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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)

ANNOUNCEMENT

This announcement is made by Kam Hing International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited.

Reference is made to the interim results of the Company for the six months ended 30 June 2020, which recorded a loss-making position. The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on preliminary assessment on the unaudited consolidated management accounts of the Group for the year ended 31 December 2020 and information currently available to the Board, although the business of the Group has picked up in the second half of 2020, the Group may still record a net loss for the year ended 31 December 2020 in the range of HK\$35 million to HK\$40 million (before any impairment loss to be assessed).

Based on the information currently available, the Board considers that the expected loss is primarily attributable to (i) the outbreak of the coronavirus disease 2019 (the “**COVID-19**”) pandemic which has disrupted daily lives and business activities around the world, albeit the slow and gradual recovery of the global economy and the business of the Group in the second half of the year, as the global pandemic prevention and containment policies for the COVID-19 caused cancellation of part of the Group’s orders. Although the Group has been looking for new customer and tried to retain order from existing customers, but overall revenue decreased when comparing to 2019; and (ii) the appreciation of Renminbi against Hong Kong dollars which have significantly increased the labour costs and production costs of the Group.

Notwithstanding the foregoing, the Group maintained a strong balance sheet position and the financial position of the Group remained solid with sufficient cash to meet its business and working capital needs, amidst the uncertainty of the COVID-19 pandemic and the global economic environment in the reporting period. The Board considers that the overall financial, business and trading positions of the Group remain healthy.

As the Company is still in the process of finalising the annual results for the year ended 31 December 2020, the information contained in this announcement is only based on the preliminary review of the Company's unaudited consolidated management accounts which have not been reviewed or audited by the auditors of the Company and may be subject to adjustment based on further updated information. Shareholders and potential investors are therefore advised to refer to the formal annual results announcement of the Group for the year ended 31 December 2020 which is expected to be published by the end of March 2021.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

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

Hong Kong, 14 March 2021

As at the date 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.