



## **KOS International Holdings Limited**

**高奧士國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8042)**

### **FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2021**

#### **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This announcement, for which the directors (the “**Directors**”) of KOS International Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

## RESULTS

The board of Directors (the “**Board**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “**Group**”) for the three months ended 31 March 2021, together with the unaudited comparative figures for the corresponding period in 2020 as follows:

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2021

|  |       | Unaudited<br>Three months ended<br>31 March |                  |
|--|-------|---|------------------|
|  | Notes | 2021<br>HK\$'000                            | 2020<br>HK\$'000 |
| Revenue  | 3     | 18,306                                      | 16,356           |
| Other income   |       | 98  | 42               |
| Staff costs  |       | (15,086)                                    | (14,054)         |
| Other expenses and losses  |       | (3,891)                                     | (3,783)          |
| Impairment losses under expected credit loss (“ <b>ECL</b> ”) model, net of reversal |       | (89)  | (57)             |
| Finance costs  |       | (20)  | (46)             |
| Loss before taxation   |       | (682)                                       | (1,542)          |
| Income tax expense   | 4     | (71)  | (107)            |
| Loss for the period  |       | <u>(753)</u>                                | <u>(1,649)</u>   |
| Other comprehensive expense  |       |   |                  |
| Item that may be reclassified subsequently to profit or loss:                        |       |   |                  |
| Exchange differences arising on translation of a foreign operation                   |       | (37)  | (16)             |
| Total comprehensive expense for the period   |       | <u>(790)</u>                                | <u>(1,665)</u>   |
| Loss per share   |       |   |                  |
| – basic ( <i>Hong Kong cent</i> )  | 5     | <u>(0.09)</u>                               | <u>(0.21)</u>    |

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2021

|   | Share<br>capital<br><i>HK\$'000</i> | Share<br>premium<br><i>HK\$'000</i> | Special<br>reserve<br><i>HK\$'000</i> | Translation<br>reserve<br><i>HK\$'000</i> | Accumulated<br>losses<br><i>HK\$'000</i> | Total<br><i>HK\$'000</i> |
|---|-------------------------------------|-------------------------------------|---------------------------------------|---|--|--------------------------|
| At 1 January 2020 (Audited)                   | 8,000                               | 39,738                              | 49                                    | (73)                                      | (6,947)                                  | 40,767                   |
| Loss for the period                           | -                                   | -                                   | -                                     | -   | (1,649)                                  | (1,649)                  |
| Other comprehensive expense<br>for the period | -                                   | -                                   | -                                     | (16)                                      | -  | (16)                     |
| Total comprehensive expense<br>for the period | -                                   | -                                   | -                                     | (16)                                      | (1,649)                                  | (1,665)                  |
| At 31 March 2020 (Unaudited)                  | <u>8,000</u>                        | <u>39,738</u>                       | <u>49</u>                             | <u>(89)</u>                               | <u>(8,596)</u>                           | <u>39,102</u>            |
| At 1 January 2021 (Audited)                   | <u>8,000</u>                        | <u>39,738</u>                       | <u>49</u>                             | <u>92</u>                                 | <u>(8,564)</u>                           | <u>39,315</u>            |
| Loss for the period                           | -                                   | -                                   | -                                     | -   | (753)                                    | (753)                    |
| Other comprehensive expense<br>for the period | -                                   | -                                   | -                                     | (37)                                      | -  | (37)                     |
| Total comprehensive expense<br>for the period | -                                   | -                                   | -                                     | (37)                                      | (753)                                    | (790)                    |
| At 31 March 2021 (Unaudited)                  | <u>8,000</u>                        | <u>39,738</u>                       | <u>49</u>                             | <u>55</u>                                 | <u>(9,317)</u>                           | <u>38,525</u>            |

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL

The Company was incorporated in the Cayman Islands with limited liability under the Companies Act, Chapter 22 (Law 3 of 1961, as consolidated and revised) of Cayman Islands. Its shares are listed on GEM of The Stock Exchange of Hong Kong Limited on 12 October 2018 (the “**Listing Date**”). The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business in Hong Kong is Suite 610, 6th Floor, Ocean Centre, No. 5 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Company’s immediate and ultimate holding company is KJE Limited, a company incorporated in the British Virgin Islands. The ultimate controlling parties of the Company are Mr. Chan Ka Kin Kevin, Mr. Chan Ka On Eddie, Mr. Chan Ka Shing Jackson and Mr. Chow Ka Wai Raymond.

The Company is an investment holding company and its subsidiaries are principally engaged in providing recruitment services and secondment and payroll services in Hong Kong, Macau and the People’s Republic of China (the “**PRC**”).

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

The condensed consolidated financial statements have not been audited by the Company’s auditor, but have been reviewed by the audit committee of the Company.

## 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants as well as the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules.

The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2020 as set out in the latest annual report.

The accounting policies adopted are consistent with those of the Group’s annual financial statements for the year ended 31 December 2020, the application of the new and amendments to HKFRSs in the current period has had no material impact on the Group’s unaudited condensed consolidated financial statements for the three months ended 31 March 2021.

### 3. REVENUE

#### Disaggregation of revenue

|                                 | Unaudited<br>Three months ended<br>31 March |                      |
|---------------------------------|---|----------------------|
|                                 | 2021  | 2020                 |
|                                 | HK\$'000                                    | HK\$'000             |
| Recruitment services            |   |                      |
| – Hong Kong                     | 9,863                                       | 9,321                |
| – The PRC                       | 2,077                                       | 1,249                |
|                                 | <u>11,940</u>                               | <u>10,570</u>        |
| Secondment and payroll services |   |                      |
| – Hong Kong                     | 5,630                                       | 5,194                |
| – Macau                         | 736   | 592                  |
|                                 | <u>6,366</u>                                | <u>5,786</u>         |
| Total                           | <u><u>18,306</u></u>                        | <u><u>16,356</u></u> |

### 4. INCOME TAX EXPENSE

|                       | Unaudited<br>Three months ended<br>31 March |          |
|-----------------------|---|----------|
|                       | 2021  | 2020     |
|                       | HK\$'000                                    | HK\$'000 |
| Hong Kong Profits Tax |   |          |
| – current tax         | 71  | 107      |

Hong Kong Profits Tax has been provided for at the two-tiered rate of 8.25% on the first HK\$2 million of the estimated assessable profits for the qualifying group entity and 16.5% on the remaining estimated assessable profits for the period.

Macau Complementary Tax is calculated at 12% of the estimated assessable profits exceeding Macao Pataca (“MOP”) 600,000 for each of the three months ended 31 March 2021 and 2020. No provision of Macau Complementary Tax was made as the subsidiary in Macau has no assessable profit exceeding MOP600,000 in both periods.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25%. No provision of EIT was made as the subsidiary in the PRC has no assessable profit during the periods.

## 5. LOSS PER SHARE

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

|  | <b>Unaudited</b>          |                       |
|--|---------------------------|-----------------------|
|  | <b>Three months ended</b> |                       |
|  | <b>31 March</b>           |                       |
|  | <b>2021</b>               | <b>2020</b>           |
| Loss for the period ( <i>HK\$'000</i> )  | <u><u>(753)</u></u>       | <u><u>(1,649)</u></u> |
| Number of shares:  |                           |                       |
| Weighted average number of ordinary shares<br>for the purpose of the basic loss per share ( <i>in '000</i> ) | <u><u>800,000</u></u>     | <u><u>800,000</u></u> |

No diluted loss per share for the three months ended 31 March 2021 and 2020 were presented as there were no potential ordinary shares in issue during the three months ended 31 March 2021 and 2020.

## 6. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2021 (2020: Nil).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW AND PROSPECTS**

#### **Business review**

KOS International is one of the most well-known Hong Kong-based HR service providers. We deliver high-quality recruitment, secondment and payroll services to clients through our offices in Hong Kong, Shenzhen and Guangzhou. Our vision is to continue expanding by organically growing new teams and offices in markets throughout the Greater Bay Area.

Near the end of 2020 and in the first quarter of 2021, we observed more recruitment activities across markets in Hong Kong and mainland China. With recent announcement of positive GDP growth in Hong Kong, the economy has indeed been moving towards a recovery stage after the impact brought by COVID-19 pandemic. However, we are fully aware that economic activity is still below pre-recession levels and that social distancing requirements continue to affect industries involving customer-facing and international travel.

That said, with our experienced senior management and team of highly engaged and committed employees, who will continue focusing on recruitment and delivering top-quality HR solutions to our clients and candidates, we remain confident that we will be able to take full advantage of any opportunities to grow and improve the business.

In 2021, the Group reported a total comprehensive loss of approximately HK\$790,000 for the three months ended 31 March 2021, as compared to a total comprehensive loss of approximately HK\$1,665,000 for the three months ended 31 March 2020.

The Group's revenue recorded an increase of approximately HK\$1,950,000 or 11.9% from approximately HK\$16,356,000 for the three months ended 31 March 2020 to approximately HK\$18,306,000 for the three months ended 31 March 2021.

#### **Revenue from Hong Kong operations**

In Hong Kong, the improvement in trading conditions continued from the end of the fourth quarter of 2020 into the first quarter of 2021. This trend is truly reflected in our quarter-on-quarter revenue comparison.

The revenue generated from recruitment services in Hong Kong recorded an increase of approximately HK\$2,894,000 or 41.5% from approximately HK\$6,969,000 for the three months ended 31 December 2020 to approximately HK\$9,863,000 for the three months ended 31 March 2021.

Recruitment activities in the financial services and insurance sectors (“FS”) remain active and there was a constant demand for hiring quality talent.

The revenue generated from FS in Hong Kong recorded an increase of approximately HK\$482,000 or 19.8% from approximately HK\$2,434,000 for the three months ended 31 December 2020 to approximately HK\$2,916,000 for the three months ended 31 March 2021.

For secondment and payroll outsourcing services, the team continued their efforts in winning more secondment and part-time projects. The number of secondees and part-time employees has been increasing on a month-on-month basis. We have seen a positive trend in this business and are confident about our performance in the coming months.

### **Revenue from China operations**

The trading condition began to improve in July 2020 and continues to do so.

Our mainland China team generated a revenue growth of approximately HK\$828,000 or 66.3% from approximately HK\$1,249,000 for the three months ended 31 March 2020 to approximately HK\$2,077,000 for the three months ended 31 March 2021.

The following strategies and expansion plans continue to be in place in our Shenzhen and Guangzhou offices:

- Follow the ‘Outline Development Plan for GBA’ (粵港澳大灣區發展規劃綱要) to increase our presence in the technology, consumer, and property sectors, mainly in Shenzhen and Guangzhou;
- Build teams to focus on domestic Chinese companies in the technology, e-commerce, and healthcare sectors which thrived throughout the COVID-19 pandemic;
- Enhance the quality of our current teams through more structured internal and external training; and
- Improve public visibility and brand awareness with the existing in-house marketing team.

The China team will take full advantage of the positive market condition to further grow and expand the business. Their performance will play a key role in the Group achieving its strategic goals and vision.

### **Looking ahead**

Gradual improvement in the overall trading condition has led to a reasonable start in the first quarter of 2021. We will stay focused on the business operations, as well as remain agile and adaptive. We are cautiously optimistic about our performance for the year ahead.



In 2021, the Group will continue to:

- Gather our existing resources and put a strong focus on industries with recovery potential, such as e-commerce, logistics and supply chain, education, and real estate;
- Invest in FS in Hong Kong and in businesses in mainland China, as well as closely monitor the performance and return on investment;
- Drive activity, productivity, and profitability with stringent measures in terms of team composition, discipline, and geography;
- Recruit selectively from our competitor, train, develop, and retain quality recruitment talent who are vital to the Group's long-term organic growth strategy;
- Maintain sound liquidity and cashflow management practices; and
- Strengthen the in-house marketing teams in both Hong Kong and China to raise brand awareness using digital and social media platforms.

The Group is confident there are many opportunities ahead. As such, it is important we better position ourselves to capture them and take advantage of the market recovery. We will continue to focus on the long-term vision and drive progress towards our strategic goals.

## **FINANCIAL REVIEW**

### **Revenue**

The Group's revenue increased by approximately HK\$1,950,000 or 11.9% from approximately HK\$16,356,000 for the three months ended 31 March 2020 to approximately HK\$18,306,000 for the three months ended 31 March 2021, which was principally attributable to the increase in revenue derived from the recruitment services.

The Group recorded an increase in revenue under the recruitment services of approximately HK\$1,370,000 or 13.0% from approximately HK\$10,570,000 for the three months ended 31 March 2020 to approximately HK\$11,940,000 for the three months ended 31 March 2021. The increase is mainly due to the revenue growth in PRC operations.

There was also an increase in secondment and payroll services, which had been increased by approximately HK\$580,000 or 10.0% from approximately HK\$5,786,000 for the three months ended 31 March 2020 to approximately HK\$6,366,000 for the three months ended 31 March 2021.

For the three months ended 31 March 2021, the revenue derived from Hong Kong accounted for approximately 84.6% (2020: approximately 88.7%) of the total revenue.

## **Staff costs**

Staff costs comprise (i) the salaries and other staff benefits the Group paid to its internal staff for carrying on and in support of its business operation and (ii) the labour cost associated with deployment of seconded staff for the secondment and payroll services. The majority of the internal staff costs are the salaries and other staff benefits relating to the consultants for carrying on the recruitment services.

For the three months ended 31 March 2021, the staff costs were approximately HK\$15,086,000 (2020: approximately HK\$14,054,000), which accounted for approximately 82.4% (2020: approximately 85.9%) of the revenue. Seconded staff costs for the three months ended 31 March 2021 was approximately HK\$5,686,000 (2020: approximately HK\$5,194,000), representing approximately 37.7% of the total staff costs (2020: approximately 37.0%). The internal staff costs amounted to approximately HK\$9,400,000 for the three months ended 31 March 2021 (2020: approximately HK\$8,860,000), representing approximately 62.3% of the total staff costs (2020: approximately 63.0%).

The seconded staff costs increased by approximately HK\$492,000 or 9.5% which were in line with the increase in revenue derived from the secondment and payroll services. The internal staff costs increased by approximately HK\$540,000 or 6.1%. Such increase was mainly due to the increased number of the internal staff in the Shenzhen and Guangzhou operations.

## **Other expenses and losses**

Other expenses and losses increased by approximately HK\$108,000 from approximately HK\$3,783,000 for the three months ended 31 March 2020 to approximately HK\$3,891,000 for the three months ended 31 March 2021, which was mainly consist of rent and rates and depreciation.

## **Finance costs**

Finance costs represented the interest on lease liability and a bank overdraft facility. The interest on the lease liability amounted to approximately HK\$17,000 and the interest on a bank overdraft facility amounted to approximately HK\$3,000 for the three months ended 31 March 2021. For the three months ended 31 March 2020, the lease liability amounted to approximately HK\$46,000.

## **Income tax expense**

Income tax expense decreased by approximately HK\$36,000 or 33.6%, from approximately HK\$107,000 for the three months ended 31 March 2020 to approximately HK\$71,000 for the three months ended 31 March 2021. The decrease was primarily attributable to the decrease in estimated assessable profits from operating subsidiaries.

## Loss and total comprehensive expense for the period

As a result of the foregoing, loss and total comprehensive expense for the three months ended 31 March 2021 decreased by approximately HK\$875,000, from the net loss position of approximately HK\$1,665,000 for the three months ended 31 March 2020 to the net loss position of approximately HK\$790,000 for the three months ended 31 March 2021. Such decrease in the net loss position was mainly attributable to an increase in revenue in the PRC operations and Hong Kong recruitment service activities.

## Dividend

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2021 (2020: Nil).

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 March 2021, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange, were as follows:

### Long positions in the shares of the Company

| Name of Directors                                 | Capacity/<br>Nature of interest  | Number of<br>shares held | Approximate<br>percentage of<br>the issued<br>share capital |
|---|--|--------------------------|---|
| Mr. Chan Ka Kin Kevin<br>("Mr. Kevin Chan")       | Interest in a controlled<br>corporation and interest held<br>jointly with another person<br>(Note 1) | 600,000,000              | 75%   |
| Mr. Chan Ka On Eddie<br>("Mr. Eddie Chan")        | Interest in a controlled<br>corporation and interest held<br>jointly with another person<br>(Note 1) | 600,000,000              | 75%   |
| Mr. Chan Ka Shing Jackson<br>("Mr. Jackson Chan") | Interest in a controlled<br>corporation and interest held<br>jointly with another person<br>(Note 1) | 600,000,000              | 75%   |

*Note:*

1. Among such 600,000,000 shares, 450,000,000 shares are registered in the name of KJE Limited and 150,000,000 shares are registered in the name of Caiden Holdings Limited. KJE Limited was owned as to approximately 33.33% by Mr. Kevin Chan, 33.33% by Mr. Eddie Chan and 33.33% by Mr. Jackson Chan and accordingly each of them is deemed to be interested in all the shares held by KJE Limited under the SFO. Caiden Holdings Limited is wholly owned by Mr. Chow Ka Wai Raymond (“**Mr. Raymond Chow**”) and Mr. Raymond Chow is therefore deemed to be interested in all the shares held by Caiden Holdings Limited under the SFO. On 18 January 2018, Mr. Kevin Chan, Mr. Eddie Chan, Mr. Jackson Chan and Mr. Raymond Chow executed a deed of concert parties arrangement and they have been and will be acting in concert pursuant to the deed. Therefore, each of Mr. Kevin Chan, Mr. Eddie Chan and Mr. Jackson Chan is deemed to be interested in all the shares held by KJE Limited and Caiden Holdings Limited under the SFO.

Save as disclosed above, as at 31 March 2021, none of the Directors and chief executive of the Company has or was deemed to have any interests or short positions in any shares, debentures or underlying shares of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange.

## **SUBSTANTIAL SHAREHOLDERS’ INTERESTS AND SHORT POSITIONS IN THE SHARES, DEBENTURES AND UNDERLYING SHARES OF THE COMPANY**

So far as the Directors are aware, as at 31 March 2021, the following person (other than the Directors or chief executive of the Company the interests of which were disclosed above) or corporation had interest or short position in the shares of the Company which were required to be entered in the register of the Company pursuant to section 336 of the SFO:

### **Long positions in the shares of the Company**

| <b>Name of substantial shareholders</b> | <b>Capacity/<br/>Nature of interest</b>  | <b>Number of shares held</b> | <b>Approximate percentage of the issued share capital</b> |
|---|--|------------------------------|---|
| KJE Limited                             | Beneficial owner and interest held jointly with another person ( <i>Note 1</i> )                     | 600,000,000                  | 75%   |
| Caiden Holdings Limited                 | Beneficial owner and interest held jointly with another person ( <i>Note 1</i> )                     | 600,000,000                  | 75%   |
| Mr. Raymond Chow                        | Interest in a controlled corporation and interest held jointly with another person ( <i>Note 1</i> ) | 600,000,000                  | 75%   |

*Note:*

1. Among such 600,000,000 shares, 450,000,000 shares are registered in the name of KJE Limited and 150,000,000 shares are registered in the name of Caiden Holdings Limited. KJE Limited was owned as to approximately 33.33% by Mr. Kevin Chan, 33.33% by Mr. Eddie Chan and 33.33% by Mr. Jackson Chan and accordingly each of them is deemed to be interested in all the shares held by KJE Limited under the SFO. Caiden Holdings Limited is wholly owned by Mr. Raymond Chow and Mr. Raymond Chow is therefore deemed to be interested in all the shares held by Caiden Holdings Limited under the SFO. On 18 January 2018, Mr. Kevin Chan, Mr. Eddie Chan, Mr. Jackson Chan and Mr. Raymond Chow executed a deed of concert parties arrangement and they have been and will be acting in concert pursuant to the deed. Therefore, Mr. Raymond Chow is deemed to be interested in all the shares held by KJE Limited and Caiden Holdings Limited under the SFO.

Save as disclosed above, the Directors and the chief executive of the Company were not aware of any person (other than the Directors or chief executive of the Company the interests of which were disclosed above) who has an interest or short position in the securities of the Company that were required to be entered in the register of the Company pursuant to section 336 of the SFO as at 31 March 2021.

## **SHARE OPTION SCHEME**

The Company has adopted a share option scheme on 13 September 2018 (the “**Share Option Scheme**”). No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since the adoption of the Share Option Scheme and there was no share option outstanding as at 31 March 2021.

## **DIRECTORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

At no time during the three months ended 31 March 2021 was the Company, its subsidiaries or its other associated corporations a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of the shares or underlying shares in or debentures of, the Company or any of its associated corporations. As at the date of this announcement, the Company has not granted any share options to the Directors.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the three months ended 31 March 2021.

## **COMPETING INTERESTS**

During the three months ended 31 March 2021, none of the Directors or the controlling shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) had an interest in a business which competes or may compete, either directly or indirectly with the business of the Group.

## **INTERESTS OF THE COMPLIANCE ADVISER**

The Company's compliance adviser, HeungKong Capital Limited (the "**Compliance Adviser**"), entered into the compliance adviser agreement with the Company on 19 September 2018. As at 31 December 2020, the engagement of the Compliance Adviser has covered the second full financial year commencing after the Listing Date, which has been satisfied with the Rule 6A.19 of the GEM Listing Rules. As at 31 March 2021, the engagement of the Compliance Adviser has expired. As notified by the Compliance Adviser, except for the compliance adviser agreement, neither the Compliance Adviser nor any of its directors, employees or close associated had any interests in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) or otherwise in relation to the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules as at the date of this announcement.

## **CORPORATE GOVERNANCE PRACTICES**

The Company has complied with the code provisions of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules throughout the three months ended 31 March 2021.

## **DIRECTORS' SECURITIES TRANSACTION**

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its code of conduct regarding Directors' transactions in securities of the Company. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standards of dealings and its code of conduct regarding securities transactions by the Directors throughout the three months ended 31 March 2021.

## **AUDIT COMMITTEE**

The audit committee of the Board (the "**Audit Committee**") was established on 13 September 2018 in compliance with Rule 5.28 of the GEM Listing Rules and with written terms of reference in compliance with the Corporate Governance Code and the Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules. It currently comprises three independent non-executive Directors, namely Mr. Tong Kam Piu, Mr. Poon Kai Kin and Dr. Lau Kin Shing Charles. Mr. Poon Kai Kin is the chairman of the Audit Committee.

The primary duties of the Audit Committee include making recommendations to the Board on the appointment and approval of external auditors, reviewing and supervising the financial statements and material advice in respect of financial reporting, overseeing internal control procedures and corporate governance of the Company, supervising internal control and risk management systems of the Company and monitoring continuing connected transactions (if any).

The Audit Committee has reviewed the unaudited condensed consolidated financial statements for the three months ended 31 March 2021 and has provided advice and comments thereon.

By Order of the Board  
**KOS International Holdings Limited**  
**Chan Ka Kin Kevin**  
*Chairman*

Hong Kong, 12 May 2021

*As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Chan Ka Kin Kevin (Chairman), Mr. Chan Ka On Eddie and Mr. Chan Ka Shing Jackson; and three independent non-executive Directors, namely, Mr. Tong Kam Piu, Mr. Poon Kai Kin and Dr. Lau Kin Shing Charles.*

*This announcement will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Listed Company Information” page for at least 7 days from the date of its publication and on the Company’s website at [www.kos-intl.com](http://www.kos-intl.com).*