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)

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 Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") 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 "**Directors**" and the "**Board**", respectively) wishes to inform the Company's shareholders (the "**Shareholders**") and potential investors that based on a preliminary review of the Group's unaudited consolidated management accounts for the six months ended 30 June 2020 (the "**1H2020**") and information currently available to the Board, the Group expects to record a net loss after tax of not less than RMB130 million for the 1H2020, compared to a net loss after tax of approximately RMB1.9 million for the six months ended 30 June 2019 (the "**1H2019**").

To the best knowledge of the Directors, the significant deterioration was mainly attributable to the unexpected outbreak of the novel coronavirus disease 2019 (the "**COVID-19**"). The Group's operations were significantly impacted by the lockdown or semi-lockdown in many of the cities in which the Group operated during the 1H2020. Consumer sentiments have also been considerably suppressed as a result of the COVID-19 and the associated impacts on the overall economy during the 1H2020.

To mitigate the negative financial impact under the challenging operating environment in the 1H2020, the Group has intensified its measures in cash management and expense control. As of 30 June 2020, the Group's cash position has significantly improved to approximately RMB117.8 million, compared to RMB36.2 million as of 31 December 2019 (the "**YE2019**"). Nevertheless, the saving from the Group's expense control was insufficient to offset the impact of the decline in sales and profitability during the 1H2020.

The Group is currently in the process of compiling its consolidated interim results for the 1H2020. The information contained in this announcement (except the figures for the unaudited net loss for the 1H2019 and cash position as of the YE2019) is only based on the Board's preliminary evaluation of the Group's unaudited consolidated management accounts for the 1H2020, which have not been audited or reviewed by the Company's independent auditors. These figures may be subject to necessary adjustments in the 2020 interim financial results announcement of the Company, which is expected to be published by the end of August 2020 (the "**Results Announcement**").

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

By order of the Board
Kidsland International Holdings Limited
Lee Ching Yiu
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 28 August 2020

As of the date of this announcement, the Board comprises the executive Directors, namely Mr. Lee Ching Yiu (Chairman and Chief Executive Officer), Mr. Hung Shing Ming and Ms. Zhong Mei; the non-executive Directors, namely Mr. Du Ping and Ms. Duan Lanchun; and the independent non-executive Directors, namely Mr. Cheng Yuk Wo, Mr. Huang Lester Garson and Dr. Lam Lee G.