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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)

PROFIT WARNING

This announcement is made by KNT Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment on the unaudited consolidated management accounts of the Group for the year ended 31 March 2021, the Group is expected to record a loss of not less than approximately HK\$30.0 million for the year ended 31 March 2021 before taking into account of further impairment or provisions, if any, that may be required to be made, as compared to a loss of approximately HK\$47.0 million for the year ended 31 March 2020.

Based on the information currently available, the expected loss was mainly attributable to the combined effect of, among others, (i) the decrease in revenue and gross profit margin as a result of the continuing pressure of the Sino-US trade war and the outbreak of the novel coronavirus disease (COVID-19); (ii) the impairment losses net of reversal on trade receivables mainly related to one of the major customers who has filed for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code; (iii) the allowances for inventories; and (iv) the impairment loss recognised on property, plant and equipment.

* For identification purpose only

The information contained in this announcement is only based on the preliminary review by the Board on the unaudited consolidated management accounts of the Group for the year ended 31 March 2021 and other information currently available, which have yet to be finalised and have not been reviewed by the audit committee of the Board or audited by the auditor of the Company and may be subject to adjustments. Shareholders and potential investors of the Company are advised to read carefully the annual results announcement of the Company for the year ended 31 March 2021, which is expected to be published by the end of June 2021.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 11 June 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.