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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 ALERT FOR FIRST HALF OF 2021

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 2021 (the “**Reporting Period**”) and information currently available to the Board, the Group expects to record a net profit after tax of not less than RMB10.0 million, compared to an unaudited net loss after tax of approximately RMB135.6 million for the six months ended 30 June 2020 (the “**Prior Period**”).

To the best knowledge of the Directors, the expected improvement in financial performance of the Reporting Period compared to the Prior Period was mainly due to the following factors:

- (i) Recovery and normalisation in sales and gross profit margin due to ease of negative impact from the novel coronavirus disease 2019 (the “**COVID-19**”) in the Reporting Period in Mainland China and robust growth in sales in Hong Kong and Macau; and
- (ii) the Group’s continuous effort in expense control.

Nevertheless, the Board considers that the Group's business prospects and financial performance sustainability in the second half of 2021 remains challenging and uncertain due to the following factors:

- (i) the potential lingering negative impact of COVID-19 and its Delta variant in general economic and employment situation in Mainland China, Hong Kong and Macau and uncertain consumer sentiment resulting from these factors; and
- (ii) the speed and degree of success in execution of our strategic upgrade and turnaround plan.

The Group is currently in the process of compiling its consolidated results for the Reporting Period. The information contained in this announcement (except the figure for the unaudited net loss after tax for the Prior Period) is only based on the Board's preliminary evaluation of the Group's unaudited consolidated management accounts for the Reporting Period, which have not been audited nor reviewed by the Company's independent auditors. These figures may be subject to necessary adjustments in the financial results announcement of the Company for the Reporting Period (the "**Interim Results Announcement**"), which is expected to be published by the end of August 2021.

Shareholders and potential investors are advised to read carefully the Interim Results Announcement and exercise caution when dealing in the shares of the Company, and should note that undue reliance on or use of the above information may cause investment risks.

By order of the Board

Kidsland International Holdings Limited

Lee Ching Yiu

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 27 August 2021

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.