

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to equity owners of the Company as at 30 September 2021 (the “Unaudited Pro Forma Financial Information”) which has been prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules to illustrate the effects of the Rights Issue on the unaudited consolidated net tangible assets of the Group attributable to equity owners of the Company as if the Rights Issue had been completed on 30 September 2021.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated net tangible assets of the Group attributable to equity owners of the Company as at 30 September 2021, as extracted from the published interim report for the six months ended 30 September 2021.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, and because of its hypothetical nature, may not give a true picture of the consolidated net tangible assets of the Group attributable to equity owners of the Company immediately after the completion of the Rights Issue as at 30 September 2021 or at any future date.

	Unaudited consolidated net tangible assets of the Group attributable to equity owners of the Company as at 30 September 2021 (Note 1) HK\$'000	Unaudited consolidated net tangible assets of the Group attributable to equity owners of the Company as at 30 September 2021 per Share (Note 2) HK\$	Estimated net proceeds from the Rights Issue (Note 3) HK\$'000	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity owners of the Company as at 30 September 2021 immediately after completion of the Rights Issue HK\$'000	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity owners of the Company as at 30 September 2021 immediately after completion of the Rights Issue per Share (Note 4) HK\$
Based on 312,000,000 Rights Shares to be issued at the Subscription Price of HK\$0.275 per Share	36,998	0.07	84,500	121,498	0.15
Based on a minimum of 156,000,000 Shares including Placing of Untaken Shares and/or NQS Unsold Rights Shares to be issued at HK\$0.275 per Share under the Minimum Proceeds Condition	36,998	0.07	40,613	77,611	0.11

Notes:

- 1 The amount of unaudited consolidated net tangible assets of the Group attributable to equity owners of the Company as at 30 September 2021 is based on the unaudited consolidated net assets of the Group attributable to equity owners of the Company of approximately HK\$37,089,000, after deducting intangible assets of approximately HK\$91,000 as at 30 September 2021, extracted from the published interim report of the Group for the six months ended 30 September 2021.
- 2 The unaudited consolidated net tangible assets of the Group attributable to equity owners of the Company as at 30 September 2021 per Share is calculated based on the unaudited consolidated net tangible assets of the Group attributable to the equity owners of the Company of approximately HK\$36,998,000 divided by 520,000,000 Shares in issue as at 30 September 2021.
- 3 The estimated net proceeds from the Rights Issue of approximately HK\$84,500,000 is calculated based on the maximum number of 312,000,000 Rights Shares to be issued at the Subscription Price of HK\$0.275 per Share assuming full acceptance by the Qualifying Shareholders of the Rights Shares leaving no Untaken Shares or NQS Unsold Rights Shares to be placed in the Placing and after deduction of estimated related expenses of approximately HK\$1,300,000.

The estimated net proceeds from the Rights Issue of approximately HK\$40,613,000 is calculated based on 156,000,000 Shares including Placing of Untaken Shares and/or NQS Unsold Rights Shares to be issued at a minimum placing price of HK\$0.275 per Share assuming nil acceptance by the Qualifying Shareholders of the Rights Shares to render the Rights Issue and Placing unconditional, and after deduction of estimated related expenses of approximately HK\$2,287,000.

- 4 The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity owners of the Company as at 30 September 2021 immediately after completion of the Rights Issue per Share is calculated based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity owners of the Company immediately after completion of the Rights Issue of approximately HK\$121,498,000 or HK\$77,611,000, divided by 832,000,000 Shares or 676,000,000 Shares respectively, which represents (i) 520,000,000 Shares in issue as at 30 September 2021; and (ii) 312,000,000 Rights Shares to be issued, assuming full acceptance by the Qualifying Shareholders of the Rights Shares leaving no Untaken Shares or NQS Unsold Rights Shares to be placed in the Placing or 156,000,000 Shares including Placing of Untaken Shares and/or NQS Unsold Rights Shares to be issued assuming nil acceptance by the Qualifying Shareholders of the Rights Shares to render the Rights Issue and Placing unconditional (“**Maximum and Minimum Shares to be issued for the Rights Issue**”).
- 5 No adjustments have been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity owners of the Company to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2021.

- 6 On 20 October 2021, a total of 104,000,000 new shares of the Company at nominal value of HK\$0.01 each were successfully placed at the placing price of HK\$0.250 per placing share. Upon the completion of the placing, the total number of issued shares of the Company increased from 520,000,000 shares to 624,000,000 shares. The net proceeds from the placing, after deducting commission and other expenses incidental to the placing, amounted to approximately HK\$25,300,000.

For illustrative purpose, the table below shows the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity owners of the Company as at 30 September 2021 immediately after completion of the Rights Issue and taken into consideration of the placing on 20 October 2021 per share, which is calculated based on the unaudited adjusted consolidated net tangible assets of the Group attributable to the equity owners of the Company immediately after completion of the Rights Issue and taken into consideration of the placing on 20 October 2021 of approximately HK\$146,798,000 or HK\$102,911,000, divided by 936,000,000 shares or 780,000,000 Shares respectively, which represents (i) 624,000,000 shares in issue as at 20 October 2021; and (ii) the Maximum and Minimum Shares to be issued for the Rights Issue.

	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity owners of the Company as at 30 September 2021 immediately after completion of the Rights Issue HK\$'000	Net proceeds from the placing on 20 October 2021 HK\$'000	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity owners of the Company as at 30 September 2021 immediately after completion of the Rights Issue and taken into consideration of the placing on 20 October 2021 HK\$'000	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity owners of the Company as at 30 September 2021 immediately after completion of the Rights Issue and taken into consideration of the placing on 20 October 2021 per Share HK\$
Based on 312,000,000 Rights Shares to be issued at the Subscription Price of HK\$0.275 per Share	121,498	25,300	146,798	0.16
Based on a minimum of 156,000,000 Shares including Placing of Untaken Shares and/or NQS Unsold Rights Shares to be issued at HK\$0.275 per Share under the Minimum Proceeds Condition	77,611	25,300	102,911	0.13

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****To the Directors of KNT Holdings Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of KNT Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets as at 30 September 2021 and related notes as set out on pages II-1 to II-3 of Appendix II to the prospectus issued by the Company dated 20 January 2022 (the “**Prospectus**”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages II-1 to II-3 of Appendix II to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed rights issue on the basis of one Rights Share (as defined in the Prospectus) for every two existing shares held on the Record Date (as defined in the Prospectus) (the “**Rights Issue**”) on the Group’s financial position as at 30 September 2021 as if the proposed Rights Issue had taken place at 30 September 2021. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s condensed consolidated financial statements for the six months ended 30 September 2021, on which no review report has been published.

Directors’ Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 September 2021 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.



Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
20 January 2022