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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 decrease in the net profit after tax for the year ended 31 December 2019 as compared to the net profit after tax, excluding the effect of the non-recurring listing expenses, for the year ended 31 December 2018. The net profit after tax for the year ended 31 December 2019 is expected to drop to not more than HK\$2 million; whereas the net profit after tax, excluding the effect of the non-recurring listing expenses, for the year ended 31 December 2018 was approximately HK\$8 million. The decrease was primarily due to the combined effect of:

- (i) a slower than expected turnover growth hampered by poorer performances in the second half of the year as a result of the decline in the recruitment demand triggered by the recent social unrest in Hong Kong, although the Group’s turnover for the year ended 31 December 2019 has increased by over 20% compared to the year ended 31 December 2018 as attributable to the expansion of our business operations in Hong Kong;
- (ii) increase in staff costs due to the expansion of our business operations in Hong Kong over the year;
- (iii) the newly establishment of the recruitment operations in the People’s Republic of China including but not limited to recruiting additional experienced consultants specialised in diversified functional specialisation;

- (iv) increase in advertising expenses incurred for third party recruitment websites for the provision of recruitment services and also the software maintenance expenses attributable to the expansion of our business team in Hong Kong; and
- (v) increase in corporate expenses with the listing status while such corporate expenses only incurred in the fourth quarter of 2018 as the shares of the Company were listed on GEM in October 2018.

The Company is still in the process of finalising its audited financial results for the year ended 31 December 2019. 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 2019 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 2019, which is expected to be released before the end of March 2020.

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, 5 March 2020

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.