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kidsland
凱知樂

Kidsland International Holdings Limited
凱知樂國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 2122)

INSIDE INFORMATION
PROFIT WARNING

This announcement is made by Kidsland International Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform the shareholders and potential investors of the Company that, based on the Board's preliminary assessment of the unaudited consolidated management accounts of the Group and other information currently available, the Group is expected to record a significant loss for the six months ended 30 June 2018 of no less than HK$50 million as compared to a profit for the six months ended 30 June 2017. Such result, as an outcome of a more competitive Chinese market, was primarily attributable to:

(i) a decrease in gross profit margin of the Group which was attributable to both a decrease in selling prices and an increase in purchase costs for some of the Group's major products sold in China;

(ii) an increase in selling and distribution expenses mainly due to an increase in costs incurred for the outsourced personnel service and consignment expenses; and

(iii) an increase in administrative and other operational costs.

The Company has yet to finalise the interim results (the "**Interim Results**") of the Group for the six months ended 30 June 2018. The information contained in this announcement is only based on the preliminary assessment by the Board of the current information available, and the unaudited consolidated management accounts of the Group for the six months ended 30 June 2018, which has neither been reviewed by the audit committee of the Board, nor reviewed or audited by the external auditors of the Company. The Interim Results may be different from what is disclosed in this announcement. Shareholders of the Company and potential investors are advised to read carefully the Interim Results announcement of the Company, which is expected to be published before the end of August 2018.

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

By order of the Board
Kidsland International Holdings Limited
凱知樂國際控股有限公司
Lee Ching Yiu
Chairman of the Board,
Chief Executive Officer and
Executive Director

Hong Kong, 3 August 2018

As at the date of this announcement, the Board comprises (i) three executive directors, namely, Mr. Lee Ching Yiu, Dr. Lo Wing Yan William, and Ms. Zhong Mei, (ii) two non-executive directors, namely, Mr. Du Ping, and Ms. Duan Lanchun, and (iii) three independent non-executive directors, namely, Mr. Cheng Yuk Wo, Mr. Huang Lester Garson and Dr. Lam Lee G.