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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)**

**CONTINUING CONNECTED TRANSACTION  
RENEWAL OF SALES FRAMEWORK AGREEMENT FOR  
THE SALES WITH VEROMIA LIMITED**

**RENEWAL OF FRAMEWORK AGREEMENT**

Reference is made to the prospectus issued by the Company dated 15 February 2019 (the “**Prospectus**”). On 31 January 2019, KNT had entered into a Sales Framework Agreement with Veromia which expired on 31 March 2021. In order to continue the sale of bridal gowns, bridesmaid dresses and special occasion dresses to Veromia, on 1 April 2021 (after trading hours of the Stock Exchange), KNT and Veromia entered into the 2021 Sales Framework Agreement, pursuant to which KNT has agreed to continue to sell bridal gowns, bridesmaid dresses and special occasion dresses to Veromia for a period commencing from 1 April 2021 to 31 March 2024.

\* For identification purpose only

## **IMPLICATION OF THE LISTING RULES**

As all the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules in respect of the Annual Caps are less than 25% and each of the Annual Caps is less than HK\$10.0 million, the Veromia Sales Transactions would be subject to announcement, reporting and annual review but are exempted from circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A.76(2) of the Listing Rules.

## **2021 SALES FRAMEWORK AGREEMENT**

Reference is made to the section headed "Connected Transaction" of the Prospectus containing the details of the Sales Framework Agreement. The Sales Framework Agreement was expired on 31 March 2021.

The Directors announce that, on 1 April 2021 (after trading hours of the Stock Exchange), KNT entered into the 2021 Sales Framework Agreement with Veromia, pursuant to which KNT has agreed to continue to sell bridal gowns, bridesmaid dresses and special occasion dresses to Veromia for a period commencing from 1 April 2021 to 31 March 2024.

## **PRINCIPAL TERMS OF THE 2021 SALES FRAMEWORK AGREEMENT**

### **Date**

1 April 2021

### **Parties**

- (1) KNT (as supplier); and
- (2) Veromia (as purchaser).

### **Term**

From 1 April 2021 to 31 March 2024 (both days inclusive)

### **Price Fixing Principle**

The price charged by KNT shall be fair and reasonable and shall be based on normal commercial terms and on an arm's length basis, having regards to the quality, quantity and delivery timeline of the bridal gowns, bridesmaid dresses and special occasion dresses supplied. Under no circumstances shall Veromia expect or receive from KNT conditions that are more favorable than those available to independent third parties for the sale of same/similar bridal gowns, bridesmaid dresses and special occasion dresses.

### **Historical transaction amounts and Annual Caps**

For the two years ended 31 March 2020 and six months ended 30 September 2020, our sales to Veromia amounted to approximately HK\$4.0 million, HK\$5.6 million and HK\$1.7 million (unaudited), respectively.

The Annual Caps for the 2021 Sales Framework Agreement for each of the three years ending 31 March 2024 are as follows:

	<b>For the year ending 31 March</b>		
	<b>2022</b>	<b>2023</b>	<b>2024</b>
Annual caps	HK\$6.0 million	HK\$7.0 million	HK\$8.0 million

The Annual Caps are determined with reference to (i) the terms of the 2021 Sales Framework Agreement; (ii) the historical transaction amount; and (iii) the future business needs and expected growth of Veromia.

## **REASONS FOR AND THE BENEFITS OF RENEWING THE SALES FRAMEWORK AGREEMENT**

The Group is a one-stop solution provider of bridesmaid dresses, bridal gowns and special occasion dresses and principally sells its products to brand apparel companies based in the United States.

Veromia is a limited company incorporated in the United Kingdom and wholly-owned by Mr. S Chong. Veromia is principally engaged in the design, import and wholesale of bridal gowns, bridesmaid dresses and special occasion dresses and has over 300 wholesale distribution channels in the United Kingdom and Europe.

Veromia attributed to a stable source of income historically and the Directors believe that the sale to Veromia should be continued and is commercially sound and is fair and reasonable and in the interests of our Company and our Shareholders as a whole.

Since Mr. S Chong has a material interest in the 2021 Sales Framework Agreement, he had therefore abstained from voting on board resolutions of the Company approving the 2021 Sales Framework Agreement.

The Directors (excluding Mr. S Chong but including our independent non-executive Directors) consider that (i) the 2021 Sales Framework Agreement has been entered into in the ordinary and usual course of the business on normal commercial terms, and are fair and reasonable and in the interests of the Company and that of its Shareholders as a whole; and (ii) the Annual Caps are fair and reasonable and in the interests of the Company and of its Shareholders as a whole.

## **CONNECTED PERSON**

Veromia is a limited company incorporated in the United Kingdom and wholly-owned by Mr. S Chong. As Mr. S Chong is our executive Director and a Controlling Shareholder, Veromia is an associate of his and is therefore a connected person of the Company. Accordingly, the transactions contemplated under the 2021 Sales Framework Agreement constitute continuing connected transactions under Chapter 14A of the Listing Rules.

## **LISTING RULES IMPLICATIONS**

Since all the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules are less than 25% and each of the Annual Caps is less than HK\$10.0 million, the transactions contemplated under the 2021 Sales Framework Agreement are subject to the reporting, annual review and announcement but are exempted from circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A.76(2) of the Listing Rules.

The Group will comply with the relevant requirements under Chapter 14A of the Listing Rules, including the Annual Caps, and will comply with the relevant rules of Chapter 14A of the Listing Rules if any of the Annual Caps are exceeded, or when the 2021 Sales Framework Agreement is renewed or when there is a material change to the terms of the Sales Framework Agreement.

## **DEFINITIONS**

In this announcement, the following terms and expressions shall, unless the context requires otherwise, have the following meanings:

“Annual Caps”	the maximum aggregate amount of sales of bridesmaid dresses, bridal gowns and special occasion dresses to Veromia under the 2021 Sales Framework Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors

“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and the subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“KNT”	KNT Limited, a company incorporated in Hong Kong with limited liability on 9 February 1993 and our indirect wholly-owned subsidiary

“Mr. S Chong”	Mr. Chong Sik, an executive Director, the chairman of the Board and the chief executive officer of the Company and a Controlling Shareholder
“Sales Framework Agreement”	the sales framework agreement entered into between KNT and Veromia on 31 January 2019
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Veromia”	Veromia Limited, a limited company incorporated in the United Kingdom on 25 September 2000 and wholly-owned by Mr. S Chong
“Veromia Sales Transaction”	the sale of bridal gowns, bridesmaid dresses and special occasion dresses from the Group to Veromia under the 2021 Sales Framework Agreement
“2021 Sales Framework Agreement”	the sales framework agreement entered into between KNT and Veromia on 1 April 2021
“%”	per cent.

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

Hong Kong, 1 April 2021

*As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Chong Sik, Mr. Chong Pun and Mr. Lam Chi Yuen; 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.*