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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)

PROPOSED SHARE CONSOLIDATION

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The Board proposes to implement the Share Consolidation on the basis that every twenty (20) issued and unissued Existing Shares with par value of HK\$0.01 each in the share capital of the Company be consolidated into one (1) Consolidated Share with par value of HK\$0.20 each.

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 Existing Shares with par value of HK\$0.01 each, of which 842,432,607 Existing Shares have been issued and are fully paid or credited as fully paid. Assuming no further Existing Shares will be issued, allotted or repurchased from the date of this announcement to the date of the EGM, upon the Share Consolidation becoming effective, the authorised share capital of the Company will become HK\$100,000,000 divided into 500,000,000 Consolidated Shares with par value of HK\$0.20 each, of which 42,121,630 Consolidated Shares (which are fully paid or credited as fully paid) will be in issue.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. The Circular containing, among other matters, further details of the Share Consolidation together with a notice convening the EGM is expected to be despatched to the Shareholders on or before Tuesday, 8 October 2024.

* For identification purpose only

Shareholders and potential investors of the Company should note that the Share Consolidation is conditional upon the fulfilment of the conditions set out in the section headed “Conditions of the Share Consolidation” in this announcement. Accordingly, the Share Consolidation may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

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The Board proposes to implement the Share Consolidation on the basis that every twenty (20) issued and unissued Existing Shares with par value of HK\$0.01 each in the share capital of the Company be consolidated into one (1) Consolidated Share with par value of HK\$0.20 each.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 Existing Shares with par value of HK\$0.01 each, of which 842,432,607 Existing Shares have been issued and are fully paid or credited as fully paid. Assuming no further Existing Shares will be issued, allotted or repurchased from the date of this announcement to the date of the EGM, upon the Share Consolidation becoming effective, the authorised share capital of the Company will become HK\$100,000,000 divided into 500,000,000 Consolidated Shares with par value of HK\$0.20 each, of which 42,121,630 Consolidated Shares (which are fully paid or credited as fully paid) will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares will not be allocated to the Shareholders who may otherwise be entitled.

Reference is made to the announcement of the Company dated 23 September 2024 (the “**Placing Announcement**”) in relation to the placing of new shares under general mandate (the “**Placing**”). As disclosed in the Placing Announcement, the latest date of completion of the Placing will be 18 October 2024, which is three Business Days from 15 October 2024, being the long stop date for the conditions of the Placing to be fulfilled; while the effective date of the Share Consolidation, if proceeded, is expected to be on Thursday, 31 October 2024 as detailed in the section headed “Expected Timetable” in this announcement. As such, the Share Consolidation will become effective after the completion of the Placing, and accordingly any Existing Shares be issued pursuant to the Placing will be subject to the Share Consolidation.

Save as disclosed above, as at the date of this announcement, the Company does not have any other outstanding derivatives, options, warrants, conversion rights, securities in issue, convertible securities or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- (iii) the compliance with all relevant procedures and requirements under the applicable laws of the Cayman Islands and the Listing Rules to effect the Share Consolidation.

Subject to the fulfilment of the above conditions, the Share Consolidation is expected to become effective on Thursday, 31 October 2024.

Application for listing of the Consolidated Shares

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date 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 settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares is listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

REASONS FOR THE SHARE CONSOLIDATION

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or proceed with a consolidation or splitting of securities. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and last updated in June 2024 (the “**Guide**”) has further stated that (i) market price of the shares at a level less than HK\$0.10 each will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000.

As at the date of this announcement, the closing price of an Existing Share of the Company was HK\$0.036, with the board lot size of 8,000 Existing Shares, the existing board lot value was HK\$288, which was less than HK\$2,000.

The Company’s share prices remained below HK\$0.10 which approaching extremity and the value of each board lot has remained below HK\$2,000 during the past five months. In view of the prolonged period of share prices approaching extremity, the proposed Share Consolidation is justified to increase the corresponding share prices and to facilitate trading activities.

The Board considers that upon the Share Consolidation becomes effective, the estimated board lot value would be HK\$5,760.

The Board considers that the proposed Share Consolidation would bring about a corresponding upward adjustment in the trading price per Consolidated Share on the Stock Exchange. In addition, the Share Consolidation would reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction costs for each securities trade. In view of the above reasons, the Board considers that the Share Consolidation is justifiable notwithstanding the potential costs and impact arising from the creation of odd lots to Shareholders. Accordingly, the Board is of the view that the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole.

The Share Consolidation will not have any material adverse effect on the financial position of the Group nor result in a change in the relative rights of the Shareholders.

As at the date of this announcement, save for the Share Consolidation, the Company has no intention to carry out other corporate actions or arrangements, in the next 12 months, which may have an effect of undermining or negating the intended purpose of the Share Consolidation.

Save for the Placing, the Company does not have any other concrete plan or arrangement to conduct any other fund raising activities in the next 12 months. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund raising exercises when suitable fund raising and/or investment opportunities arise in order to meet its operational needs or support future development of the Group. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

NO CHANGE IN BOARD LOT SIZE

The Existing Shares are currently traded on the Stock Exchange in board lot size of 8,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain unchanged at 8,000 Consolidated Shares per board lot.

Based on the closing price of HK\$0.036 per Existing Share (equivalent to the theoretical closing price of HK\$0.72 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, (i) the value per board lot of 8,000 Existing Shares is HK\$288; and (ii) the estimated value of each board lot of 8,000 Consolidated Shares would be HK\$5,760 assuming that the Share Consolidation becomes effective.

OTHER ARRANGEMENTS

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares arising from the Share Consolidation, if any, will be disregarded and will not be issued to the Shareholders, but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Arrangement on odd lot trading and matching services

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation, the Company will appoint a securities firm as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the Circular to be despatched to the Shareholders.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Exchange of share certificates for the Consolidated Shares

Subject to the Share Consolidation becoming effective, which is currently expected to be on Thursday, 31 October 2024, Shareholders may, during the period from Thursday, 31 October 2024 to Friday, 6 December 2024 (both days inclusive), submit share certificates for the Existing Shares (in yellow colour) to the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, during business hours, in exchange, at the expense of the Company, for new share certificates for the Consolidated Shares (in blue colour). Thereafter, share certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may be allowed by the Stock Exchange from time to time) for each share certificate for the Existing Shares cancelled or each new share certificate issued for the Consolidated Shares, whichever the number of certificates cancelled/issued is higher.

The existing share certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:10 p.m. on Wednesday, 4 December 2024, and thereafter will not be accepted for delivery, trading and settlement purposes. However, the existing share certificates will remain valid and effective as documents of title to the Consolidated Shares on the basis of every twenty (20) Existing Shares for one (1) Consolidated Share. The new share certificates for the Consolidated Shares will be issued in blue colour in order to distinguish them from the share certificates for the Existing Shares which are in yellow colour.

EXPECTED TIMETABLE

Set out below is the expected timetable for the Share Consolidation, which is subject to the results of the EGM and the fulfilment of the conditions to the Share Consolidation and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

Event	Time and date
Expected date of despatch of Circular, the notice of the EGM and the form of proxy of the EGM.	on or before Tuesday, 8 October 2024
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the EGM	4:30 p.m. on Wednesday, 23 October 2024
Closure of register of members for determining the entitlement to attend and vote at the EGM (both dates inclusive)	Thursday, 24 October 2024 to Tuesday, 29 October 2024
Latest date and time for lodging the proxy forms for the EGM	11:00 a.m. on Sunday, 27 October 2024
Record date for EGM	Tuesday, 29 October 2024
Expected date and time of the EGM	11:00 a.m. on Tuesday, 29 October 2024
Publication of announcement of poll results of the EGM	Tuesday, 29 October 2024

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation as set out in this announcement and therefore the dates are tentative only.

Event	Time and date
Effective date of the Share Consolidation	Thursday, 31 October 2024
First day of free exchange of existing share certificates for new share certificates of the Consolidated Shares	Thursday, 31 October 2024
Dealings in the Consolidated Shares commence	9:00 a.m. on Thursday, 31 October 2024
Original counter for trading in the Existing Shares in board lots of 8,000 Existing Shares (in the form of existing share certificates) temporarily closes.	9:00 a.m. on Thursday, 31 October 2024
Temporary counter for trading in the Consolidated Shares in board lots of 400 Consolidated Shares (in the form of existing share certificates) opens.	9:00 a.m. on Thursday, 31 October 2024
Original counter for trading in the Consolidated Shares in board lots of 8,000 Consolidated Shares (in the form of new share certificates for the Consolidated Shares) re-opens.	9:00 a.m. on Thursday, 14 November 2024
Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing share certificates) commences	9:00 a.m. on Thursday, 14 November 2024

Event	Time and date
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of the Consolidated Shares	9:00 a.m. on Thursday, 14 November 2024
Designated broker ceases to stand in the market to provide matching services for sale and purchase of odd lots of the Consolidated Shares	4:00 p.m. on Wednesday, 4 December 2024
Temporary counter for trading Consolidated Shares in board lots of 400 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Wednesday, 4 December 2024
Parallel trading in Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing share certificates) ends	4:10 p.m. on Wednesday, 4 December 2024
Last date and time for free exchange of existing share certificates for new share certificates of the Consolidated Shares	Friday, 6 December 2024

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, among other things, approve the Share Consolidation. The Circular containing, among other matters, further details of the Share Consolidation together with a notice convening the EGM is expected to be despatched to the Shareholders on or before Tuesday, 8 October 2024.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have a material interest in the Share Consolidation and no Shareholders are required to abstain from voting at the EGM.

Shareholders and potential investors of the Company should note that the Share Consolidation is conditional upon the fulfilment of the conditions set out in the section headed "Conditions of the Share Consolidation" in this announcement. Accordingly, the Share Consolidation may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

DEFINITIONS

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

"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
"CCASS"	Central Clearing and Settlement System, a securities settlement system used within the Hong Kong Exchanges and Clearing Limited market system

“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Circular”	the circular to be despatched to the Shareholders containing, among other things, details of the Share Consolidation and the notice of the EGM
“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)
“Consolidated Share(s)”	the ordinary share(s) of par value HK\$0.20 each in the share capital of the Company upon the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, to approve the Share Consolidation
“Existing Share(s)”	ordinary share(s) of HK\$0.01 each in the existing share capital of the Company before the Share Consolidation becomes effective
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited
“Share(s)”	the Existing Share(s) and/or the Consolidated Share(s) as the case may be
“Share Consolidation”	the proposed consolidation of every twenty (20) issued and unissued Existing Shares of par value of HK\$0.01 each in the share capital of the Company into one (1) Consolidated Share of par value of HK\$0.20
“Shareholders”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 27 September 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; 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.