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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 consolidated profit attributable to owners for the year ended 31 December 2019 by more than 10 times, as compared to that for the year ended 31 December 2018.

The Company is still in the process of finalising its consolidated financial statements for the year ended 31 December 2019. As at the date of this announcement, the Group's financial information for the year ended 31 December 2019 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 year ended 31 December 2019, 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 Company for the year ended 31 December 2019, the Company is expected to record a substantial increase in the consolidated profit attributable to owners of the Company for the year ended 31 December 2019 by more

than 10 times, as compared to that for the year ended 31 December 2018. Such an increase in the consolidated profit attributable to owners of the Company is primarily attributable to (i) the absence of the provision for the one-off staff compensation (which was incurred in 2018) for the closure of a factory (the “**Shiyan Factory**”) in the Group’s precision parts and components business segment, as the relevant landlord was not agreeable to the renewal of the lease for the factory premises, (ii) the cessation of the Group’s loss making consumer electronic products business segment, and (iii) the decline in the exchange rate of Renminbi (as the Group’s manufacturing operations were and are carried out in China) against the Hong Kong Dollar (being the Company’s financial reporting currency). However, the Board would also note that the closure of the Shiyan Factory had adversely impacted on the production activities, and hence the revenue, of the Group for the financial period ended 31 December 2019.

The Company is still in the process of finalising its consolidated financial statements for the year ended 31 December 2019. As at the date of this announcement, the Group’s financial information for the year ended 31 December 2019 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 year ended 31 December 2019, 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 2019 will be disclosed in the Company’s annual results announcement which is expected to be published in March 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, 3 February 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*