

**NSX ANNOUNCEMENT****13 January 2021****Market Update**

Following the heightened uncertainty surrounding the coronavirus, Kemao Industries Limited ("KEM" or "the Company") wishes to provide a further market update on its operation and expected business performance for the year ended 31 December 2020.

Notwithstanding various measures and restrictions have been implemented by countries and governments to prevent the spread of COVID-19, the number of infections is continuing to surge and the timeframe of recovery remains unclear.

Although sales had a rebound during the fourth quarter of 2020, the Company expects a significant decline in its total sales and net results for the year ended 31 December 2020 compared with last year.

In addition to the drop of sales, the prices of raw materials jumped to a record high during the year, affecting the business severely.

Under this challenging environment, the Company has adopted prudent practices to manage liquidity and confirms its cash position remains stable.

The Company expects to announce its Preliminary Reports by 16 March 2021.

Authorised by the Board,



XUEKUN LI  
Company Secretary