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent	4:00 p.m. on Tuesday, 1 April 2025
Placing Long Stop Date/Latest time for the Rights Issue and placing of the Unsubscribed Rights Shares and NQS Unsold Rights Shares to become unconditional	4:00 p.m. on Wednesday, 2 April 2025

EXPECTED TIMETABLE

Event	Timeline
Rights Issue settlement and Placing completion date	Wednesday, 2 April 2025
Announcement of the results of Rights Issue (including the results of the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent and the amount of the Net Gain per the Unsubscribed Rights Share and the NQS Unsold Rights Share under the Compensatory Arrangements).	Thursday, 3 April 2025
Despatch of share certificates for fully-paid Rights Shares	Monday, 7 April 2025
Refund cheques, if any, to be despatched (if the Rights Issue is terminated)	Monday, 7 April 2025
Expected commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Tuesday, 8 April 2025
Payment of the Net Gain (if any) to the relevant No Action Shareholders (if any)	Thursday, 17 April 2025

All times and dates in this Prospectus refer to Hong Kong local times and dates.

Dates or deadlines specified in the expected timetable above or in other parts of this Prospectus are indicative only and may be extended or varied by the Company. Any change to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

EFFECT OF BAD WEATHER OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The latest time for acceptance of and payment for Rights Shares will not take place at the time indicated above if there is a tropical cyclone warning signal number 8 or above, a “black” rainstorm warning or “extreme conditions” caused by super typhoons as announced by the Government of Hong Kong:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Monday, 17 March 2025. 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

EXPECTED TIMETABLE

- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Monday, 17 March 2025. 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 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 Monday, 17 March 2025, the dates mentioned in the section headed “EXPECTED TIMETABLE” above may be affected. The Company will notify the Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

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

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares, in nil-paid and fully-paid forms. Accordingly, the Rights Issue may or may not proceed.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares.

The Shares have been dealt in on an ex-rights basis from Tuesday, 18 February 2025. Dealings in the Rights Shares in nil-paid form are expected to take place from 9:00 a.m. on Wednesday, 5 March 2025 to 4:00 p.m. on Wednesday, 12 March 2025 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares. Any Shareholder or other person dealing in the Shares and/or the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled or waived (as applicable) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the existing Shares and/or the nil-paid Rights Shares. Any party (including Shareholders and potential investors of the Company) who is in any doubt about his/her/ its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

EXPECTED TIMETABLE

EXCEPT AS OTHERWISE SET OUT HEREIN, THE RIGHTS ISSUE DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO SHAREHOLDERS WITH REGISTERED ADDRESSES IN JURISDICTIONS OUTSIDE HONG KONG AND NEITHER IS THE RIGHTS ISSUE BEING MADE TO INVESTORS WHO ARE LOCATED OR RESIDING IN ANY OF THE JURISDICTIONS OUTSIDE HONG KONG, UNLESS AN OFFER OF RIGHTS SHARES AND NIL-PAID RIGHTS SHARES INTO SUCH JURISDICTIONS COULD LAWFULLY BE MADE WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER LEGAL OR REGULATORY REQUIREMENTS OR THE OFFER IS MADE IN RELIANCE ON ANY EXEMPTION OR WHERE COMPLIANCE IS NOT UNDULY BURDENSOME.

DEFINITIONS

In this Prospectus, the following expressions have the following meanings unless the context requires otherwise:

“acting in concert”	has the same meaning ascribed to it under the Takeovers Code
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“Announcement”	the announcement issued by the Company dated 10 December 2024 in relation to, among other things, the Rights Issue
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Business Day(s)”	means a day (other than a Saturday and a day on which “extreme conditions” is announced by the Government of Hong Kong or a tropical cyclone warning no. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular issued by the Company dated 10 January 2025 in relation to, among other things, the Rights Issue and the transactions contemplated thereunder
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)

DEFINITIONS

“Company”	KNT Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1025)
“Compensatory Arrangements”	the compensatory arrangements pursuant to Rule 7.21(1)(b) of the Listing Rules as described in the section headed “Procedures in respect of Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements” in this Prospectus
“controlling shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Director”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the proposed Rights Issue
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Operational Procedures”	the operational procedures of HKSCC, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as amended from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent board committee of the Company comprising all the independent non-executive Directors, which has been established under the Listing Rules to advise the Independent Shareholders in respect of the Rights Issue and the transactions contemplated thereunder

DEFINITIONS

“Independent Financial Adviser”	Grande Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Rights Issue and the transactions contemplated thereunder, and as to voting
“Independent Shareholder(s)”	any Shareholder(s) who are not required to abstain from voting at the EGM under the Listing Rules
“Independent Third Party(ies)”	any persons or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquires, are third parties independent of and not connected with the Company and its connected persons (or any of their respective associate)
“Last Trading Day”	Tuesday, 10 December 2024, being the last trading day of the Shares on the Stock Exchange before the release of the Announcement
“Latest Placing Date”	Tuesday, 1 April 2025 or such other date as the Company and the Placing Agent may agree in writing, being the latest date for the Placing Agent to place the Placing Shares
“Latest Placing Time”	4:00 p.m. on the Latest Placing Date
“Latest Practicable Date”	[25 February] 2025, being the latest practicable date prior to the printing of this Prospectus for ascertaining certain information herein
“Latest Time for Acceptance”	4:00 p.m. on Monday, 17 March 2025 or such later time or date as may be determined by the Company, being the latest time for acceptance of, and payment for, the Rights Shares as described in the Prospectus Documents
“Listing Committee”	has the same meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

DEFINITIONS

“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 Unsubscribed Rights Shares and the NQS Unsold Rights Shares placed by the Placing Agent under the Placing Agreement) under the Compensatory Arrangements
“No Action Shareholder(s)”	Qualifying Shareholder(s) who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renounces who hold any nil-paid rights at the time such nil-paid rights are lapsed, and/or the Non-Qualifying Shareholders (if any)
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) whom the Board considers necessary or expedient to exclude from the Rights Issue on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“NQS Unsold Rights Share(s)”	the Rights Share(s) which would otherwise has/have been provisionally allotted to the Non-Qualifying Shareholders (if any) in nil-paid form that has/have not been sold by the Company
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) as shown on such register at that time is (are) in (a) place(s) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placee(s)”	any individuals, corporate, institutional investor(s) or other investor(s), who and whose ultimate beneficial owner(s) shall not be the Shareholder(s) and shall be the Independent Third Party(ies), procured by the Placing Agent and/or its sub-placing agent(s), who and whose ultimate beneficial owners shall not be the Shareholder(s) and shall be the Independent Third Party(ies), to subscribe for any of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares pursuant to the Placing Agreement

DEFINITIONS

“Placing”	the offer by way of private placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares on a best effort basis by the Placing Agent and/or its sub-placing agents(s), who and whose ultimate beneficial owners shall not be the Shareholder(s) and shall be the Independent Third Party(ies), to the independent placee(s) during the Placing Period on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	Gransing Securities Co Limited, a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO, being the placing agent appointed by the Company to place any Unsubscribed Rights Shares and the NQS Unsold Rights Shares under the Compensatory Arrangements
“Placing Agreement”	the placing agreement dated 10 December 2024 and entered into between the Company and the Placing Agent in relation to the placing of Unsubscribed Rights Shares and the NQS Unsold Rights Shares
“Placing Long Stop Date”	Wednesday, 2 April 2025 (being the next Business Day after the Latest Placing Date) or such later date as the Company may announce
“Placing Period”	a period commencing from the first Business Day after the date of announcement of the number of Unsubscribed Rights Shares and the NQS Unsold Rights Shares, which is expected to be Friday, 21 March 2025, and ending at the Tuesday, 1 April 2025 or such later date as the Company and the Placing Agent may agree in writing
“Placing Shares”	all the Unsubscribed Rights Shares and the NQS Unsold Rights Shares
“Prospectus”	the prospectus to be despatched to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	Collectively, the Prospectus and the PAL

DEFINITIONS

“Prospectus Posting Date”	Monday, 3 March 2025, being the date of despatch of the Prospectus Documents to the Qualifying Shareholders and the Prospectus for information only to the Non-Qualifying Shareholders
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	Wednesday, 26 February 2025, being the date by reference to which the Shareholders’ entitlements to the Rights Issue are to be determined
“Registrar”	Tricor Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company
“Rights Issue”	the proposed issue of the Rights Shares on the basis of three (3) Rights Shares for every one (1) Share held on the Record Date at the Subscription Price pursuant to the Prospectus Documents
“Rights Share(s)”	up to 151,637,790 new Shares proposed to be allotted and issued by the Company to the Qualifying Shareholders for subscription pursuant to the Rights Issue
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong)
“Share(s)”	ordinary shares of HK\$0.20 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.29 per Rights Share
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

DEFINITIONS

“Unsubscribed Rights Shares” the Rights Shares that are not subscribed by the Qualifying Shareholders

“%” per cent.

LETTER FROM THE BOARD

KNT

KNT HOLDINGS LIMITED

嘉藝控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1025)

Executive Directors:

Mr. Chong Sik

(Chairman and Chief Executive Officer)

Mr. Chong Pun

Mr. Lam Chi Yuen

Mr. Tsui Wing Tak

Ms. Wu Zongmei

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Independent non-executive Directors

Mr. Leung Martin Oh Man

Mr. Lau Koong Yep

Mr. Yuen King Sum

Mr. Chan Kai Chung

Principal place of business in Hong Kong:

30th Floor

EW International Tower

No. 120 Texaco Road

Tsuen Wan

New Territories

Hong Kong

3 March 2025

To the Qualifying Shareholders,

and for information purpose only, the Non-Qualifying Shareholders

Dear Sir or Madam,

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
THREE (3) RIGHTS SHARES FOR EVERY ONE (1) SHARE
HELD ON THE RECORD DATE
ON A NON-UNDERWRITTEN BASIS**

INTRODUCTION

References are made to the Announcement and the Circular.

At the EGM, the necessary resolution for approving, among other things, the Rights Issue was duly passed by the Independent Shareholders.

The purpose of this Prospectus is to provide you with, among other things, further details of the Rights Issue, including information on dealing in, transfer and acceptance of the Rights Shares, together with the financial information and other general information of the Group.

* *For identification purposes only*

LETTER FROM THE BOARD

RIGHTS ISSUE

The Rights Issue is available only to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders. Details of the Rights Issue are set out as follows:

Rights Issue Statistics

Basis of the Rights Issue	:	Three (3) Rights Shares for every one (1) Share held by the Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.2900 per Rights Share
Net subscription price per Rights Share (i.e. Subscription Price less Rights Issue expenses)	:	Approximately HK\$0.2743 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	50,545,930 Shares
Number of Rights Shares to be issued under the Rights Issue	:	Up to 151,637,790 Rights Shares
Total number of Shares in issue as enlarged by the allotment and issue of the Rights Shares	:	Up to 202,183,720 Shares
Maximum amount to be raised before expenses (assuming the Rights Issue is fully subscribed)	:	Up to approximately HK\$44.0 million before expenses
Aggregate nominal value of the Rights Shares	:	HK\$30.3 million

As at the Latest Practicable Date, the Company has no outstanding convertible bonds, options, derivatives, warrants, conversion rights or other similar rights entitling holders thereof to subscribe for or convert into or exchange into Shares.

Assuming no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 151,637,790 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents (i) 300.0% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) 75% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

LETTER FROM THE BOARD

Non-underwritten basis

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. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders will be placed to independent Placees under the Compensatory Arrangements. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue. 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, the Shareholders who apply to take up all or part of his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code or cause the public float of the Company to decrease to below 25%. 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 Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which (a) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5) of the Listing Rules; (b) does not cause the Company's public float to decrease to below 25%. Any subscription monies not utilised due to the scaled-down application of entitled Rights Shares will be refunded to the affected applicants.

Undertakings

As at the Latest Practicable Date, the Company has not received any information or irrevocable undertaking from any Shareholder of their intention as to whether such Shareholder will take up his/her entitlements under the Rights Issue or will not take up his/her entitlements under the Rights Issue.

Subscription Price

The Subscription Price of HK\$0.2900 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, and, where applicable, when a transferee of the nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 20.55% to the closing price of HK\$0.3650 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

LETTER FROM THE BOARD

- (ii) a discount of approximately 9.38% to the closing price of HK\$0.3200 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 10.22% to the average closing price per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.3230 per Share;
- (iv) a discount of approximately 12.78% to the average closing price per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.3325 per Share;
- (v) a discount of approximately 2.52% to the theoretical ex-rights price of approximately HK\$0.2975 per Share based on the closing price of HK\$0.3200 per Share as quoted on the Stock Exchange on the Last Trading Day and number of Shares in issue as at the date of the Announcement;
- (vi) a discount of approximately 68.50% to the latest published audited consolidated net asset value per Share as at 31 March 2024 of approximately HK\$0.9206 (based on the annual report 2024 of the Company published on 25 July 2024 in relation to, among others, the annual results of the Company for the year ended 31 March 2024). The Directors consider the discount represented by the Subscription Price to the audited consolidated net asset value per Share as at 31 March 2024 to be fair and reasonable with reasons set out below in the Letter from the Board of this Prospectus;
- (vii) a discount of approximately 59.90% to the latest published unaudited consolidated net asset value per Share as at 30 September 2024 of approximately HK\$0.7232 (based on the interim results announcement of the Company published on 26 November 2024 in relation to, among others, the interim results of the Company for the six months ended 30 September 2024). The Directors consider the discount represented by the Subscription Price to the unaudited consolidated net asset value per Share as at 30 September 2024 to be fair and reasonable with reasons set out below in the Letter from the Board of this Prospectus; and
- (viii) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 8.08%, represented by the theoretical diluted price of approximately HK\$0.2988 per Share to the benchmarked price (as defined under 7.27B of the Listing Rules, taking into account the closing price on the Last Trading Day of HK\$0.3200 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five previous consecutive trading days prior to the date of the Announcement of approximately HK\$0.3250 per Share) of approximately HK\$0.3250 per Share.

The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the provisional allotment of Rights Shares will be approximately HK\$0.2743.

LETTER FROM THE BOARD

The Subscription Price was determined by the Company with reference to, among others, (i) the recent market price of the Shares under the prevailing market conditions; (ii) the prevailing market conditions of the capital market in Hong Kong; (iii) the financial position of the Group; and (iv) the amount of funds the Company intends to raise under the Rights Issue as discussed in the section headed “REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS OF THE RIGHTS ISSUE” below in the Letter from the Board of this Prospectus.

The Subscription Price was determined after taking into account factors including the recent market price of the Shares and the current market conditions, in particular,

- (i) the daily closing price per Share as quoted on the Stock Exchange over the period from 2 September 2024 to the Last Trading Day, being three months prior and up to the Last Trading Day which presented a fluctuation in the range of HK\$0.3200 to HK\$0.7600 which presented a downward trend;
- (ii) throughout the period from 2 September 2024 to the Last Trading Day, the daily closing price per Share ranged between HK\$0.3200 to HK\$0.7600, representing (a) a discount ranging from approximately 17.44% to 65.24% to the latest published audited net asset value per Share of approximately HK\$0.9206 as at 31 March 2024; and (b) ranging from a premium of approximately 5.09% to a discount of approximately 55.75% to the latest published unaudited net asset value per Share of approximately HK\$0.7232 as at 30 September 2024;
- (iii) whilst the Subscription Price represents a discount of approximately 68.50% to the latest published audited consolidated net asset value per Share as at 31 March 2024 and 59.90% to the latest published unaudited consolidated net asset value per Share as at 30 September 2024, the Board is of the view that the net asset value per Share is not a relevant factor to determine the Subscription Price due to the fact that (a) the daily closing price per Share ranged between HK\$0.3200 to HK\$0.7600 throughout the period from 2 September 2024 to the Last Trading Day which presented a downward trend; (b) the daily closing price per Share traded below the net asset value per Share of approximately HK\$0.9206 as at 31 March 2024 continuously since 2 September 2024 to the Last Trading Day. The Board considers that the period under review is adequate and representative to illustrate the recent price movement of the Shares for conducting a reasonable comparison among the historical closing prices prior to the Last Trading Day and such comparison is relevant for the assessment of the fairness and reasonableness of the Subscription Price. In addition, the period under review enables the Board to account for market conditions and macroeconomic factors that may influence investor sentiment.

LETTER FROM THE BOARD

The Board recognizes that the net asset value per Share is not a relevant factor in determining the Subscription Price for the following reasons:

- (i) The Share price has exhibited a consistent downward trend throughout the period under review. This trend indicates that market sentiment to the Shares is relatively negative, which diminishes the relevance of net asset value in price determination; and
- (ii) Since 2 September 2024, the Share has continuously recorded daily closing prices that are below the net asset value per Share of approximately HK\$0.9206 as at 31 March 2024. This persistent undervaluation suggests that market participants do not perceive the net asset value as reflective of the Share's current value, further supporting the decision to exclude it as a basis for setting the Subscription Price.

The Company has also conducted a search of recent proposed rights issue exercises, announced by the companies listed on the Main Board of the Stock Exchange during the period from 2 September 2024 to the Last Trading Day to understand the trend of the recent market practice regarding rights issue exercises. The Company has identified a total of 15 rights issue comparables (the “**Comparables**”) during the respective period.

Although the Comparables include rights issues in different scale, engaged in different business or have different financial performance and funding needs from the Company, having considered (i) all of the Comparables and the Group are listed on the Main Board of the Stock Exchange; (ii) including transactions conducted by the Comparables with different funding needs and business represents a more comprehensive overall market sentiment in our comparable analysis; (iii) the respective period for the selection of the Comparables has generated a reasonable and meaningful number of sample size of 15 Hong Kong listed issuers to reflect the market practice regarding recent rights issue; and (iv) the 15 Comparables identified during the aforementioned period were exhaustively included without any artificial selection or filtering on our part so the Comparables represent a true and fair view of the recent market trends for rights issue conducted by other Hong Kong listed issuers in the Main Board of the Stock Exchange, the Company consider that the Comparables are fair and representative samples.

It should be noted that all the subject companies constituting the Comparables may have different principal activities, market capitalization, profitability and financial position as compared with those of the Company, and the circumstances leading to the subject companies to proceed with the rights issues may also be different from that of the Company.

LETTER FROM THE BOARD

The following table sets forth the relevant details of the Comparables:

Company name	Stock Code	Principal Business	Announcement Date	Basis for entitlement	Premium/ (Discount) of the subscription price over/to the latest net asset value per share
Graphex Group Limited	6128	The company is principally engaged in the provision of processing and sale of graphite products.	2024-12-03	3 for 1	(51.51)%
Luxxu Group Limited	1327	The company is principally engaged in the manufacture and trading of watches.	2024-12-02	1 for 1	(79.45)%
Rare Earth Magnesium Technology Group Holdings Limited	601	The company is engaged in the manufacture and sale of magnesium products.	2024-11-19	1 for 2	(86.91)%
HG Semiconductor Limited	6908	The company is principally engaged in the design, development, manufacturing, subcontracting service and sales of semiconductor products.	2024-11-12	1 for 4	(44.20)%
Far East Holdings International Limited	36	The company is mainly engaged in property investment.	2024-11-11	2 for 1	(80.59)%
IRC Limited	1029	The company is principally engaged in production and development of industrial commodities products.	2024-10-22	1 for 2	(67.30)%
Kingkey Financial International (Holdings) Limited	1468	The company is principally engaged in the provision of securities brokerage services.	2024-10-18	1 for 2	124.60%
Gaodi Holdings Limited	1676	The company is mainly engaged in the packaging and sales of seafood products.	2024-10-18	1 for 2	(65.50)%
Eminence Enterprise Limited	616	The company is mainly engaged in the investment and development of property.	2024-10-15	2 for 1	(98.98)%
China Water Industry Group Limited	1129	The company is principally engaged in the exploitation and sale of renewable energy business.	2024-10-04	1 for 1	(91.65)%

LETTER FROM THE BOARD

Company name	Stock Code	Principal Business	Announcement Date	Basis for entitlement	Premium/ (Discount) of the subscription price over/to the latest net asset value per share
Innovax Holdings Limited	2680	The company is mainly engaged in the provision of financial services.	2024-09-26	3 for 1	(88.59)%
Shougang Fushan Resources Group Limited	639	The company is principally engaged in coking coal mining, production and sales of coking coal products.	2024-09-23	1 for 30	(20.49)%
Dragon Rise Group Holdings Limited	6829	The company is principally engaged in undertaking foundation works in Hong Kong.	2024-09-13	1 for 1	(89.20)%
Shougang Century Holdings Limited	103	The company is principally engaged in the steel cord business.	2024-09-13	1 for 5	(62.50)%
Guangdong – Hong Kong Greater Bay Area Holdings Limited	1396	The company is primarily engaged in the property development and sale as well as property management and operation.	2024-09-02	1 for 2	(90.50)%
				Average	(59.52)%
				Max	124.60%
				Min	(98.98)%
				Median	(79.45)%
The Company		The Company is mainly engaged in the manufacturing and sale of apparel products.	2024-12-10		(59.90)%

Source: the website of the Stock Exchange (www.hkexnews.hk)

As illustrated in the table above, the Company note that the subscription price to the consolidated net asset value per share of the respective Comparables ranges from a discount of approximately 98.98% to a premium of approximately 124.60%, with an average and median figure being a discount of approximately 59.52% and 79.45% respectively. The Subscription Price's discount to the consolidated net asset value per share of approximately 59.90% therefore falls within the range of discount to the consolidated net asset value per share of the Comparables and represents a similar discount to the average figure, a lower discount than the median figure thereof and is far lower than the maximum discount figure thereof.

LETTER FROM THE BOARD

The Board considers that under the current market condition of the capital market in Hong Kong and with reference to the recent market performance of the Shares, it would not be practical and make any commercial sense to set a subscription price which is significantly higher than the prevailing market price and net asset value per Share, which would defeat the whole purpose of attracting the Shareholders and/or investors for new funding.

The Directors consider that the discount of the Subscription Price would encourage Shareholders to participate in the Rights Issue and accordingly maintain their shareholdings in the Company and participate in the future growth and development of the Group. After taking into consideration the reasons for the Rights Issue as stated in the section headed “REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS OF THE RIGHTS ISSUE” below, the Directors consider the terms of the Rights Issue, including the Subscription Price, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions of the Rights Issue

The Rights Issue is conditional on each of the following conditions being fulfilled:

- (i) the passing by the Shareholders or Independent Shareholders (as the case may be) at the EGM of the necessary resolution(s) to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Shares) by no later than the Prospectus Posting Date;
- (ii) the Listing Committee granting and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms and such listing and permission to deal not having been withdrawn or revoked;
- (iii) the delivery to the Stock Exchange for authorisation and the filing and registration with the Companies Registry in Hong Kong respectively one duly certified copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Prospectus Posting Date;
- (iv) following registration, the posting of the Prospectus Documents to the Qualifying Shareholders (and, where applicable, the posting of the Prospectus to the Non-Qualifying Shareholder(s), if any, for information purpose only) and the publication of the Prospectus Documents on the website of the Stock Exchange on or before the Prospectus Posting Date;
- (v) the Company having complied with the requirements under all applicable laws and regulations; and

LETTER FROM THE BOARD

- (vi) the Placing Agreement not being terminated pursuant to the terms thereof and remain in full force and effect.

None of the above conditions can be waived. As at the Latest Practicable Date, condition (i) set out above has been fulfilled. The Company shall use all reasonable endeavours to procure the fulfilment of all the above conditions by the respective dates specified above. If any of the conditions above are not fulfilled by the Placing Long Stop Date, the Rights Issue will not proceed.

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

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, shall rank *pari passu* in all respects with the Shares then in issue, including the right to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment of the Rights Shares in their fully-paid form.

Qualifying Shareholders and Non-Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders only. The Company will not extend the Rights Issue to the Non-Qualifying Shareholders. Unless Qualifying Shareholders submit their requests in writing to the Company for printed copies of the Prospectus, the Company will send the Prospectus to Qualifying Shareholders in electronic form, while the PAL will be sent in printed copies. The Company will, to the extent permitted under the relevant laws and regulations and reasonably practicable, send the Prospectus to the Non-Qualifying Shareholders for information purposes only but will not send any PAL to them.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and not be a Non-Qualifying Shareholder. Shareholders having an address in Hong Kong as shown on the register of members of the Company at the close of business on the Record Date will qualify for the Rights Issue. Shareholders having an address outside Hong Kong as shown on the register of members of the Company at the close of business on the Record Date will not qualify for the Rights Issue if the Board, after making relevant enquiries, considers that the exclusion of such Overseas Shareholders from the Rights Issue would be necessary or expedient on account either of legal restrictions under the laws of the relevant place or any requirements of the relevant regulatory body or stock exchange in that place.

LETTER FROM THE BOARD

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a cheque or banker's cashier order for the Rights Shares being applied for with the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong on or before the Latest Time for Acceptance.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

The Company will send the Prospectus Documents to the Qualifying Shareholders. The Company will not extend the Rights Issue to the Non-Qualifying Shareholders. The Company will, to the extent permitted under the relevant laws and regulations and reasonably practicable, send the Prospectus to the Non-Qualifying Shareholders for information purposes only but will not send any PAL to them.

Basis of provisional allotment

The Rights Shares will be allotted on the basis of three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders as at the close of business on the Record Date.

The PAL relating to the Rights Shares will be enclosed with this Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein. Acceptance for all or any part of a Qualifying Shareholder's provisional allotment should be made only by completing a PAL and lodging the same with a remittance for the Rights Shares being accepted with the Registrar by the Latest Time for Acceptance.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL 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.

Procedures for acceptance, splitting of PAL and payment or transfer

A PAL will be sent to the Qualifying Shareholders in printed form which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of the Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, by no later than 4:00 p.m. on Monday, 17 March 2025 (or, under bad weather conditions, such later time or date as mentioned in the section headed

LETTER FROM THE BOARD

“EFFECT OF BAD WEATHER OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES” in “EXPECTED TIMETABLE” in this Prospectus). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by banker’s cashier orders which must be issued by, a licensed bank in Hong Kong and made payable to “KNT HOLDINGS LIMITED – RIGHTS ISSUE ACCOUNT” and crossed “Account Payee Only”. It should be noted that unless the PAL, together with the appropriate remittance, have been lodged with the Registrar by no later than 4:00 p.m. on Monday, 17 March 2025, whether by the original allottee or any person to whom the provisional allotment has been validly transferred, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled. The Company is not obliged to but may, at its sole absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer part or all of their rights to more than one person, the original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Friday, 7 March 2025 to the Registrar, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, who will cancel the original PAL and issue new PALs in the denominations required, which will be available for collection at the Registrar’s address set out above after 9:00 a.m. on the second Business Day after the surrender of the original PAL. This process is commonly referred to as “splitting” of nil-paid rights. It should be noted that Hong Kong stamp duty is payable in connection with a transfer of rights to subscribe for the Rights Shares.

If the Qualifying Shareholders wish to transfer all of their nil-paid Rights Shares under the PAL(s) (or a split PAL(s), as the case may be) to another person, they must complete and sign the “Form of transfer and nomination” (Form B) in the PAL(s) and hand the PAL(s) to the person(s) to or through whom they are transferring their nil-paid rights. The transferee must then complete and sign the “Registration application form” (Form C) in the PAL(s) and lodge the PAL(s) intact together with a remittance for the full amount payable on acceptance with the Registrar, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong so as to be received by no later than 4:00 p.m. on Monday, 17 March 2025 to effect the transfer. It should be noted that Hong Kong stamp duty is payable in connection with the transfer of rights to subscribe for the Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights.

The Company reserves the right to refuse to register any transfer in favor of any person in respect of which the Company believes such transfer may violate applicable securities or other laws or regulations of any jurisdiction.

LETTER FROM THE BOARD

The PAL contains full information regarding the procedures to be followed for Qualifying Shareholders who wish to (i) accept their provisional allotment in full; (ii) accept only part of their provisional allotment; or (iii) renounce/transfer all or part of their provisional allotment to other party/parties. Qualifying Shareholders are advised to study the procedures set out in the PAL carefully. If any of the conditions of the Rights Issue as set out in the section headed “Conditions of the Rights Issue” in the “Letter from the Board” of this Prospectus is not fulfilled or waived at or before 4:00 p.m. on Wednesday, 2 April 2025 (or such later time and/or date as the Company may determine), the Rights Issue will not proceed. Under such circumstances, the monies received in respect of application for the Rights Shares will be returned to the relevant applicants or, in the case of joint applicants, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or about Monday, 7 April 2025. No receipt will be given for such remittance.

Cheques and banker’s cashier orders

All cheques or banker’s cashier orders will be presented for payment immediately upon receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and lodgment of a PAL together with a cheque or banker’s cashier order in payment for the Rights Shares applied for will constitute a warranty by the applicant that the cheque or banker’s cashier order will be honoured on first presentation. Without prejudice to its other rights in respect thereof, the Company reserves the right and is in its absolute discretion to reject any PAL in respect of which the cheque or banker’s cashier order is dishonoured upon first presentation, and in that event the provisional allotment and all rights and all such assured entitlements thereunder will be deemed to have been declined and will be cancelled.

Beneficial owners’ instructions to their intermediary

For beneficial owners whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, if they wish to subscribe for the Rights Shares provisionally allotted to them, or sell their nil-paid Rights Shares or “split” their nil-paid rights by accepting part of their provisional allotment and selling/transferring the remaining part, they should contact their intermediary and provide their intermediary with instructions or make arrangements with their intermediary in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for the Rights Shares which have been provisionally allotted to them in respect of the Shares in which they are beneficially interested. Such instructions and the relevant arrangements should be given or made in advance of the relevant dates stated in the “EXPECTED TIMETABLE” in this Prospectus and otherwise in accordance with the requirements of their intermediary in order to allow their intermediary sufficient time to ensure that their instructions are given effect. The procedures for acceptance, transfer and/or “splitting” in these cases shall be in accordance with the General Rules of HKSCC, the HKSCC Operational Procedures and any other applicable requirements of HKSCC.

LETTER FROM THE BOARD

Procedures in respect of Unsubscribed Rights 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 Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights 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 as stipulated under Rule 7.21(1)(a) of the Listing Rules.

The Company therefore appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares after the Latest Time for Acceptance of the Rights Shares to be allotted and issued under the Rights Issue to independent Placees on a best effort basis. Any premium over the Subscription Price for those Rights Shares that is realised will be paid to the No Action Shareholders and Non-Qualifying 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, 1 April 2025, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the NQS Unsold Rights Shares if a premium over the Subscription Price and the expenses of procuring such acquirers (including any related commissions and any other related expenses/fees) can be obtained. Any Unsubscribed Rights Shares and the NQS Unsold Rights Shares remain not placed after completion of the Placing Arrangement 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) on pro-rata basis (on the basis of all Unsubscribed Rights Shares and NQS Unsold Rights Shares) to the No Action Shareholders and the Non-Qualifying Shareholders (but rounded down to the nearest cent) as set out below:

- (i) 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
- (ii) the relevant Non-Qualifying Shareholders with reference to their shareholdings in the Company on the Record Date.

It is proposed that Net Gain to any of the No Action Shareholder(s) mentioned above which is in an amount of HK\$100 or more will be paid to them in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit. Shareholders are reminded that Net Gain may or may not be realised, and accordingly the No Action Shareholders may or may not receive any Net Gain.

LETTER FROM THE BOARD

Rights of the Overseas Shareholder(s)

The Prospectus Documents in connection with the Rights Issue have not been, and will not be, registered or filed under the securities law of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue.

According to the register of members of the Company as at the Record Date, no Overseas Shareholder is identified.

The Company reserves the right to treat as invalid any acceptance of Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should exercise caution when dealing in the Shares.

Share certificates of the Rights Shares and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, (i) share certificates for the fully-paid Rights Shares; and (ii) refund cheques in respect of wholly or partially unsuccessful applications for Rights Shares are expected to be sent on or before Monday, 7 April 2025 to those entitled thereto by ordinary post, at their own risk, to their registered addresses. Each allottee will receive one share certificate for all allotted Rights Shares.

Fractional entitlements to the Rights Shares

On the basis of provisional allotment of three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue.

Odd lot arrangement

No odd lot matching services will be provided.

LETTER FROM THE BOARD

Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for the Rights Shares, or about purchasing, holding or disposals of, or dealings in or exercising any rights in relation to the Shares or the Rights Shares, and similarly, the Non-Qualifying Shareholders (if any) as regards their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue under the laws of jurisdictions in which they are liable to taxation. It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Rights Shares.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both 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 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 the 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 HKSCC and HKSCC 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 if they are in any doubt.

LETTER FROM THE BOARD

Stamp duty and other applicable fees and charges

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

THE PLACING ARRANGEMENT

On 10 December 2024 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed as agent of the Company (either by itself or through its sub-placing agents) to procure independent Placees, on a best effort basis, to subscribe for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares as part of the Compensatory Arrangements. Details of the Placing Arrangement are as follows:

Date:	10 December 2024 (after trading hours)
Issuer:	the Company
Placing Agent:	Gransing Securities Co Limited, a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO, was appointed as the Placing Agent to procure, on a best efforts basis, independent Placees to subscribe for Unsubscribed Rights Shares and the NQS Unsold Rights Shares.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

Placing Period:	The period from Friday, 21 March 2025 up to 4:00 p.m. on Tuesday, 1 April 2025, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Placing.
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LETTER FROM THE BOARD

- Placing fee: Subject to the completion of the Placing, the Company shall pay to the Placing Agent a placing commission in Hong Kong Dollars of 3.0% of the amount which is equal to the placing price multiplied by the number of Unsubscribed Rights Shares and NQS Unsold Rights Shares successfully placed by the Placing Agent and/or its sub-placing agent(s) pursuant to the terms of the Placing Agreement.
- The placing commission shall not be paid by the Company if the Placing is not completed. However, the Company will be responsible for and pay all costs and expenses (except those stated in the Placing Agreement to be payable by the Placee(s)) in connection with the Placing.
- Placing price: The placing price of each of the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares (as the case may be) shall be not less than the Subscription Price.
- The determination of the final price is dependent on the demand and market conditions for the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares during the process of Placing.
- Placees: The Unsubscribed Rights Shares and the NQS Unsold Rights Shares are expected to be placed to the Placee(s) who and whose ultimate beneficial owner(s) shall be the Independent Third Party(ies).
- Ranking: Unsubscribed Rights Shares and the NQS Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank *pari passu* in all respects among themselves and with the Shares then in issue.

LETTER FROM THE BOARD

Condition Precedent:

The obligations of the Placing Agent and the Company under the Placing Agreement are conditional upon, among other things, the following conditions being fulfilled (or being waived by the Placing Agent in writing, if applicable):

- (i) the passing by the Shareholders or Independent Shareholders (as the case may be) at the EGM of the necessary resolution(s) to approve the Rights Issue, the Placing Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Shares);
- (ii) the Listing Committee having granted the approval for the listing of, and the permission to deal in, the Rights Shares, including the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares;
- (iii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion of the Placing Agreement; and
- (iv) the Placing Agreement not having been terminated in accordance with the provisions thereof, including provisions regarding the termination events.

The Placing Agent may, in its absolute discretion, waive the fulfilment of all or any or any part of the conditions (other than those set out in paragraphs (i) to (ii) above) by notice in writing to the Company.

As at the Latest Practicable Date, condition (i) set out above has been fulfilled.

LETTER FROM THE BOARD

In the event that the above condition precedents have not been fulfilled on or before the Placing Long Stop Date, all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing (save for any antecedent breaches thereof).

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

Termination:

Notwithstanding anything contained in the Placing Agreement, the Placing Agent shall be entitled, without any liability to the Company, by notice in writing to the Company served prior to the 4:00 p.m. on Wednesday, 2 April 2025 (the “**Latest Placing Time**”), to terminate the Placing Agreement, if, prior to the Latest Placing Time:

- (a) in the reasonable opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by:
 - (i) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

LETTER FROM THE BOARD

- (ii) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Placing Agent materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Placing; or
 - (iii) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares (for more than ten (10) consecutive trading days) generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
 - (iv) any adverse change in the business or in the financial or trading position of any members of the Group, which in the reasonable opinion of the Placing Agent, is material in the context of the Placing; or
- (b) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions which includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs in Hong Kong, the United States of America or the PRC which in the reasonable opinion of the Placing Agent makes it inexpedient or inadvisable to proceed with the Placing; or

LETTER FROM THE BOARD

- (c) any material breach of any of the representations and warranties by the Company that 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 Latest Placing Time 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.

Upon the giving of such notice as referred to above by the Placing Agent, all obligations of the Placing Agent under the Placing Agreement shall cease and determine and no party shall have any claim against any other party, save for any prior breaches of the Placing Agreement.

The terms of the Placing Agreement (including the placing fee) were determined after arm's length negotiations between the Placing Agent and the Company by reference to the financial position of the Group, the size of the Rights Issue and the prevailing market conditions. The Directors consider that the terms of the Placing Agreement, including the placing fee charged, are fair and reasonable and the transactions contemplated under the Placing Agreement are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

The Placing Agent shall ensure that the Placing Shares are placed only to institutional, corporate or individual investors who and whose ultimate beneficial owners shall be Independent Third Parties. The Placing Agent shall also ensure that (i) the Placing will not have any implication under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing; and (ii) the Placing will not result in the Company incapable of complying with the public float requirements under Rule 8.08(1)(a) of the Listing Rules immediately following the Placing.

Given that the Compensatory Arrangements would provide (i) a distribution channel of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to the Company; (ii) channel of participation in the Rights Issue for independent investors; and (iii) a compensatory mechanism for No Action Shareholders and the Non-Qualifying Shareholders, the Directors considers that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the Company's minority Shareholders.

LETTER FROM THE BOARD

REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The Group is principally engaged in the manufacturing and sale of bridesmaid dresses, bridal gowns, special occasion dresses, accessories, fashion apparels, fabrics and other accessories.

Assuming full subscription under the Rights Issue, the expected gross proceeds of the Rights Issue will be up to approximately HK\$44.0 million and the relevant expenses would be approximately HK\$2.4 million, which includes placing commission and professional fees payable to financial adviser, legal advisers and other parties involved in the Rights Issue. Accordingly, the estimated net proceeds of the Rights Issue, after deducting the related expense, will be up to approximately HK\$41.6 million.

As stated in the annual report 2024 of the Company for the year ended 31 March 2024 and the interim report 2024 of the Company for the six months ended 30 September 2024, 2024 was a volatile and challenging year to the Group. The global economy has been adversely affected by the protracted trade war between the United States of America and China. The downturn in the global market was continued to be aggravated by the outbreak of novel coronavirus disease in past three years which brought unprecedented challenges and uncertainties. The business of the Group was inevitable being affected. The Group continued to experience a challenging operating environment in view of prolonged trade disputes between the United States and China, tariffs imposed, political tensions and continuing uncertainties in the 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. The Group expects that the business environment and outlook for the coming financial year would remain highly challenging and uncertain. The Group will continue to review its existing business from time to time and take appropriate measures to tackle any possible impacts. In view of the unprecedented business environment, the management is actively exploring new business opportunities with a view to diversifying the income stream of the Group and mitigating risks. The Company considers that the proceeds from the Rights Issue will provide the necessary resources to seize investment opportunities as they arise, ensuring that the Group remains agile and well-positioned for future growth.

The Company considers further development in the manufacturing and sale of bridesmaid dresses, bridal gowns, special occasion dresses, accessories, fashion apparels, fabrics and other accessories, recognizing that exploring new opportunities beyond our existing operations could provide potential for growth. The Company is of the view that diversifying the manufacturing efforts may allow the Group to respond more effectively to changing market demands and consumer preferences. Financially, expanding the manufacturing capabilities could lead to increased production efficiency, which may result in lower per-unit costs and improved profit margins. Additionally, a broader product range could attract new customers and drive higher sales volumes, contributing to overall revenue growth.

LETTER FROM THE BOARD

The Group intends to utilize part of the net proceeds from the Rights Issue to explore potential investment opportunities in the manufacturing sector within southeast Asia, such as Vietnam, Indonesia, Philippines and/or Cambodia. By expanding the operations in this region, the Company aims to mitigate the adverse effects of trade disputes and diversify its customer base, thereby enhancing its resilience and positioning the Group for sustainable growth in a more stable market environment.

The Group is currently primarily engaged in the manufacturing and sale of apparel products. The Company believes that focusing on its core apparel products business while further diversifying into additional segments could yield significant benefits. By expanding its offerings beyond bridesmaid dresses, bridal gowns and special occasion dresses to include related categories, the Company can tap into new market opportunities and cater to a wider range of customer preferences. This strategic diversification would not only enhance the Group's product portfolio but also help mitigate risks associated with dependence on a limited range of products. Such approach aligns with its goal of sustainable growth and positions the Group to remain competitive in a dynamic market.

As at the Latest Practicable Date, the Company has not identified any potential targets or joint venture in relation to its planned development of the Group's business. As at the Latest Practicable Date, the Company is not in any negotiation and/or any discussion for any potential investment, whether concluded or not. Meanwhile, it is the intention of the Company that the Group will maintain its existing principal business activities and has no plans to downsize these operations in light of any potential acquisition or investment opportunity. As at the Latest Practicable Date, the Company does not have any intention to dispose of or deinvest in the Company's existing assets and/or businesses.

With reference to the interim results announcement for the six months ended 30 September 2024 of the Company, as at 30 September 2024, the Group recorded total liabilities of approximately HK\$62.2 million mainly comprising borrowings and amounts due to directors of approximately HK\$20.1 million and HK\$14.1 million, respectively. Given the Group's current indebtedness (being amounted to approximately HK\$36.1 million, among which (i) bank borrowings amounted to approximately HK\$7.4 million; (ii) other borrowing amounted to approximately HK\$8.4 million; (iii) lease liabilities amounted to approximately HK\$1.0 million; (iv) amounts due to directors amounted to approximately HK\$13.4 million; and (v) bank overdrafts amounted to approximately HK\$6.0 million, as at the close of business on 31 January 2025, being the latest practicable date for the purpose of ascertaining information of the indebtedness of the Group prior to the printing of this Prospectus) and gearing ratio (being 48.3% as at 31 March 2024 and further increase to 55.1% as at 30 September 2024), the Directors believe it is financially prudent to utilize a portion of the proceeds from the Rights Issue to repay outstanding loans, which will alleviate the Group's financial burden and enhance the Group's overall financial stability. In the meantime, the directors consider the Group could enhance its general working capital reserve and support its operations by conducting equity financing via the Rights Issue.

LETTER FROM THE BOARD

Intended use of proceeds

Assuming full subscription under the Rights Issue, the Company intends to apply the net proceeds of approximately HK\$41.6 million from the Rights Issue (assuming no other change in the number of Shares in issue on or before the Record Date) as to (i) approximately HK\$17.0 million for investment in potential opportunity in southeast Asia, among which approximately HK\$12.0 million for investment in further expanding and/or diversifying the manufacturing business of the Group and approximately HK\$5.0 million for investment in new business segment opportunity for diversifying the business operation of the Group; (ii) approximately HK\$15.0 million for the repayment of debt of the Group; and (iii) approximately HK\$9.6 million for the general working capital, including but not limited to operational costs, staff costs, rental expenses, professional fees and other office overheads of the Group.

The Rights Issue will proceed irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event that there is an under-subscription of the Rights Issue, the net proceeds of the Rights Issue will be allocated and utilised in accordance with the same proportion to the above uses.

Fund-raising alternatives

Apart from the Rights Issue, the Board has considered various fund-raising alternatives before resolving to the Rights Issue, including but not limited to debt financing, placing of new shares and open offer. The Board notes that bank borrowings, if available, would result in additional interest burden of the Company and create pressure to the liquidity of the Company. Hence, the Board does not consider it to be beneficial to the Company. As for placing of new Shares, it would lead to immediate dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company and it is relatively smaller in scale as compared to fund raising through rights issue. As for open offer, while it is similar to a rights issue, offering Qualifying Shareholders to participate, it does not allow free trading of rights entitlements in the open market. As opposed to open offer, Rights Issue would allow Qualifying Shareholders to participate in the future development of the Company and at the same time offer more flexibility to the Qualifying Shareholders to choose whether to maintain their respective pro-rata shareholding interests in the Company and dealing with the Shares.

Having considered all the other fund-raising alternatives, the Directors are of the view that the Rights Issue is in the best interests of the Company and the Shareholders as a whole, and that it is an appropriate fund-raising method to strengthen the capital base of the Company and support the Company's continuing business development and growth.

LETTER FROM THE BOARD

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company, assuming there is no further issue or repurchase of Shares before completion of the Rights Issue other than the allotment and issue of the Rights Shares pursuant to the Rights Issue, (i) as at the Latest Practicable Date; (ii) immediately upon completion of the Rights Issue, assuming full acceptance of the Rights Shares by the Qualifying Shareholders; and (iii) immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and all Unsubscribed Rights Shares and NQS Unsold Rights Shares have been placed by the Placing Agent:

Shareholders	As at the Latest Practicable Date		Immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by the Qualifying Shareholders		Immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and all Unsubscribed Rights Shares and NQS Unsold Rights Shares have been placed by the Placing Agent	
	No. of Shares		No. of Shares		No. of Shares	
Mr. Chong Sik (Note 1)	11,797,500	23.340%	47,190,000	23.340%	11,797,500	5.835%
Mr. Chong Pun (Note 2)	2,500	0.005%	10,000	0.005%	2,500	0.001%
Independent Placees (Note 3)	-	-	-	-	151,637,790	75.000%
Other Public Shareholders	38,745,930	76.655%	154,983,720	76.655%	38,745,930	19.164%
Total	50,545,930	100.00%	202,183,720	100.00	202,183,720	100.00

Notes:

- These shares were held by Strategic Elite Limited (“**Strategic Elite**”), a company in which beneficially and wholly-owned by Mr. Chong Sik. Mr. Chong Sik was deemed to be interested in all the shares held by Strategic Elite by virtue of the SFO.
- These shares were held by Total Clarity Investments Limited (“**Total Clarity**”), a company in which beneficially and wholly-owned by Mr. Chong Pun. Mr. Chong Pun was deemed to be interested in all the shares held by Total Clarity by virtue of the SFO.
- Pursuant to the Placing Agreement, the Placing Agent shall ensure each of such Placees, who and whose ultimate beneficial owner(s) (as the case may be) (i) shall be Independent Third Parties; (ii) shall not, together with any party acting in concert with it/them (within the meaning of the Takeovers Code), will hold 30% (or such percentage which will trigger an obligation to make a mandatory general offer to the other Shareholders under the Takeovers Code) or more of the voting rights of the Company.

LETTER FROM THE BOARD

Shareholders and public investors should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including the results of acceptance of the Rights Shares. Further announcements will be made by the Company in accordance with the Listing Rules following the completion of the Rights Issue upon which the Rights Shares are allotted and issued.

The public float requirements under the Listing Rules shall be maintained by the Company at all times, and the Company will take all appropriate steps to ensure that sufficient public float shall be at all times in compliance with Rule 8.08 of the Listing Rules.

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

The Company has conducted the following fund-raising activities involving issue of its securities in the past 12 months immediately prior to the Latest Practicable Date:

Date of announcement	Completion date	Fund raising	Net Proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds as at the date of the Announcement
23 September 2024	15 October 2024	Placing of 168,486,000 new shares at the placing price of HK\$0.0315 per placing share under general mandate granted to the Directors at the annual general meeting of the Company held on 26 August 2024	HK\$4.9 million	General working capital of the Group and the repayment of existing loans	Approximately HK\$4.9 million has been applied as intended

Save as disclosed above, the Company did not conduct any equity fund raising activities in the past twelve months immediately prior to the Latest Practicable Date.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

In accordance with Rule 7.19A(1) and Rule 7.27A(1) of the Listing Rules, as the Rights Issue will increase the total number of issued Shares or the market capitalisation of the Company by more than 50% within the 12 months period immediately preceding the date of the Announcement, the Rights Issue must be made conditional on approval by the Shareholders at the EGM, and any controlling shareholders of the Company and their respective associates, or where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) in relation to the proposed Rights Issue.

At the EGM, the necessary resolution approving, among other things, the Rights Issue and the transactions contemplated thereunder was duly passed by the Shareholders by way of poll.

RISKS OF DEALING IN THE SHARES AND NIL-PAID RIGHTS

The Rights Issue is subject to the fulfilment of conditions including the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. If the conditions to the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any Shareholder or other person dealing in Shares and/or Rights Shares up to the date on which all the conditions of the Rights Issue are fulfilled will accordingly bear the risk that the Rights Issue may not proceed.

Subject to the fulfilment of conditions, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Non-Qualifying Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the Rights Shares.

RECOMMENDATIONS

The Board considers that the Rights Issue are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus 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 Prospectus misleading.

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

(I) FINANCIAL SUMMARY

The financial information of the Group for each of the three financial years ended 31 March 2022, 2023 and 2024 and the six months ended 30 September 2024 are set out in the following documents which have been published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.kntholdings.com:

- the annual report of the Company for the year ended 31 March 2022 published on 20 July 2022 (pages 73 to 147)
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0720/2022072000355.pdf>);
- the annual report of the Company for the year ended 31 March 2023 published on 20 July 2023 (pages 75 to 155)
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0720/2023072000216.pdf>);
- the annual report of the Company for the year ended 31 March 2024 published on 25 July 2024 (pages 72 to 151)
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0725/2024072500348.pdf>);
and
- the interim report of the Company for the six months ended 30 September 2024 published on 2 December 2024 (pages 22 to 44)
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/1202/2024120201375.pdf>)

(II) STATEMENT OF INDEBTEDNESS

As at the close of business on 31 January 2025, being the latest practicable date for the purpose of ascertaining information contained in this statement of indebtedness prior to the printing of this Prospectus, the details of the Group's indebtedness are as follows:

	<i>HK\$'000</i>
Bank borrowings – secured and guaranteed (<i>note a</i>)	3,918
Bank borrowings – unsecured and guaranteed (<i>note b</i>)	3,432
Other borrowing – secured and guaranteed (<i>note c</i>)	5,400
Other borrowing – unsecured and guaranteed (<i>note d</i>)	3,000
Lease liabilities – unsecured and unguaranteed	952
Amounts due to directors – unsecured and unguaranteed (<i>note e</i>)	13,363
Bank overdrafts – secured and guaranteed (<i>note f</i>)	6,000
	36,065
	36,065

Note:

- a. The bank borrowings are secured by leasehold land and buildings of the Group with carrying amount of approximately HK\$26,747,000 as at 31 January 2025, interest bearing from 2.50% to 7.44% and corporate guaranteed by the Company.

- b. The bank borrowings are unsecured, interest bearing of 3.00% and guaranteed by Mr. Chong Sik (“**Mr. S Chong**”) and Mr. Chong Pun (“**Mr. P Chong**”), directors of the Company.
- c. The other borrowing is secured by the Group’s investment properties with an aggregate net carrying amount of approximately HK\$11,200,000 as at 31 January 2025, interest bearing at 12.25% per annum and guaranteed by Mr. S Chong and Mr. P Chong.
- d. The other borrowing is unsecured, interest bearing 30.00% and corporate guaranteed by the Company.
- e. The amounts due are interests free and did not have any guarantee.
- f. The variable-rate bank overdrafts are secured by leasehold land and buildings of the Group with carrying amount of approximately HK\$26,747,000 as at 31 January 2025, interest bearing at Hong Kong Prime Rate per annum. The effective interest rate (which is also equal to contracted interest rate) on the Group’s variable-rate bank overdrafts was 5.75%.

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities, normal trade and other payables and contract liabilities, as at 31 January 2025, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this Prospectus, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages and charges, hire purchase commitments, material contingent liabilities or guarantees outstanding.

To the best knowledge of the Directors, having made all reasonable enquiries, (i) there has been no material change in indebtedness or contingent liabilities of the Group since indebtedness; (ii) there has not been any default on repayments or other obligations in any material respect under the loan agreements; (iii) the Group does not have material covenants relating to the outstanding debts; (iv) the Group has complied with all of the finance covenants up to the Latest Practicable Date; and (v) the Group does not have any material external debt financing plans as at the Latest Practicable Date.

(III) WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that, taking into consideration the estimated net proceeds from the Rights Issue and the financial resources available to the Group including internally generated funds, bank and other facilities, the Group will have sufficient working capital for its operation for at least twelve months from the date of this Prospectus.

(IV) MATERIAL ADVERSE CHANGE

The Board confirmed that there has been no material adverse change in the financial or trading position of the Group since 31 March 2024, being the date to which the latest published audited accounts of the Group were made up, up to and including the Latest Practicable Date.

(V) FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is a one-stop solutions provider of bridesmaid dresses, bridal gowns and special occasion dresses. The Group principally sells its products to brand apparel companies based in the United States. Over the years, the Group has built reputation and gained customers' recognition from its dedication to provide its customers with one-stop solutions and consistently high quality products, which has increased its customers' reliance on it and in turn enabled it to maintain its market position as one of the leading bridesmaid dresses manufacturers in the PRC. The Group is the sole supplier of certain largest customers for bridesmaid dresses whom had maintained long years of relationship with the Group. In addition to manufacturing products for its customers, the Group strives to become an integral part of its customers' business operations by offering a wide range of value added services ranging from fashion trend analysis, product design and development, raw material procurement, production, quality assurance to inventory management. The Group has also engaged in online business for the sale of fashion apparels; and the business of selling accessories.

2024 was a volatile and challenging year to the Group. The global economy has been adversely affected by the protracted trade war between the United States of America ("US" or "United States") and China. The downturn in the global market was continued to be aggravated by the outbreak of novel coronavirus disease ("COVID-19") in past three years which brought unprecedented challenges and uncertainties throughout the year ended 31 March 2024. The business of the Group was inevitable being affected.

During the year ended 31 March 2024, the Group continued to experience a challenging operating environment in view of prolonged trade disputes between the United States and China, 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.

In addition, the outbreak of the COVID-19 in past three years has brought significant disruption to the global economy and caused adverse impact to the business environment of the Group.

In light of the prolonged trade disputes between the US and China and the resulting unprecedented negative business outlook from COVID-19 crisis, the Group expects that the business environment and outlook for the coming financial year would remain highly challenging and uncertain. The Group will continue to review its existing business from time to time and take appropriate measures to tackle any possible impacts. In view of the unprecedented business environment, the management is actively exploring new business opportunities with a view to diversifying the income stream of the Group and mitigating risks.

Revenue represents revenue from the sale of bridesmaid dresses, bridal gowns, special occasion dresses, accessories, fashion apparels and fabrics and other garment accessories.

Revenue decreased by approximately HK\$17.4 million or approximately 24.3% from approximately HK\$71.7 million for the year ended 31 March 2023 to approximately HK\$54.3 million for the year ended 31 March 2024. The overall decrease in revenue was primarily attributable to the decrease in revenue generated from the sale of bridesmaid dresses of approximately HK\$9.8 million, the decrease in revenue generated from the sale of special occasion dresses of approximately HK\$3.8 million, and the decrease in revenue generated from the sale of accessories of approximately HK\$3.5 million.

The decrease in revenue generated from the sale of bridesmaid dresses from approximately HK\$35.0 million for the year ended 31 March 2023 to approximately HK\$25.2 million for the year ended 31 March 2024 was primarily a result of the aggregate effect of the decrease in sales quantity from 113.7 thousand units for the year ended 31 March 2023 to 97.9 thousand units for the year ended 31 March 2024 and the decrease in average selling prices of bridesmaid dresses from HK\$308 for the year ended 31 March 2023 to HK\$258 for the year ended 31 March 2024.

The decrease in revenue generated from the sale of special occasion dresses from approximately HK\$13.5 million for the year ended 31 March 2023 to approximately HK\$9.7 million for the year ended 31 March 2024 was primarily as a result of the decrease in sales quantity from 23.1 thousand units for the year ended 31 March 2023 to 15.3 thousand units for the year ended 31 March 2024.

The decrease in sales quantity of bridesmaid dresses and special occasion dresses was attributable to fewer orders from customers which facing keen competition.

The Group recorded a gross profit of approximately HK\$7.5 million for the year ended 31 March 2024 and a gross profit of approximately HK\$8.8 million for the year ended 31 March 2023. Gross profit margin was 13.8% for the year ended 31 March 2024 and gross profit margin was 12.3% for the year ended 31 March 2023. The decrease in gross profit was mainly attributable to the decrease in revenue for the year ended 31 March 2024 compared to that of last year.

The Group recorded a loss of approximately HK\$24.4 million for the year ended 31 March 2024 and a loss of approximately HK\$31.3 million for the year ended 31 March 2023. The decrease in loss was primarily attributable to (i) the decrease in administrative expenses and selling and distribution expenses of the Group; (ii) the decrease in impairment loss recognised in respect of property, plant and equipment; and (iii) the decrease in share of losses of associates.

The Group generally finances its operation by internal cash generated from operations and bank borrowings. As at 31 March 2024, the Group had bank balances and cash of approximately HK\$4.4 million and bank overdrafts of approximately HK\$5.9 million (31 March 2023: approximately HK\$3.2 million and bank overdrafts of approximately HK\$6.0 million) and had net current assets of approximately HK\$10.5 million (31 March 2023: HK\$29.7 million).

The current ratio of the Group was approximately 1.2 times as at 31 March 2024, compared to that of approximately 1.8 times as at 31 March 2023. The current ratio decreased was mainly attributable to the increase in other payables and accruals, amounts due to directors and borrowings.

The gearing ratio of the Group, which is calculated by dividing the total borrowings by the total equity and then multiplied by 100%, was 48.3% as at 31 March 2024 (31 March 2023: 21.0%). The gearing ratio increased was mainly attributable to the increase in borrowings as at 31 March 2024 and the increase in loss which led to decrease in total equity compared to that of 31 March 2023.

During the six months ended 30 September 2024, the Group continued to experience a challenging operating environment in view of prolonged trade disputes between the United States and China, 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.

Revenue increased by approximately HK\$17.7 million or approximately 78.7% from approximately HK\$22.5 million for the six months ended 30 September 2023 to approximately HK\$40.2 million for the six months ended 30 September 2024. The overall increase in revenue was primarily attributable to the increase in revenue generated from the sale of bridesmaid dresses of approximately HK\$15.3 million and the increase in revenue generated from the sale of special occasion dresses of approximately HK\$3.0 million.

The increase in revenue generated from the sale of bridesmaid dresses from approximately HK\$10.5 million for the six months ended 30 September 2023 to approximately HK\$25.8 million for the six months ended 30 September 2024 was primarily as a result of the increase in sales quantity from 33.4 thousand units for the six months ended 30 September 2023 to 121.9 thousand units for the six months ended 30 September 2024.

The increase in revenue generated from the sale of special occasion dresses from approximately HK\$2.0 million for the six months ended 30 September 2023 to approximately HK\$5.0 million for the six months ended 30 September 2024 was primarily as a result of the increase in sales quantity from 3.7 thousand units for the six months ended 30 September 2023 to 10.6 thousand units for the six months ended 30 September 2024.

The increase in sales quantity of bridesmaid dresses was attributable to orders from a new customer during the six months ended 30 September 2024.

Gross profit increased by approximately HK\$3.1 million or approximately 140.9% from approximately HK\$2.2 million for the six months ended 30 September 2023 to approximately HK\$5.3 million for the six months ended 30 September 2024. Gross profit margin increased from 9.8% for the six months ended 30 September 2023 to 13.2% for the six months ended 30 September 2024. The increase in gross profit and the increase in gross profit margin was mainly attributable to the increase in revenue during the six months ended 30 September 2024 as compared to that of last period.

The Group recorded a loss of approximately HK\$10.2 million for the six months ended 30 September 2024 and a loss of approximately HK\$14.7 million for the six months ended 30 September 2023. The decrease in loss was mainly attributable to (i) the increase in gross profit; (ii) the decrease in administrative expenses; and (iii) the decrease in share of losses of associates.

The Group generally finances its operation by internal cash generated from operations and bank borrowings. As at 30 September 2024, the Group had bank balances and cash of approximately HK\$1.7 million (31 March 2024: approximately HK\$4.4 million) and bank overdrafts of approximately HK\$5.8 million (31 March 2024: approximately HK\$5.9 million) and had net current assets of approximately HK\$1.2 million (31 March 2024: HK\$10.5 million).

The current ratio of the Group was approximately 1.0 times as at 30 September 2024, as compared to that of approximately 1.2 times as at 31 March 2024. The current ratio decreased was mainly attributable to the decrease in amount due from an associate.

The gearing ratio of the Group, which is calculated by dividing the total bank borrowings by the total equity and then multiplied by 100%, was 55.1% as at 30 September 2024 (31 March 2024: 48.3%). The gearing ratio increased was mainly attributable to the increase in loss for the period which led to a decrease in total equity compared to that of 31 March 2024.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET
TANGIBLE ASSETS OF THE GROUP

Introduction

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company (the “**Unaudited Pro Forma Financial Information**”) has been prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for inclusion in Investment Circular” issued by the Hong Kong Institute of Certified Public Accountants is for illustration only, and is set out in this appendix to illustrate the effect of the Rights Issue on the consolidated net tangible assets of the Group as at 30 September 2024 attributable to the owners of the Company as if the Rights Issue had taken place on such date.

The Unaudited Pro Forma Financial Information is prepared for illustrative purposes only, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 September 2024 or at any future date; and

The Unaudited Pro Forma Financial Information of the Group as at 30 September 2024 is prepared by the Directors based on the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2024, extracted from the Group’s consolidated financial statements for the six months ended 30 September 2024, on which an interim report has been published, with adjustments described below.

	Unaudited consolidated net tangible assets attributable to owners of the Company as at 30 September 2024 HK\$’000 (Note 1)	Unaudited estimated net proceeds from the Rights Issue HK\$’000 (Note 2)	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company as at 30 September 2024 immediately after the completion of the Rights Issue HK\$’000	Unaudited consolidated net tangible assets attributable to owners of the Company per Share as at 30 September 2024 before the completion of the Rights Issue HK\$ (Note 4)	Unaudited Pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share as at 30 September 2024 immediately after the completion of the Rights Issue HK\$ (Note 5)
Based on 3 Rights Shares to be issued at the Subscription Price of HK\$0.29 per Rights Share	36,530	41,600	78,130	0.72	0.39

Notes:

1. The consolidated net tangible assets of the Group attributable to owners of the Company of approximately HK\$36,530,000 as at 30 September 2024 is based on the consolidated net assets of the Group attributable to owners of the Company as at 30 September 2024 of approximately HK\$36,555,000 less right-of-use assets of approximately HK\$12,000 and intangible assets of approximately HK\$13,000, as extracted from the published interim report of the Group for the six months ended 30 September 2024.
2. The estimated net proceeds from the Rights Issue of approximately HK\$41,600,000 are based on 3 Rights Shares to be issued at the Subscription Price of HK\$0.29 per Rights Share and after deducting estimated related expenses, including among others, placing commission, legal and professional fees, which are directly attributable to the Rights Issue, of approximately HK\$2,400,000.
3. The Company has completed the share consolidation of every twenty (20) issued shares of the Company into one (1) consolidated share on 31 October 2024 (“**Share Consolidation**”). By way of illustration, the 842,432,607 shares of the Company in issue as at 30 September 2024 would be consolidated to 50,545,930 shares of the Company (“**Share(s)**”), assuming the Share Consolidation had been completed on 30 September 2024.
4. The calculation of unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2024 per Share before the completion of the Rights Issue is based on the unaudited consolidated net tangible assets of the Group as at 30 September 2024 of approximately HK\$36,530,000, divided by 50,545,930 Shares.
5. The calculation of unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2024 per Share immediately after the completion of the Rights Issue is based on unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 September 2024 immediately after the completion of the Rights Issue of approximately HK\$78,130,000, being the aggregate unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 September 2024 of approximately HK\$36,530,000 and the estimated net proceeds from the Rights Issue of approximately HK\$41,600,000, divided by 202,183,720 shares which represents the sum of 50,545,930 Shares and 151,637,790 Rights Shares (assuming no new shares are issued and no repurchase of shares on or before the Record Date) were issued immediately after the completion of the Rights Issue, as if the Rights Issue had been completed on 30 September 2024.
6. Save as disclosed above, no adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2024.

**B. ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA FINANCIAL
INFORMATION**

The following is the text of a report received from Infinity CPA Limited, Certified Public Accountants, Hong Kong, the independent reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this Prospectus.



Infinity CPA Limited
Room 1501, 15th Floor
Olympia Plaza
255 King's Road
North Point, Hong Kong

The Board of Directors of
KNT Holdings Limited

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

We have completed our assurance engagement to report on the compilation of pro forma financial information of KNT Holdings Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets as at 30 September 2024 and related notes as set out on pages II-1 to II-2 of the prospectus issued by the Company dated 3 March 2025 (the "**Prospectus**"). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described in Section A of Appendix II of the Prospectus.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the proposed rights issue on the basis of 3 rights shares ("**Rights Shares**") for each existing share of the Company at the subscription price of HK\$0.29 per rights share (the "**Rights Issue**") on the Group's condensed consolidated financial position as at 30 September 2024 as if the Rights Issue had taken place at 30 September 2024. As part of this process, information about the Group's condensed consolidated financial position has been extracted by the directors of the Company from the Group's consolidated financial statements for the six months ended 30 September 2024, on which an interim report has been published.

**DIRECTORS' RESPONSIBILITY FOR THE UNAUDITED PRO FORMA FINANCIAL
INFORMATION**

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline (“**AG**”) 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

OUR INDEPENDENCE AND QUALITY MANAGEMENT

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

REPORTING ACCOUNTANT'S RESPONSIBILITIES

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the Rights Issue had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue at 30 September 2024 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the Rights Issue, and to obtain sufficient appropriate evidence about whether:

- The unaudited related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the Rights Issue in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,
Infinity CPA Limited
Certified Public Accountants
Hong Kong

(I) RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 the information contained in this Prospectus 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 Prospectus misleading.

(II) SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately following the completion of the Rights Issue (assuming no new Shares are issued (other than the Rights Shares) or repurchased on or before completion of the Rights Issue) are as follows:

(i) As at the Latest Practicable Date

<i>Authorised:</i>	<i>HK\$</i>
<u>500,000,000</u> Ordinary Shares of HK\$0.20 each	<u>100,000,000</u>
 <i>Issued and fully paid:</i>	
<u>50,545,930</u> Ordinary Shares of HK\$0.20 each	<u>10,109,186</u>

- (ii) immediately following the completion of the Rights Issue (assuming no new Shares are issued (other than the Rights Shares) or repurchased on or before completion of the Rights Issue)

<i>Authorised:</i>		<i>HK\$</i>
<u>500,000,000</u>	Ordinary Shares of HK\$0.20 each	<u>100,000,000</u>
 <i>Issued and fully paid:</i>		
50,545,930	Ordinary Shares of HK\$0.20 each	10,109,186
<u>151,637,790</u>	Rights Shares of HK\$0.20 each to be issued pursuant to the Rights Issue	<u>30,327,558</u>
<u>202,183,720</u>	Ordinary Shares of HK\$0.20 each to be issued pursuant to the Rights Issue	<u>40,436,744</u>

All the Rights Shares in issue and to be issued rank and will rank *pari passu* in all respects with each other including rights to dividends, voting and return of capital. The Rights Shares in issue and to be issued are or will be listed on Main Board of the Stock Exchange.

As at the Latest Practicable Date, the Company did not have any other derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into, any Shares and no capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

(III) DISCLOSURE OF INTERESTS**(a) Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures**

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Rules Governing the Listing Rules, were as follows:

Long positions in the Shares of the Company

Name	Capacity/Nature of interest	Number of Shares held/ interested	Percentage of shareholding
Mr. Chong Sik	Interest in a controlled corporation (<i>Note 1</i>)	11,797,500	23.340%
Mr. Chong Pun	Interest in a controlled corporation (<i>Note 2</i>)	2,500	0.005%

Notes:

- These shares were held by Strategic Elite Limited (“**Strategic Elite**”), a company in which beneficially and wholly-owned by Mr. Chong Sik. Mr. Chong Sik was deemed to be interested in all the shares held by Strategic Elite by virtue of the SFO. Mr. Chong Sik, a Director, is also the sole director of Strategic Elite.
- These shares were held by Total Clarity Investments Limited (“**Total Clarity**”), a company in which beneficially and wholly-owned by Mr. Chong Pun. Mr. Chong Pun was deemed to be interested in all the shares held by Total Clarity by virtue of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at the Latest Practicable Date, so far as known to the Directors or the chief executive of the Company, the following corporations or individuals (other than the Directors or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or be directly or indirectly interested in 5% or more of any class of share capital carrying rights to vote in all circumstances at the general meetings of the Company or which were recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO or had otherwise notified to the Company and the Stock Exchange:

Name of Substantial Shareholders	Capacity/Nature of interest	Number of Shares held/ interested	Percentage of shares in issue (Note 1)
Strategic Elite	Beneficial owner	11,797,500 (L)	23.340%
Ms. Lok Pui Yee, Fanny	Interest of spouse (Note 1)	11,797,500 (L)	23.340%
Total Clarity	Beneficial owner	2,500 (L)	0.005%
Ms. Tsang Kit Fong	Interest of spouse (Note 2)	2,500 (L)	0.005%
Mr. Tsang Ming Sophronia	Beneficial owner	1,189,500 (L)	2.353%
	Interest in controlled corporation	1,546,000 (L)	3.059%

Notes:

(L): Long position

- 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 pursuant to the SFO.
- 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 pursuant to the SFO.

Apart from Mr. Chong Sik, no Director was also a director or an employee of any substantial Shareholders.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other corporation or individual (other than the Directors or chief executive of the Company) who had any interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of any class of share capital carrying rights to vote in all circumstances at the general meetings of the Company, or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

(IV) DIRECTORS SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which would not expire or would not be determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

(V) DIRECTOR INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors has or had any interest, either directly or indirectly, in any assets which have since 31 March 2024 (being the date to which the latest published audited consolidated financial statements of the Group were made up), been acquired or disposed of by or leased to, any member of the Group or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

(VI) DIRECTORS INTERESTS IN CONTRACT OR ARRANGEMENT OF SIGNIFICANCE

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group.

(VII) MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 March 2024 (being the date to which the latest published audited financial statements of the Group were made up).

(VIII) COMPETING INTERESTS OF DIRECTORS AND ASSOCIATES

As at the Latest Practicable Date, none of the Directors or their respective close associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

(IX) LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or arbitration of material importance was pending or threatened against any member of the Group.

(X) MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date which are or may be material:

- (a) the Placing Agreement;
- (b) the agreement dated 30 September 2024 entered into between the Company and Huhu Trade Co Limited (the “**Purchaser**”), pursuant to which the Company has agreed to sell and the Purchaser has agreed to purchase the 100% of the issued share capital of Mission Master Group Limited for a consideration of HK\$5,500,000;
- (c) the agreement dated 23 September 2024 entered into between the Company and Tiger Faith Securities Limited (“**Tiger Faith**”), pursuant to which the Company has conditionally agreed to place, through the Tiger Faith, on a best effort basis, a maximum of 168,486,000 Shares at the placing price of HK\$0.0315 per Share to not less than six placees;
- (d) the agreement dated 23 May 2024 (the “**Subscription Agreement**”) entered into between the Company and China Agricultural Innovation Cross-Border E-Commerce Industrial Park Limited (the “**Subscriber**”), pursuant to which, the Subscriber has agreed to subscribe for, and the Company has agreed to allot and issue an aggregate of 168,480,000 new Shares at the price of HK\$0.1 per new Share subscribed (the “**Subscription**”). As announced by the Company on 27 August 2024, as the Subscriber was unable to carry out its obligations under the Subscription Agreement, the Subscription had lapsed; and
- (e) the agreement dated 11 April 2024 entered into between the Company, Strategic Elite Limited (the “**Vendor**”) and Bloomyears Limited (the “**Placing Agent**”), pursuant to which, (i) the Vendor agreed to appoint the Placing Agent, and the Placing Agent agreed to act as agent of the Vendor, to procure not less than six (6) placees, on a best effort basis, to purchase up to 168,480,000 existing Shares (the “**Placing Shares**”) at not less than HK\$0.208 per Placing Share; and (ii) the Vendor conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue to the Vendor, a total of 168,480,000 new Shares at not less than HK\$0.208 per Share (the “**Placing**”). As announced by the Company on 24 April 2024, as the conditions precedent of the Placing were not fully satisfied or fulfilled, the Placing had lapsed and was not proceed.

(XI) EXPERT QUALIFICATION AND CONSENT

The following is the qualification of the expert who has given opinion or advice, which are contained or referred to in this Prospectus:

Name	Qualification
Infinity CPA Limited	Certified Public Accountants

As at the Latest Practicable Date, the above expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letters or reports and the reference to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2024 (being the date to which the latest published audited accounts of the Company were made up).

(XII) EXPENSES

The expenses payable by the Company in connection with the Rights Issue, including Independent Financial Adviser fees, placing commission, printing, registration, translation, legal and accounting fees, are estimated to be approximately HK\$2.4 million.

(XIII) CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE**Board of Directors***Executive Directors:*

Mr. Chong Sik (*Chairman and Chief Executive Officer*)

Mr. Chong Pun

Mr. Lam Chi Yuen

Mr. Tsui Wing Tak

Ms. Wu Zongmei

Independent non-executive Directors

Mr. Leung Martin Oh Man

Mr. Lau Koong Yep

Mr. Yuen King Sum

Mr. Chan Kai Chung

Registered office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Head office and principal place of business in Hong Kong	30th Floor EW International Tower No. 120 Texaco Road Tsuen Wan New Territories Hong Kong
Authorised representatives	Mr. Chong Sik Ms. Chan Nga Chun
Joint Company secretary	Ms. Chan Nga Chun Mr. Chan Chiu Hung Alex
Principal share registrar and transfer office in the Cayman Islands	Conyers Trust Company (Cayman) Limited Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Hong Kong branch share registrar and transfer office	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Principal banker	The Hongkong and Shanghai Banking Corporation Limited DBS Bank (Hong Kong) Limited
Auditor	CL Partners CPA Limited 3203A-05 Tower 2, Lippo Centre Admiralty Hong Kong

Reporting accountant	Infinity CPA Limited Room 1501, 15th Floor Olympia Plaza 255 King's Road North Point Hong Kong
Legal adviser to the Company as to Hong Kong laws	Simmons & Simmons 30th Floor, One Taikoo Place 979 King's Road Hong Kong
Financial adviser to the Company	Draco Capital Limited 4/F, Connaught Harbour Front House 35–36 Connaught Road West Sheung Wan Hong Kong
Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders	Grande Capital Limited Room 2701, 27/F. Tower One, Admiralty Centre 18 Harcourt Road Admiralty Hong Kong
Placing Agent	Gransing Securities Co., Limited Unit 4103, 41/F Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong

(XIV) PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT**Executive Directors**

Mr. Chong Sik (莊碩先生) (“**Mr. S Chong**”), aged 57, is one of the co-founders of the Group and incorporated KNT Limited (“**KNT**”) in February 1993. Mr. S Chong is currently the chairman, chief executive officer and executive Director. He is also a director of KNT Group Limited (“**KNTGL**”), KNT International Holdings Limited (“**KNT Int’l**”), MyStyle Limited (“**MyStyle**”) (formerly known as KNT MyStyle Limited) and KNT Global Trading Limited (“**KNT Global**”). He was appointed as a Director on 5 July 2016 and re-designated as an executive Director on 23 April 2018. He is the younger brother of Mr. Chong Pun (“**Mr. P Chong**”). He is primarily responsible for the Group’s overall strategic planning, corporate management and business development.

Mr. S Chong was awarded the Professional Diploma in Diagnostic Radiography from the Hong Kong Polytechnic University (formerly known as Hong Kong Polytechnic) in November 1991. He commenced his start-up business in 1993 by incorporating KNT together with Mr. P Chong and since then has accumulated over 30 years of experience in bridal wear and special occasion dresses business.

In January 2003, Mr. S Chong further established Dong Guan HYG Garment Limited Company* (東莞泓藝製衣有限公司) (“**HYG**”) together with Mr. P Chong to meet the business expansion needs and develop a design and manufacturing capacity with a view to provide one-stop solutions to our customers.

Mr. S Chong is currently a member of Chinese People’s Political Consultative Conference (“**CPPCC**”) Yunfu Committee, a member of standing committee of CPPCC Yunfu Committee, a president of The Association of All Levels Current and Previous CPPCC Hong Kong Members of Yunfu City Limited (formerly known as The Friendship Liaison Association of the CPPCC Hong Kong Members of Yunfu City Limited) and a council member of Yunfu Public Diplomacy Association.

Mr. Chong Pun (莊斌先生), aged 60, is an executive Director and one of the co-founders of the Group. He was appointed as a Director on 9 August 2016 and re-designated as an executive Director on 23 April 2018. Mr. P Chong is the elder brother of Mr. S Chong. He is also a director of KNTGL, KNT Int’l, MyStyle, KNT Global and the legal representative of HYG. He is responsible for the overall management of the Group’s operations, general administration and compliance matters in China.

Mr. P Chong received secondary school education in China and graduated in 1978. During the period from 1983 to 1992, he worked as a factory manager in Florist Trading Company (H.K.) Limited, of which the principal business is manufacturing of festival decorative products. He set up KNT together with Mr. S Chong in February 1993 and has been a director of KNT since April 1993. In January 2003, Mr. P Chong, together with Mr. S Chong, established HYG to meet the business expansion needs and since then has been the legal representative of HYG. He possesses over 30 years of experience in the bridal wear and special occasion dresses business.

Mr. Lam Chi Yuen (林志遠先生) (“**Mr. Lam**”), aged 51, is an executive Director and the chief operating officer of the Group. He was appointed as an executive Director on 23 April 2018. He is responsible for overseeing the daily operation of the Group, including but not limited to procurement, production, shipping and marketing.

Mr. Lam was awarded a Bachelor of Arts degree with second class honours in Clothing Studies from the Hong Kong Polytechnic University in November 1996. He joined the Group in July 1996 as junior merchandiser. He was promoted as senior merchandiser in April 2003 and was further promoted as merchandising manager in July 2007. He was subsequently promoted as the chief operating officer in April 2017. Mr. Lam possesses over 25 years of experience in the bridal wear and special occasion dresses business.

Mr. Tsui Wing Tak (徐永得先生) (“**Mr. Tsui**”), aged 56, has been appointed as an executive Director of the Group on 18 November 2024. Mr. Tsui is an independent non-executive director of Bingo Group Holdings Limited (stock code: 8220) and Huakang Biomedical Holdings Company Limited (stock code: 8622), which the shares of both companies are listed on the GEM of the Stock Exchange, since August 2020 and January 2025 respectively.

Mr. Tsui has over 30 years of corporate finance and accounting experience.

He was an executive director of CBK Holdings Limited (stock code: 8428), a company listed on the GEM of the Stock Exchange, from December 2020 to September 2024.

Mr. Tsui obtained a degree of Bachelor of Economics from Macquarie University in Australia in 1992. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and a Certified Practising Accountant of CPA Australia.

Ms. Wu Zongmei (吳宗梅女士) (“**Ms. Wu**”), aged 39, has been appointed as an executive Director of the Group on 16 December 2024. Ms. Wu has over 14 years’ experience in finance, accounting and management.

Ms. Wu holds a Master of Finance degree from Renmin University of China and Bachelor of Sciences from Beijing JiaoTong University. She is currently a Certified Public Accountant in PRC.

Independent Non-Executive Directors

Mr. Leung Martin Oh Man (梁傲文先生) (“**Mr. Leung**”), aged 44, was appointed as an independent non-executive Director on 31 January 2019. Mr. Leung graduated from the University of Toronto with a Bachelor of Commerce degree in November 2002. He was admitted as a certified public accountant of the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) in July 2006 and a member of the Hong Kong Institute of Surveyors in January 2014. He is currently registered as a certified public accountant (practising) of HKICPA.

Mr. Leung has over 20 years of experience in the field of financing, financial management, accounting, auditing and valuation. He worked with Deloitte Touche Tohmatsu from March 2003 to March 2011, where he was principally responsible for audit related matters and was also engaged with accounting and taxation related matters. He is currently serving as the general manager of TL Property Consultants International Limited responsible for making and execution of the company's strategy and management of human resources and daily operation.

Mr. Leung has been serving as an independent non-executive director of Global Strategic Group Limited (a company listed on the GEM of the Stock Exchange, stock code: 8007) since October 2014. He also is serving various social responsibilities, including member of the CPPCC of Shanghai, Deputy President of the professionals committee of Shanghai Chinese Overseas Friendship Association, founding member of the Hong Kong Professionals and Senior Executives Association and executive director of the International Nature Loving Association Limited.

Mr. Lau Koong Yep (劉冠業先生) ("Mr. Lau"), aged 48, was appointed as an independent non-executive Director on 31 January 2019. Mr. Lau was awarded a Bachelor of Business Administration degree in Quantitative Analysis for Business Student (minoring Finance) from the City University of Hong Kong in July 1999. He was in the direct selling and social commerce industry for over 24 years. He is currently the Regional Managing Director of Mainland China, Hong Kong, Taiwan and Japan of Envisionary Life LLC. Mr. Lau worked with Viiva, LLC and served as the Global Director, Global Chief Operating Officer and International Chief Executive Officer from July 2021 to September 2023. He worked with Lotus Wellness Limited* (荷康人體博物館管理服務(馬鞍山)有限公司) from June 2020 to June 2021 with his last position as the chief executive officer. He worked with Jason Pharmaceuticals Inc., a wholly owned subsidiary of Medifast, Inc. (a company listed in the New York Stock Exchange with stock code: MED) from October 2018 to June 2020 with his last position as the market vice president of business development for Asia Pacific. He worked with WeMedia Shopping Network Technology Co., Limited ("**WeMedia**") from February 2017 to October 2017 with his last position as the chief operating officer. Before Mr. Lau joined WeMedia, he worked with NU SKIN Enterprises Hong Kong, LLC from June 2012 to December 2016 with his last position as a vice president, executive partners Greater China. He also worked with USANA Hong Kong Limited from 2011 to 2012, Market Hong Kong Limited from 2007 to 2010 and Herbalife International of Hong Kong Limited from 2001 to 2004.

Mr. Yuen King Sum (袁景森先生) ("Mr. Yuen"), aged 61, was appointed as an independent non-executive Director on 31 January 2019. Mr. Yuen graduated from Hang Seng School of Commerce (now known as The Hang Seng University of Hong Kong) with a Diploma in Business Studies in July 1984. He was admitted as a Fellow of Life Management Institute in 1987.

* For identification purposes only

Mr. Yuen has over 30 years of experience in the operation, marketing and management of insurance companies. He worked with Hong Kong Family Insurance Company Limited as an administrative assistant from August 1984 to July 1987, and subsequently worked with American International Underwriters, Limited (now known as AIG Insurance Hong Kong Limited) from November 1987 to March 2010 as an insurance agent. Since July 2010, Mr. Yuen has been working with Finexis Advisory (HK) Limited and is presently holding the position as chief agency officer.

Mr. Chan Kai Chung (陳繼忠先生) (“Mr. Chan”), aged 45, has been appointed as an Independent non-executive Director of the Group on 16 December 2024. Mr. Chan has over 20 years’ experience in auditing, accounting and risk consulting.

Mr. Chan holds a Bachelor of Art in Accountancy from The Hong Kong Polytechnic University. He is currently a member of The Association of Chartered Certified Accountants, Information Systems Audit and Control Association and The Institute of Internal Auditor.

Senior Management

Ms. Chan Nga Chun (陳雅珍女士) (“Ms. Chan”), aged 46, is the chief financial officer and the joint company secretary of the Company. Ms. Chan joined the Group in June 2017 as the chief financial officer and was further appointed as the Company’s company secretary on 23 April 2018, and is responsible for the overall accounting, financial management and reporting, and company secretarial matters of the Group.

Ms. Chan obtained a bachelor’s degree in accountancy from The Hong Kong Polytechnic University in November 2001. She is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Ms. Chan has over 20 years of experience in accounting and auditing. Ms. Chan worked at various accounting firms in the audit department during August 2001 to December 2004. From January 2005 to August 2008, Ms. Chan worked at Deloitte Touche Tohmatsu and her last position was a senior in the audit department. From January 2009 to May 2013 and January 2014 to December 2016, Ms. Chan worked at SHINEWING (HK) CPA Limited and her last position was a senior audit manager.

Mr. Chan Chiu Hung Alex (陳釗洪先生) (“Mr. Chan”), aged 58, is the joint company secretary of the Company. He is an independent non-executive director of Allegro Culture Limited (formerly known as Kingkey Intelligence Culture Holdings Limited, stock code: 550), a company listed on the Main Board of the Stock Exchange, since March 2016 and a joint company secretary of Stream Ideas Group Limited (stock code: 8401), a company listed on the GEM of the Stock Exchange, since January 2025.

He has over 18 years of experience in managing companies listed in Hong Kong or overseas.

Mr. Chan was an independent non-executive director of Royal Century Resources Holdings Limited (stock code: 8125), a company listed on the GEM of the Stock Exchange, from September 2015 to October 2023. He was a company secretary of CBK Holdings Limited (stock code: 8428), a company listed on the GEM of the Stock Exchange, from April 2021 to September 2024.

He obtained his Bachelor of Business Administration (honours) degree in finance from the Hong Kong Baptist University in 1990, and completed an advance diploma in specialist taxation from the Hong Kong Institute of Certified Public Accountants in 2012. Mr. Chan is currently a fellow member of The Chartered Governance Institute, a fellow member of The Hong Kong Chartered Governance Institute, a fellow member of the Association of Chartered Certified Accountants, a fellow member of the Institute of Chartered Accountants in England and Wales and a member of the Hong Kong Institute of Certified Public Accountants.

(XV) AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board comprises all the independent non-executive Directors, namely Mr. Leung Martin Oh Man, Mr. Lau Koong Yep, Mr. Yuen King Sum and Mr. Chan Kai Chung, being the primary duties of the audit committee include the review of the Group's financial reporting process and the internal control systems as well as risk management of the Group.

(XVI) DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (www.kntholdings.com) for 14 days from the date of this Prospectus:

- (a) the accountants' report on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this Prospectus;
- (b) the material contracts referred to in the paragraph headed "(X) Material Contracts" of this appendix; and
- (c) the letter of consent referred to the paragraph headed "(XI) Expert Qualification and Consent" in this appendix.

(XVII) MISCELLANEOUS

- (a) As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong;
- (b) As at the Latest Practicable Date, the Company has no significant exposure to foreign exchange liabilities;
- (c) As at the Latest Practicable Date, save as disclosed elsewhere in this Prospectus, there was no material contract for the hire or hire purchase of plant to or by any member of the Group for a period of over a year which is substantial in relation to the Group's business; and
- (d) In the event of any inconsistency, the English texts of this Prospectus and the accompanying form of proxy shall prevail over their respective Chinese texts.

(XVIII) DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus Documents and the written consent as referred to the paragraph headed “(XI) Expert qualification and consent” in this Appendix to this Prospectus, have been registered by the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (WUMP) Ordinance.