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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)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 23 May 2024 (after trading hours), the Company, as the issuer, entered into the Subscription Agreement with 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 Subscription Shares at the Subscription Price of HK\$0.1 per Subscription Share. The Subscription is subject to the conditions set out under the section headed “Conditions of the Subscription”.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the date of Completion, the Subscription Shares represent (i) approximately 20.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

* For identification purpose only

The Subscription Price of HK\$0.1 per Subscription Share represents (i) a premium of approximately 38.89% to the closing price of HK\$0.072 per Share as quoted on the Stock Exchange on 23 May 2024, i.e. the date of the Subscription Agreement; and (ii) a premium of approximately 35.14% to the average closing price of HK\$0.074 per Share quoted on the Stock Exchange for the five consecutive trading days of Shares immediately preceding to the date of the Subscription Agreement.

Assuming the Subscription Shares are fully subscribed, the gross proceeds from the Subscription are expected to be approximately HK\$16.8 million. The net proceeds of the Subscription, after deduction of all relevant expenses, are estimated to be approximately HK\$16.7 million, representing a net price of approximately HK\$0.099 per Subscription Share. The Company intends to apply the net proceeds as general working capital of the Group.

Shareholders and prospective investors should be reminded that the Completion of the Subscription is subject to the satisfaction of the Conditions as set out in the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares.

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 23 May 2024, the Company, as the issuer, entered into the Subscription Agreement with 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 Subscription Shares at the Subscription Price of HK\$0.1 per Subscription Share. The principal terms of the Subscription Agreement are set out as follows.

Subscription Agreement

Date: 23 May 2024

Parties to the Subscription Agreement:

- (i) the Company; and
- (ii) the Subscriber.

Pursuant to the terms of the Subscription Agreement, the Subscriber has agreed to subscribe for, and the Company has agreed to allot and issue an aggregate of 168,480,000 Subscription Shares at the Subscription Price of HK\$0.1 per Subscription Share.

Number of the Subscription Shares

An aggregate of 168,480,000 Subscription Shares represents (i) approximately 20.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company between the date of this announcement and the date of Completion, other than the issue of the Subscription Shares). Based on the closing price of HK\$0.072 per Share on the date of the Subscription Agreement, the market value of the Subscription Shares is approximately HK\$12.1 million and the aggregate nominal value of the Subscription Shares is HK\$1,684,800.

Subscription Price

The Subscription Price is HK\$0.1 per Subscription Share, representing

- (a) a premium of approximately 38.89% to the closing price of HK\$0.072 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and
- (b) a premium of approximately 35.14% to the average closing price of HK\$0.074 per Share quoted on the Stock Exchange for the five consecutive trading days of Shares immediately preceding to the date of the Subscription Agreement.

The Subscription Price was determined after arm's length negotiations between the Company and the Subscriber with reference to the prevailing market price and market condition. The Directors consider that the Subscription Price is fair and reasonable, on normal commercial terms and are in the interest of the Company and the Shareholders as a whole.

Ranking

Upon Completion, the Subscription Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with all other Shares in issue.

Conditions of the Subscription

The Completion of the Subscription Agreement is conditional upon the fulfilment or waiver of the following conditions:

- (1) the listing of the Shares of the Company has not been revoked, the Shares continue to be listed on the Stock Exchange (except for any trading halt due to the Subscription, if any);
- (2) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and the permission to deal in, the Subscription Shares;
- (3) the Company has complied with the Listing Rules in all material respects in respect of the Subscription;
- (4) all necessary and relevant approvals and consents in relation to the Subscription having been obtained by the Company and the Subscriber; and
- (5) the representations and warranties of the Company under the Subscription Agreement being true, accurate and not misleading in all material respects as at the date of the Subscription Agreement and the date of the Completion.

If any of the conditions precedent under the Subscription Agreement set out above is not fulfilled on or before 14 June 2024 (or such other date as may be agreed between the Company and the Subscriber in writing), all rights and obligations of the parties of the Subscription Agreement shall cease and determine and none of the parties thereto shall have any claim against the others in respect of the Subscription Agreement (save for any antecedent breaches thereof).

Completion

The Completion shall take place on a date falling on the fifth Business Day after the fulfilment of the conditions set out above (or such other date as may be agreed between the Company and the Subscriber in writing). Completion of the Subscription is subject to abovementioned conditions under the paragraph headed “Conditions of the Subscription” and the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

General Mandate to allot and issue the Subscription Shares

No Shareholders' approval is required for the Subscription and the allotment and issue of the Subscription Shares by the Company, as the Subscription Shares will be allotted and issued pursuant to the General Mandate granted to the Directors by resolution of the Shareholders passed at the AGM held on 18 August 2023, under which the Directors may allot and issue up to 168,486,522 Shares (representing 20.00% of the issued share capital of the Company as at the date of the passing of the resolution at the AGM).

As at the date of this announcement and immediately preceding to the entering into of the Subscription Agreement, the Company has not issued any Shares under the General Mandate. The General Mandate is sufficient for the issue and allotment of the Subscription Shares.

Application for Listing of the Subscription Shares

Application will be made by the Company to the Listing Committee for the granting of the approval for the listing of, and permission to deal in, the Subscription Shares.

The Completion of the Subscription is conditional upon, inter alia, the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares.

INFORMATION OF THE COMPANY AND THE GROUP

The Company is an investment holding company. The Group is principally a one-stop solutions provider of bridesmaid dresses, bridal gowns and special occasion dresses; and it also engages in sale of accessories, fashion apparels, fabrics and other garment accessories.

INFORMATION OF THE SUBSCRIBER

China Agricultural Innovation Cross-Border E-Commerce Industrial Park Limited (中國農創港跨境電商產業園有限公司) is a company incorporated in Hong Kong with limited liability and is principally engaged in international e-commerce trading business. As at the date of this announcement, Comex Cultural and Tourism Holding (China) Co., Limited and Beijing Enterprises Holdings Industrial Park Limited owns 70% and 30% interests of China Agricultural Innovation Cross-Border E-Commerce Industrial Park Limited respectively.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, more than 99% of the ultimate beneficial owners of Comex Cultural and Tourism Holding (China) Co., Limited and Beijing Enterprises Holdings Industrial Park Limited are the Local State-owned Assets Supervision and Administration Commission of the State Council.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AND USE OF PROCEEDS

The Directors consider that the issue of the Subscription Shares represents an opportunity to raise additional funds for the Group's general working capital needs. The Directors believe that the Company, by entering into the Subscription Agreement, will benefit the Group's long term development and broaden its Shareholder and capital base to facilitate the future growth and development of its business. The Board is of the view that the terms of the Subscription Agreement and the transactions contemplated thereunder are on normal commercial terms agreed upon after arm's length negotiations between the parties, fair and reasonable and that entering into the Subscription Agreement is in the interests of the Company and the Shareholders as a whole. The gross proceeds from the Subscription and the net proceeds from the Subscription, after deducting professional fees and all relevant expenses, will be approximately HK\$16.8 million and HK\$16.7 million, representing the net price of approximately HK\$0.099 per Subscription Share. The Company intends to apply the net proceeds from the Subscription for general working capital of the Group.

FUND RAISING ACTIVITY DURING THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising exercises in the past twelve months immediately before the date of this announcement.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, the following table sets out the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the Completion, assuming that there is no change in the issued share capital of the Company from the date of this announcement to the Completion:

Shareholders	Immediately preceding the Completion		Immediately upon the Completion	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Strategic Elite Limited (<i>Note</i>)	235,950,000	28.01	235,950,000	23.34
The Subscriber	–	–	168,480,000	16.67
Public Shareholders	<u>606,482,607</u>	<u>71.99</u>	<u>606,482,607</u>	<u>59.99</u>
Total	<u><u>842,432,607</u></u>	<u><u>100.00</u></u>	<u><u>1,010,912,607</u></u>	<u><u>100.00</u></u>

Note:

Strategic Elite Limited is owned as to 100% by Mr. Chong.

DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meanings in this announcement:

“AGM”	the annual general meeting of the Company held on 18 August 2023 at which, among other things, a resolution for the grant of the General Mandate to the Directors was duly passed by the Shareholders
“Board”	the board of Directors

“Business Day(s)”	means a day (other than Saturday, Sunday and days on which 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 5:00 p.m.) on which banks are open in Hong Kong for general banking business
“Company”	KNT Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1025)
“Completion”	completion of the Subscription
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by a resolution of the Shareholders passed at the AGM to allot, issue and otherwise deal with securities of the Company not exceeding 20% of the total number of Shares in issue as at the date of the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons and is not acting in concert (as defined in the Takeovers Code) with any of the connected persons of the Company or any of their respective associates (as defined under the Listing Rules)
“Listing Committee”	the listing committee of the Stock Exchange

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Chong”	Mr. Chong Sik, an executive Director, the chairman of the Board and the chief executive officer of the Company
“PRC”	the People’s Republic of China
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	shares of par value of HK\$0.01 each in the share capital of the Company
“Shareholders”	holders of the Share
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Elite Limited”	a company incorporated in the BVI with Limited liability on 4 January 2017, and wholly-owned by Mr. Chong
“Subscriber”	China Agricultural Innovation Cross-Border E-Commerce Industrial Park Limited (中國農創港跨境電商產業園有限公司)
“Subscription”	subscription of the Subscription Shares by the Subscriber pursuant to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 23 May 2024 entered into between the Company and the Subscriber
“Subscription Price”	HK\$0.1 per Subscription Share

“Subscription Shares”	an aggregate of 168,480,000 new Shares to be allotted and issued by the Company to the Subscriber pursuant to the Subscription Agreement
“substantial shareholders”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC
“%”	per cent

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

Hong Kong, 23 May 2024

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 Dr. Dong Bin; 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.