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KAM HING INTERNATIONAL HOLDINGS LIMITED

錦興國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 02307)

BUSINESS UPDATE

Reference is made to the announcement of Kam Hing International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 6 October 2023 (the “**Announcement**”) in relation to the business update of the Group. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

The Board is pleased to inform the Shareholders and potential investors of the Company that in furtherance of the Group’s business expansion plan as disclosed in the Announcement, on 30 December 2023, Kam Hing Piece Works Limited (“**KH Piece Works**”), a wholly-owned subsidiary of the Company, entered into a cooperation agreement (the “**Cooperation Agreement**”) with 天福成有限公司* (CÔNG TY TNHH THIÊN PHÚC THÀNH) (“**TPT**”), a company incorporated in Vietnam, which operates a manufacturing plant in Vietnam specialised in knitting and dyeing yarns and fabrics, in relation to the subcontracting of the manufacture and processing of knitted and dyed yarns and fabrics (the “**Subcontracting Arrangement**”). Pursuant to the Cooperation Agreement, (i) the parties will subsequently enter into a formal agreement for a fixed term of at least 10 years; (ii) TPT undertakes to provide manufacturing capacity from 200 tonnes per month during the period from the date of the formal agreement to June 2024, to up to 1,000 tonnes per month from March 2025 onwards; and (iii) KH Piece Works will provide machinery investment to meet the production needs of TPT. It was further agreed that after 2 years of cooperation under the formal agreement (or such shorter period as the parties may agree considering the mutual benefits to be conferred), TPT will give priority in considering equity cooperation with KH Piece Works, which indicates a potential for the Group to acquire part of the equity interests in TPT. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, TPT and its ultimate beneficial owners are independent third parties of and not connected with the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The long-term partnership and the potential acquisition contemplated under the Cooperation Agreement is in line with the Group's strategy to expand and diversify our production in Southeast Asia, and demonstrates our commitment to strengthen our development capabilities. The Board believes that the Subcontracting Arrangement will work in synergy with the Group's existing manufacturing bases, further mitigate the geopolitical risks and facilitate the regionalization for the Group in Southeast Asia.

As at the date of this announcement, the Company has not entered into any formal or legally binding agreements for the Subcontracting Arrangement and the amount of machinery investment involved has not yet been determined. The Subcontracting Arrangement contemplated under the Cooperation Agreement, if materialises, may or may not constitute a notifiable transaction of the Company under the Listing Rules. Further announcement(s) will be made by the Company in relation to the formal Subcontracting Arrangement and/or any potential acquisition of the equity interest in TPT as and when required in compliance with the Listing Rules and other applicable laws and regulations.

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

By Order of the Board
Kam Hing International Holdings Limited
Tai Chin Chun
Chairman

Hong Kong, 8 January 2024

As at the date of this announcement, the Board comprises Mr. Tai Chin Chun, Mr. Tai Chin Wen, Ms. Cheung So Wan, Ms. Wong Siu Yuk and Mr. Lei Heong Man as executive Directors; and Mr. Ho Gilbert Chi Hang, Mr. Ting Kay Loong and Mr. Wu Tak Lung as independent non-executive Directors.

The Chinese transliteration of the Vietnamese name(s) in this announcement, where indicated with “”, is included for information purpose only, and should not be regarded as the official Chinese name(s) of such Vietnamese name(s).*