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KWUNG'S HOLDINGS LIMITED

曠世控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1925)

PROFIT WARNING

This announcement is made by Kwung's Holdings Limited (the "**Company**", and 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 "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

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 the preliminary assessment of the unaudited consolidated financial information of the Group for the six months ended 30 June 2020, the Group is expected to record a drop in revenue of approximately RMB57 million or 26%, and net profit of RMB5 million or 70% for the six months ended 30 June 2020 as compared to the six months ended 30 June 2019.

The Directors consider that the expected drop in the Group's revenue and net profit for the six months ended 30 June 2020 was mainly due to the global outbreak of a novel coronavirus ("**COVID-19**"), which temporarily affected the demand for our products from our customers located in different countries, including but not limited to, the PRC and European countries such as France, United Kingdom, Netherlands and Germany. The Group has been in close communication with its customers, especially the ones from European countries, from time and time, and some of them requested for a short postponement of the product shipment during the first quarter of 2020. The outbreak of COVID-19 remained severe in the second quarter of 2020, resulting in suspension of certain economic activities and further requests of postponement of product shipment and certain cancellation of purchase orders by the Group's customers.

The information contained in this announcement is based on the latest version of the Group's unaudited consolidated financial information currently available to the Board and is not based on any data or information which is finalised or reviewed by external auditors or the audit committee of the Company. The Company is in the process of finalising the Group's unaudited consolidated financial information for the six months ended 30 June 2020.

Shareholders and potential investors are advised to refer to the interim results of the Group for the six months ended 30 June 2020, which is expected to be published on 31 August 2020, for more detailed information.

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

By order of the Board
Kwung's Holdings Limited
JIN Jianxin
Chairman and executive Director

Hong Kong, 17 August 2020

As at the date of this announcement, the executive Directors are Mr. JIN Jianxin, Mr. RU Liming and Mr. TIAN Dong; the non-executive director of the Company is Mr. SHAO Patrick; and the independent non-executive Directors are Mr. LAI Chun Yu, Mr. YANG Herong and Mr. ZHOU Kai.