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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)

**VOLUNTARY ANNOUNCEMENT:
MEMORANDUM OF UNDERSTANDING
IN RELATION TO THE PROPOSED ACQUISITION**

The board (“**Board**”) of directors (“**Directors**”) of Kam Hing International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) would like to inform the shareholders and potential investors of the Company that on 27 December 2024, four independent third parties as vendors (collectively, the “**Potential Vendors**”) and Kam Fung (Hong Kong) Garment Company Limited (“**Kam Fung HK**”), a wholly-owned subsidiary of the Company, as purchaser entered into a memorandum of understanding (the “**MOU**”) in relation to the proposed acquisition (the “**Proposed Acquisition**”) of the entire equity interest in a Vietnamese company (the “**Target Company**”). To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of the Potential Vendors and their respective ultimate beneficial owners (where applicable) 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 total consideration for the Proposed Acquisition shall be US\$10.8 million which shall be paid (i) as to US\$0.5 million (the “**Deposit**”) within five (5) business days after the signing of the MOU; and (ii) as to the remaining balance of US\$10.3 million in accordance with such manner and schedule to be agreed by the parties. The parties agreed that they shall negotiate in good faith to procure that a formal agreement relating to the Proposed Acquisition (the “**Formal Agreement**”) be entered into as soon as possible and in any event, no later than 23 January 2025 or such later date as Kam Fung HK may agree, failing which the Deposit shall be refunded in full to Kam Fung HK, unless Kam Fung HK fails to enter into the Formal Agreement by such date without any valid or justifiable reasons and through no faults or breaches by the Potential Vendors, in which event the Potential Vendors shall be entitled to forfeit the Deposit. Save for the terms of payment and refund or forfeiture of the Deposit which are binding on the parties, the Proposed Acquisition is non-binding in nature.

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The Target Company is principally engaged in the manufacture of fabric products and owns a well-established knitting and dyeing factory in Vietnam. The Proposed Acquisition which involves an existing production base with related resources including factory facilities and labour immediately available for use would instantly enhance the production capacity for textile manufacturing of the Group without the need to provide additional capital input. Through leveraging years of production experience and technology of the Group, the development of a production base under self-operation can bring greater efficiency to the production in Vietnam. The Proposed Acquisition is also in line with the business expansion plan of the Group, in particular, the building of an integrated textile and garment production base in Southeast Asia, and will complement the Group's existing operations in Southeast Asia.

As at the date of this announcement, the Company has not entered into the Formal Agreement. The Proposed Acquisition contemplated under the MOU may or may not proceed. The Proposed Acquisition, if materialises, may constitute a notifiable transaction of the Company under the Listing Rules. Further announcement(s) will be made by the Company 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, 27 December 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.