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K & P International Holdings Limited

堅寶國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 675)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to the Inside Information Provisions under Part XIVA of the SFO and Rule 13.09(2)(a) of the Listing Rules.

The Board wishes to inform Shareholders and potential investors that the Company is expected to record a substantial increase in its unaudited consolidated profit attributable to owners for the six months ended 30 June 2020 by around 4 times, as compared to that for the six months ended 30 June 2019.

The Company is still in the process of finalising its unaudited consolidated financial statements for the six months ended 30 June 2020. As at the date of this announcement, the Group's financial information for the six months ended 30 June 2020 has not been finalised and may be subject to adjustments. As such, the information contained in this announcement is only based on a preliminary evaluation of the unaudited consolidated management accounts of the Company for the six months ended 30 June 2020, which have not been reviewed by the Company's audit committee.

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

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

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 a preliminary review of the unaudited consolidated management accounts of the Company for the six months ended 30 June 2020, the Company is expected to record a substantial increase in the unaudited consolidated profit attributable to owners of the Company for the six months ended 30 June

2020 by around 4 times, as compared to that for the six months ended 30 June 2019. Such an increase in the unaudited consolidated profit attributable to owners of the Company is primarily attributable to the decrease in the cost of sales of the Group (due, to a large extent, to the depreciation of Renminbi (as the Company's financial reporting currency is Hong Kong Dollar) and, in view of the COVID-19 outbreak, the waiver by the relevant government authority of the employer's social security (社會保險) contribution obligations of the Group), despite the fact that the Group experienced a decrease in revenue for the six months ended 30 June 2020 (compared against the same period last year) due primarily to (i) the outbreak of COVID-19 and (ii) the full effect of the closure (in February 2019) of a factory in the Group's precision parts and components business segment (as discussed in the annual report of the Company of 2019) being felt and reflected in the six months ended 30 June 2020.

The Company is still in the process of finalising its unaudited consolidated financial statements for the six months ended 30 June 2020. As at the date of this announcement, the Group's unaudited financial information for the six months ended 30 June 2020 has not been finalised and may be subject to adjustments. As such, the information contained in this announcement is only based on a preliminary evaluation of the unaudited consolidated management accounts of the Company for the six months ended 30 June 2020, which have not been reviewed by the Company's audit committee. Financial information and other details of the Group for the six months ended 30 June 2020 will be disclosed in the Company's interim results announcement which is expected to be published by the end of August 2020.

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

By order of the Board
K & P International Holdings Limited
Lai Pei Wor
Chairman

Hong Kong, 22 July 2020

As at the date of this announcement, the Board comprises Messrs. Lai Pei Wor and Chan Yau Wah (being executive directors) and Messrs. Kung Fan Cheong, Mak Kwai Wing and Li Yuen Kwan, Joseph (being independent non-executive directors).

** For identification purpose only*