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KANGLI INTERNATIONAL HOLDINGS LIMITED

康利國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6890)

POSITIVE PROFIT ALERT

This announcement is made by KangLi International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Directors**”) of the Company (the “**Board**”) 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 (the “**Unaudited Consolidated Management Accounts**”) of the Group for the year ended 31 December 2020 (the “**Year**”) and the latest information currently available, the Group expects to record an increase in net profit attributable to equity shareholders of the Company for the Year by not less than 150% as compared to approximately RMB24,698,000 for the year ended 31 December 2019.

The Board believes that the aforementioned increase is mainly attributable to (i) the increase in gross profit due to the increase in average selling prices of hard steel coil and unpainted galvanized steel products of the Company; (ii) the adjustment of our product mix to increase the sale of painted galvanized steel products which have a higher gross profit margin; and (iii) the effective control of operating costs.

As the Company is still in the process of preparing and finalising the annual results of the Group for the Year, the information contained in this announcement is only based on a preliminary assessment made by the Board with reference to the latest information currently available and the Unaudited Consolidated Management Accounts, which has not been audited by the Company’s auditors or reviewed by the audit committee of the Board, and therefore may be subject to adjustments as appropriate. Particulars of the Group’s business performance will be disclosed in its annual results announcement for the Year, which is expected to be published in March 2021.

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

By order of the Board
KangLi International Holdings Limited
Liu Ping
Chairman

Hong Kong, 12 March 2021

As at the date of this announcement, the Board comprises five executive Directors, being Mr. Mei Zefeng, Ms. Liu Ping, Mr. Zhang Zhihong, Ms. Lu Xiaoyu and Mr. Xu Chao, and three independent non-executive Directors, being Mr. Li Yuen Fai Roger, Mr. Cao Baozhong and Mr. Yang Guang.