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King's Flair International (Holdings) Limited

科勁國際(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6822)

PROFIT WARNING

This announcement is made by King's Flair International (Holdings) Limited (the "**Company**", and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform the Shareholders and potential investors of the Company that, based on the information currently available and the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2022 (the "**Reporting Period**") by the Board, the Group expects to record:

- (i) a decrease in revenue for the Reporting Period by approximately 25% to 30% as compared to the corresponding period in the previous year, mainly as a result of (a) the stringent and extensive lockdown in various cities and districts in the People's Republic of China (the "**PRC**") as a result of the outbreak of the new COVID-19 variant in the PRC during the Reporting Period; and (b) the conservatism among brand owners in the United States in placing orders due to uncertain consumer sentiments caused by the worsened global economic condition and the continued disruption in supply chain due to the new COVID-19 variant; and
- (ii) decrease in gross profit for the Reporting Period by approximately 35% to 40% as compared to the corresponding period in the previous year, mainly as a result of the continuously high raw materials costs as commodity prices remained strong during the Reporting Period.

In view of the above and the fact that the administrative expenses for the Reporting Period remained steady as compared to the previous corresponding period, the Group expects to record a significant decrease in profit attributable to shareholders for the Reporting Period by approximately 70% to 75% as compared to the previous corresponding period.

The Company is still in the process of finalising the Group's interim results for the six months ended 30 June 2022 (the “**Interim Results**”) and the information contained in this announcement is only a preliminary assessment on the management accounts of the Group which has not been reviewed by the audit committee or the auditors of the Company. Shareholders and potential investors of the Company are advised to refer to the Interim Results which is expected to be released on or around 22 August 2022.

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
King's Flair International (Holdings) Limited
Wong Siu Wah
Chairman and Executive Director

Hong Kong, 12 August 2022

As at the date of this announcement, the board of directors of the Company comprised two executive directors, namely, Mr. Wong Siu Wah (Chairman and Chief Executive Officer) and Ms. Wong Fook Chi; and three independent non-executive directors, namely, Dr. Lau Kin Tak, Mr. Anthony Graeme Michaels and Ms. Leung Wai Ling, Wylie.