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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 2023 (the “**Reporting Year**”) and the latest information currently available, the Group expects to record a net profit of not less than RMB60,000,000 for the Reporting Year as compared to a net loss of approximately RMB31,253,000 for the year ended 31 December 2022.

The Board believes that the aforementioned change is mainly attributable to, amongst others: (1) increase in sales volume during the Reporting Year; (2) increase in gross profit margin as a result of increase in utilisation rate of our production facilities which in effect reduced the overall production costs; and (3) the smaller extent of drop in average selling price of our products than that in the average unit cost of raw materials.

As the Company is still in the process of preparing and finalising the results of the Group for the Reporting 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 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 results announcement for the Reporting Year, which is expected to be published before end of March 2024.

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, 1 March 2024

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. Lau Ying Kit, Mr. Yang Guang and Mr. Cao Cheng.