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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)

**VOLUNTARY ANNOUNCEMENT
IN RELATION TO
THE POSSIBLE COOPERATION IN
PROCUREMENT AND DISTRIBUTION BUSINESS**

This announcement is made by KNT Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to enable the shareholders of the Company (the “**Shareholders**”) and the public to appraise the position of the Group.

POSSIBLE COOPERATION

The board (the “**Board**”) of directors (the “**Directors**” and each a “**Director**”) of the Company is pleased to announce that the Company is currently negotiating with a reputable outlet operator (the “**Outlet Partner**”) in the People’s Republic of China (the “**PRC**”)(which, for the purposes of this announcement, excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan) in developing possible procurement and distribution business for new retailing and the Outlet Partner in the PRC (the “**Possible Cooperation**”). The investment in the Possible Cooperation by the Company will be financed by internal resources of the Group.

* For identification purpose only

REASON AND BENEFIT FOR THE POSSIBLE COOPERATION

The principal activity of the Company is investment holding and the activities of the Group are manufacturing and trading garments (mainly bridesmaid dresses, bridal gowns and special occasion dresses). As disclosed in the annual report of the Company for the year ended 31 March 2021, the business of the Group has been adversely affected by the outbreak of the novel coronavirus disease since early 2020 and the protracted trade war between the United States of America and the PRC. The Board has hence been identifying opportunities to diversify its income source.

The Directors are of the view that the Possible Cooperation enables the Group to (i) commence procurement and distribution business for branded fashion, garments, and accessories in the PRC; and (ii) have its products reach out to the consumers in the PRC through the platform of the Outlet Partner. As such, the Directors believe that the Possible Cooperation could, on one hand, complement the business of the Group and, on the other hand, enable the Group to be benefited from expanding its client base in the PRC. Accordingly, it will broaden the Group's revenue base in the future and is expected to increase investment returns to the Shareholders.

GENERAL

The Board wishes to emphasise that no binding agreement in relation to the Possible Cooperation has been entered into between the Company and the Outlet Partner as at the date of this announcement. As the Possible Cooperation may or may not proceed, investors and Shareholders are urged to exercise caution when dealing in the shares of the Company. Further announcement in respect of the Possible Cooperation will be made by the Company as and when appropriate in accordance with the Listing Rules.

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

Hong Kong, 12 November 2021

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.