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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)

PROFIT WARNING

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 Group is expected to record a decrease in the consolidated profit attributable to owners of the Company by around 85% for the year ended 31 December 2018, as compared to that for the year ended 31 December 2017.

The Company is still in the process of finalising the consolidated financial statements of the Group for the year ended 31 December 2018. As at the date of this announcement, the Group's financial information for the year ended 31 December 2018 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 Group for the year ended 31 December 2018, which have not been audited or reviewed by the Company's auditor.

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 Group for the year ended 31 December 2018, the Group is expected to record a decrease in the consolidated profit attributable to owners of the Company by around 85% for the year ended 31 December 2018, as compared to that for the year ended 31 December 2017. Such decrease in the consolidated profit attributable to owners of the Company is primarily attributable to (i) a one-off staff compensation incurred in early 2018 for the closure of a factory in the Group’s consumer electronic products business segment; and (ii) a one-off provision for staff compensation and writing off the relevant assets expected to be incurred for the closure of a factory in the Group’s precision parts and components business segment in early 2019, because the relevant landlord is not agreeable to renew the relevant lease.

The Group is expected to record an increase in the consolidated revenue for the year ended 31 December 2018 compared to that for the year ended 31 December 2017, and, had there not been the abovementioned one-off compensation and write off, the Company estimates that it would have recorded an increase in the consolidated profit attributable to owners of the Company for the year ended 31 December 2018 compared to that for the year ended 31 December 2017 due to an increase in sales and production efficiency.

The Company is still in the process of finalising the consolidated financial statements of the Group for the year ended 31 December 2018. As at the date of this announcement, the Group’s financial information for the year ended 31 December 2018 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 Group for the year ended 31 December 2018, which have not been audited or reviewed by the Company’s auditor. Financial information and other details of the Group for the year ended 31 December 2018 will be disclosed in the Company’s annual results announcement which is expected to be published in March 2019.

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, 29 January 2019

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*