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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)

PROFIT WARNING

This announcement is made by KOS International Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that after the preliminary review of the unaudited management accounts of the Group, the Group is expected to record a loss for the year ended 31 December 2018 as compared with a profit for the year ended 31 December 2017. However, if the non-recurring listing expenses incurred during the year ended 31 December 2018 were excluded, the Group would record a normalised profit for the year ended 31 December 2018 which represents a drop in profit of approximately 60% as compared with the normalised profit for the year ended 31 December 2017. The significant decrease in such normalised profit for the year ended 31 December 2018 was primarily due to the combined effect of:

- (i) the Group had experienced a significant decrease in recruitment revenue during the fourth quarter of 2018 when the Group’s recruitment business was overshadowed by the global economic turmoil which affected our clients’ willingness and timetable of their recruitment process, thus, the recruitment market was slower than expected and hence the revenue from the Group’s recruitment business decreased in the relevant period;
- (ii) increase in staff cost as a result of the increased number of staff;
- (iii) increase in administrative expenses with the listing status attributed by the increased audit fees and professional fees and increased insurance expenses; and
- (iv) additional rent and rates incurred in relation to the expansion of the office of the Company in Hong Kong.

The Company is still in the process of finalising its audited financial results for the year ended 31 December 2018. The information contained in this announcement is only based on the preliminary assessment by the Board on the unaudited consolidated management accounts of the Group for the year ended 31 December 2018 and the information available for the time being, which have neither been reviewed by the audit committee of the Company nor audited by the Company's auditors. The above information may be subject to further adjustment based on further updated information, and following the completion of the audit by the Company's auditors and the review by the Company's audit committee. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2018, which is expected to be published on 22 March 2019.

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

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

Hong Kong, 8 March 2019

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 Mr. Wang Ho Pang.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, 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.

This announcement will remain on the GEM website at 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.