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KAKIKO GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2225)

PROFIT WARNING

This announcement is made by Kakiko Group 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 and the Inside Information Provisions (as defined Part XIVA of the Securities and Futures Ordinance Chapter 571 of the laws of Hong Kong).

The board of directors (the “**Directors**” and the “**Board**”, respectively) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on a preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2018 (“**1H2018**”) and information currently available to the Board, the Group expects to record a loss of approximately S\$1.3 million. For the six months ended 30 June 2017 (“**1H2017**”), the Group recorded a profit of approximately S\$3.1 million (excluding one-off listing expenses).

The loss was mainly due to, among other factors, (i) a decrease in the number of construction ancillary services projects awarded to the Group in 1H2018 as compared to that in 1H2017 which resulted in a decrease of S\$1.2 million in our revenue; (ii) an increase of S\$2.3 million in workers’ wages and other related costs as the Group employed more workers in 1H2018 in preparation for the upcoming large-scale public sector projects as compared to that in 1H2017; and (iii) an increase of S\$1.7 million in staff costs mainly due to bonus payment made to back office staff and the remuneration paid to the executive Directors and independent non-executive Directors who were appointed in late 2017.

As the Company is still in the process of finalising the interim results of the Group for 1H2018, the information contained in this announcement is only based on the preliminary assessment by the Board by reference to the unaudited consolidated management accounts of the Group for the 1H2018, which have not been audited or reviewed by the Company’s independent auditor or the audit committee of the Board, respectively and is subject to adjustment. The interim unaudited consolidated financial results of the Group for 1H2018 are expected to be published on 13 August 2018.

Shareholders and potential investors or the Company should exercise caution when dealing in the securities of the Company.

For and on behalf of
Kakiko Group Limited
Kuah Ann Thia

Chairman, Executive Director and Chief Executive Officer

Singapore, 2 August 2018

As at the date of this announcement, the executive Directors are Mr. Kuah Ann Thia (Chairman and Chief Executive Officer) and Ms. Dolly Hwa Ai Kim (also known as Dolly Ke Aijin); the non-executive Director of the Company is Mr. Lu Yong; and the independent non-executive Directors are Mr. Ong Shen Chieh (also known as Mr. Wang Shengjie), Mr. Lau Kwok Fai Patrick and Mr. Lam Raymond Shiu Cheung.