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KNT

KNT HOLDINGS LIMITED

嘉藝控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1025)

DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSAL OF PROPERTY

DISPOSAL OF PROPERTY

The Board is pleased to announce that on 30 May 2022 (after trading hours), the Vendor, (an indirect wholly-owned subsidiary of the Company), entered into the Provisional S&P Agreement with the Purchaser for the disposal of the Property at a consideration of HK\$8,650,000.

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

Completion is subject to the fulfilment of certain conditions set out in the Provisional S&P Agreement and the Formal Agreement and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

* For identification purpose only

THE DISPOSAL

The Board is pleased to announce that on 30 May 2022 (after trading hours), the Vendor (an indirect wholly-owned subsidiary of the Company) entered into the Provisional S&P Agreement with the Purchaser for the disposal of the Property at a consideration of HK\$8,650,000. Particulars of which are set out below:

Date: 30 May 2022 (after trading hours)

Parties: KNT International Holdings Limited, an indirect wholly-owned subsidiary of the Company (as Vendor)

Omnipresence HK Limited (as Purchaser)

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiry, the Purchaser is wholly owned by Chan Man Kay, who is an Independent Third Party.

Property: The property is located at Workshop no. 3 on 17th Floor of EW International Tower, No. 120 Texaco Road, Tsuen Wan, New Territories, Hong Kong, which shall be used for workshop accommodation for non-domestic use. The gross floor area is approximately 2,400 square feet.

The existing tenancy agreements for Workshop no. 3 on 17th Floor will expire on 31 July 2022.

The Property is to be sold to the Purchaser on an "as is" basis.

Consideration and payment terms:

The Consideration of HK\$8,650,000 was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to the market price of neighbouring properties and the unaudited book value of the Property as at 31 March 2022 of approximately HK\$10,600,000.

The Consideration shall be payable by the Purchaser to the Vendor in cash in the following manner:–

- (i) an initial deposit in the sum of HK\$432,500 was paid upon signing of the Provisional S&P Agreement;
- (ii) a further deposit in the sum of HK\$432,500 shall be paid on or before 13 June 2022; and
- (iii) the remaining balance of the Consideration in the sum of HK\$7,785,000 shall be paid upon Completion.

Formal Agreement:

Pursuant to the Provisional S&P Agreement, the Vendor shall sell the Property to the Purchaser free from encumbrances. The Vendor and the Purchaser shall enter into the Formal Agreement on or before 13 June 2022.

The Formal Agreement, which will set out the detailed terms of the Disposal, if executed, is expected to supersede the Provisional S&P Agreement.

Completion:	Completion shall take place on or before 7 July 2022, upon which the Property will cease to be held by the Group.
Stamp duty:	All ad valorem stamp duty shall be borne by the Purchaser solely.
Agency fee:	Agency fee of 1% of the Consideration shall be paid by the Vendor and agency fee of HK\$40,000 shall be paid by the Purchaser to the agent on or before 7 July 2022.

GENERAL INFORMATION

The Group is a one-stop solution provider of bridesmaid dresses, bridal gowns, special occasion dresses and principally sells its products to brand apparel companies mainly based in the United States. In addition, the Group is engaged in online business for the sale of fashion apparels.

The Purchaser is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding.

REASONS FOR THE DISPOSAL AND FINANCIAL EFFECT AND INTENDED USE OF THE PROCEEDS

The purchase of the Property by the Group was completed on 15 April 2020, and the Disposal is expected to enable the Company to recognise a gain on disposal of approximately HK\$136,000 before expenses, being the premium of the Consideration over the initial purchase cost at date of acquisition. The proceeds of the Disposal will be applied as general working capital of the Group.

The Directors conduct strategic review of the Group's assets and operations from time to time and the interest of the Company and the Shareholders as a whole. Having considered the current market value of the Property, the general economic conditions in Hong Kong, the need of the centralized logistic warehouse in Hong Kong for raw materials collection and diversion hub to the Group's existing production facility in the PRC and the financial performances of the Group, the Directors are of the view that the Disposal provides an opportunity for the Group to realise a reasonable return and certain liquidity for the Group. The Directors consider that the Disposal will not have a significant impact on the operating business of the Group as the Property is currently being leased out.

Having considered the above, the Directors are of the view that the terms of the Provisional S&P Agreement are on normal commercial terms that are fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the highest of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	KNT Holdings Limited (嘉藝控股有限公司*), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Disposal pursuant to the terms and conditions of the Provisional S&P Agreement and the Formal Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	HK\$8,650,000, being the total consideration payable by the Purchaser to the Vendor for the Property
“Directors”	the directors of the Company
“Disposal”	the disposal of the Property by the Vendor to the Purchaser

“Formal Agreement”	the formal sale and purchase agreement to be entered into between the Purchaser and the Vendor on or before 13 June 2022 in relation to the Disposal
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, modified and supplemented from time to time
“Property”	the property is located at Workshop no. 3 on 17th Floor of EW International Tower, No. 120 Texaco Road, Tsuen Wan, New Territories, Hong Kong
“Provisional S&P Agreement”	the provisional agreement for sale and purchase dated 30 May 2022 and entered into between the Vendor and the Purchaser in relation to the Disposal
“Purchaser”	Omnipresence HK Limited, a private limited company incorporated in Hong Kong and an Independent Third Party
“Share(s)”	ordinary shares of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vendor” KNT International Holdings Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company

“%” per cent

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

Hong Kong, 30 May 2022

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