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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 the Shareholders and potential investors that the Group expects to record an unaudited consolidated loss attributable to owners of the Company of not more than HK\$25,000,000 for the six months ended 30 June 2023, while it recorded an unaudited consolidated profit attributable to owners of the Company of HK\$7,643,548 for the six months ended 30 June 2022.

The Company is still in the process of finalising the unaudited consolidated financial statements of the Group for the six months ended 30 June 2023. As at the date of this announcement, the Group's unaudited financial information for the six months ended 30 June 2023 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 six months ended 30 June 2023, 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 Group for the six months ended 30 June 2023 and the information currently available to the Board, the Group expects to record an

unaudited consolidated loss attributable to owners of the Company of not more than HK\$25,000,000 for the six months ended 30 June 2023, while it recorded an unaudited consolidated profit attributable to owners of the Company of HK\$7,643,548 for the six months ended 30 June 2022. The expected loss for the six months ended 30 June 2023 was mainly attributable to the following factors: (i) the adverse impact of the war in Ukraine on the Group's customers in their sale of finished products to the European markets; (ii) the consumer sentiment in those markets having been adversely affected by the persistently high inflation during the period, hence the Group experienced a decrease in revenue of approximately 35% (as compared to the six months ended 30 June 2022) while the cost of sales was not proportionately reduced to the same extent, which has in turn led to a lower gross profit; and (iii) a fair value loss of approximately HK\$17 million (six months ended 30 June 2022: HK\$3.6 million) from certain forward currency contracts expiring in the second half of 2023 and 2024 which were entered into for the purpose of managing the impact of a natural currency mis-match arising in the Group's ordinary course of business (as the Group's revenue is mainly denominated in United States dollars, while its cost of sales is mainly denominated in RMB).

The Company is still in the process of finalising the unaudited consolidated financial statements of the Group for the six months ended 30 June 2023. As at the date of this announcement, the Group's unaudited financial information for the six months ended 30 June 2023 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 six months ended 30 June 2023, 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 2023 will be disclosed in the Company's interim results announcement which is expected to be published by the end of August 2023.

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, 4 August 2023

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

** For identification purpose only*