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**K. H. Group Holdings Limited**  
**劍虹集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1557)**

**ANNOUNCEMENT OF ANNUAL RESULTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

The board (the “Board”) of directors (the “Directors”) of K. H. Group Holdings Limited (the “Company”) is pleased to present the annual results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 March 2016 (the “Year”/“2016”), together with the comparative figures for the corresponding year ended 31 March 2015 (the “Previous Year”/“2015”).

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2016

	<i>Note</i>	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
<b>Revenue</b>	4	<b>492,649</b>	357,313
Cost of sales		<u>(415,952)</u>	<u>(286,977)</u>
<b>Gross profit</b>		<b>76,697</b>	70,336
Other income	5	<b>3,532</b>	749
Administrative expenses		<u>(28,528)</u>	<u>(14,024)</u>
<b>Profit from operations</b>		<b>51,701</b>	57,061
Finance costs	7	<u>(995)</u>	<u>(778)</u>
<b>Profit before tax</b>		<b>50,706</b>	56,283
Income tax expense	8	<u>(10,403)</u>	<u>(9,702)</u>
<b>Profit and total comprehensive income for the year attributable to owners of the Company</b>	9	<u><b>40,303</b></u>	<u>46,581</u>
		<i>HK\$</i>	<i>HK\$</i>
<b>Earnings per share</b>			
– Basic	10(a)	<u><b>13.3 cents</b></u>	<u>15.5 cents</u>
– Diluted	10(b)	<u><b>N/A</b></u>	<u>N/A</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2016

	<i>Note</i>	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<u>46,406</u>	<u>39,925</u>
<b>Current assets</b>			
Inventories		1,228	369
Trade and retention receivables	12	93,584	115,546
Gross amounts due from customers for contract work		101,319	73,780
Prepayments, deposits and other receivables		9,918	6,733
Due from ultimate holding company		–	23
Pledged bank deposits		12,378	21,783
Bank and cash balances		<u>71,208</u>	<u>5,936</u>
		<u>289,635</u>	<u>224,170</u>
<b>Current liabilities</b>			
Trade and retention payables	13	54,743	88,537
Gross amounts due to customers for contract work		3,967	11,274
Accruals and other payables		9,263	6,568
Due to directors		–	4,487
Due to related companies		–	11,622
Finance lease payables		17,445	18,428
Provisions		–	61
Current tax liabilities		6,475	1,832
Bank borrowings		<u>56,618</u>	<u>38,764</u>
		<u>148,511</u>	<u>181,573</u>
<b>Net current assets</b>		<u>141,124</u>	<u>42,597</u>
<b>Total assets less current liabilities</b>		<u>187,530</u>	<u>82,522</u>
<b>Non-current liabilities</b>			
Finance lease payables		285	388
Deferred tax liabilities		<u>3,192</u>	<u>1,587</u>
		<u>3,477</u>	<u>1,975</u>
<b>NET ASSETS</b>		<u>184,053</u>	<u>80,547</u>
<b>Capital and reserves</b>			
Share capital		4,000	–
Reserves		<u>180,053</u>	<u>80,547</u>
<b>TOTAL EQUITY</b>		<u>184,053</u>	<u>80,547</u>

## **NOTES TO THE FINANCIAL INFORMATION**

### **1. GENERAL INFORMATION**

The Company was incorporated in the Cayman Islands as exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is at P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman, KY1-1108, Cayman Islands. The address of its principal place of business is at 10/F, Liven House, 61 King Yip Street, Kwun Tong, Kowloon, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 18 March 2016 (the "Listing Date").

The Company is an investment holding company. The principal activities of its subsidiaries are principally engaged in the provision of foundation services in Hong Kong.

### **2. GROUP REORGANISATION AND BASIS OF PREPARATION**

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the requirements of the Hong Kong Companies Ordinance (Cap. 622).

Pursuant to the group reorganisation (the "Group Reorganisation") which was completed on 25 January 2016 to rationalise the corporate structure in preparation for the listing of the Company's shares on the Stock Exchange (the "Listing"), the Company became the holding company of the subsidiaries now comprising the Group. Details of the Group Reorganisation are set out in the prospectus of the Company dated 8 March 2016 (the "Prospectus").

As the Group Reorganisation is undertaken to incorporate the Company as a holding company, the Group is a continuation of the existing group. Accordingly, the consolidated financial statements of the Group has been prepared in accordance with the principles of merger accounting.

The consolidated financial statements of the Group have been prepared as if the Group had always been in existence throughout both years presented, or since the respective dates of incorporation or establishment of the Group companies, rather than from the date when the Company became the holding company pursuant to the Group Reorganisation.

### 3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS AND REQUIREMENTS

During the Year, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2015. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current and prior year.

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective.

In addition, the Company has adopted the amendments to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") issued by the Stock Exchange relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

### 4. REVENUE

An analysis of the Group's revenue is as follows:

	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Construction contract income	<b><u>492,649</u></b>	<u>357,313</u>

### 5. OTHER INCOME

	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Interest income	<b>63</b>	146
Rental income on machinery and warehouse	<b>1,534</b>	48
Sales of scrapped materials	<b>1,267</b>	378
Others	<b><u>668</u></b>	<u>177</u>
	<b><u>3,532</u></b>	<u>749</u>

## 6. SEGMENT INFORMATION

### Operating segment information

As the Group is principally engaged in the provision of foundation services in Hong Kong, which are subject to similar business risks, and resources are allocated based on what is beneficial to the Group in enhancing the value of the Group as a whole, the Group's chief operating decision maker considers the performance assessment of the Group should be based on the profit before tax of the Group as a whole. Therefore, management considers there to be only one operating segment under the requirements of Hong Kong Financial Reporting Standard 8 "Operating Segments".

### Geographical information

All non-current assets and Group's revenue from external customers during the Year are located in Hong Kong.

## 7. FINANCE COSTS

	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Finance lease charges	<b>700</b>	518
Interest on bank borrowings	<b>1,350</b>	1,294
	<b>2,050</b>	1,812
Less: Amount attributable to contract work	<b>(1,055)</b>	(1,034)
	<b>995</b>	778

## 8. INCOME TAX EXPENSE

	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Current tax – Hong Kong Profits Tax		
Provision for the year	<b>8,798</b>	8,115
Deferred tax	<b>1,605</b>	1,587
	<b>10,403</b>	9,702

Hong Kong Profits Tax has been provided at a rate of 16.5% (2015: 16.5%) on the estimated assessable profit during the Year.

## 9. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging/(crediting) the following:

	<i>Note</i>	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Auditor's remuneration		<b>1,150</b>	100
Costs of construction materials	<i>(a)</i>	<b>137,700</b>	87,985
Depreciation	<i>(b)</i>	<b>4,591</b>	3,408
Listing expenses		<b>8,736</b>	2,565
Loss on disposals of property, plant and equipment	<i>(c)</i>	<b>15</b>	15
Operating lease charges	<i>(d)</i>		
– Hire of plant and equipment		<b>8,746</b>	3,644
– Land and buildings		<b>1,863</b>	1,908
		<b>10,609</b>	5,552
Staff costs including directors' emoluments	<i>(e)</i>		
– Salaries, bonuses and allowances		<b>44,771</b>	26,105
– Retirement benefits scheme contributions		<b>1,488</b>	863
		<b>46,259</b>	26,968
Derecognition of financial guarantees		<b>(61)</b>	(41)

*Note:*

- (a) The amounts included in cost of sales.
- (b) The amounts included in cost of sales for the years ended 31 March 2016 and 2015 amounted to HK\$4,304,000 and HK\$3,205,000 respectively.
- (c) The amounts included in cost of sales for the years ended 31 March 2016 and 2015 amounted to HK\$3,000 and HK\$9,000 respectively.
- (d) The amounts included in cost of sales for the years ended 31 March 2016 and 2015 amounted to HK\$8,746,000 and HK\$3,713,000 respectively.
- (e) The amounts included in cost of sales for the years ended 31 March 2016 and 2015 amounted to HK\$37,132,000 and HK\$20,511,000 respectively.

## 10. EARNINGS PER SHARE

### (a) Basic earnings per share

The calculation of the basic earnings per share is based on the following:

	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
<b>Earnings</b>		
Earnings for the purpose of calculating basic earnings per share	<u>40,303</u>	<u>46,581</u>
	<b>2016</b> <b>'000</b>	2015 '000
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share ( <i>note</i> )	<u>304,098</u>	<u>300,000</u>

*Note:* In determining the number of shares in issue, the total of 300,000,000 shares issued (10,000 shares issued on the incorporation of the Company and 299,990,000 shares issued on capitalisation issue (the “Capitalisation Issue”) were deemed to have been in issue since 1 April 2014. Details of the Capitalisation Issue are set out in the Prospectus.

### (b) Diluted earnings per share

No diluted earnings per share are presented as the Company did not have any dilutive potential ordinary shares during the two years ended 31 March 2016 and 2015.

## 11. DIVIDENDS

	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Special dividend paid	<u>25,200</u>	<u>–</u>

During the year ended 31 March 2016, the Group declared and paid special dividend of HK\$25,200,000 to its then shareholder prior to the completion of Group Reorganisation.

The Board does not recommend the payment of final dividend for the year ended 31 March 2016.



## 12. TRADE AND RETENTION RECEIVABLES

	<i>Note</i>	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Trade receivables	(a)	<b>49,484</b>	78,823
Retention receivables	(b)	<b>44,100</b>	36,723
		<b>93,584</b>	115,546

*Note:*

- (a) The Group's trade receivables represent progress billings receivables from contract customers. The general credit terms of trade receivables were within 14 days to 45 days. Application for progress payment of contract works is made on a regular basis. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by directors.

The ageing analysis of trade receivables, based on the progress payment, is as follows:

	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
0 to 30 days	<b>29,733</b>	65,480
31 to 60 days	<b>14,020</b>	13,343
Over 60 days	<b>5,731</b>	–
	<b>49,484</b>	78,823

- (b) As at 31 March 2016, the amount of retention receivables expected to be recovered after more than twelve months was HK\$17,342,000 (2015: HK\$25,761,000).

### 13. TRADE AND RETENTION PAYABLES

	<i>Note</i>	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Trade payables	(a)	<b>41,599</b>	76,074
Retention payables	(b)	<b>13,144</b>	12,463
		<b><u>54,743</u></b>	<b><u>88,537</u></b>

*Note:*

(a) The aging analysis of trade payables, based on the date of receipt of goods/services, is as follows:

	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
0 to 30 days	<b>24,998</b>	46,970
31 to 60 days	<b>11,537</b>	16,305
61 to 90 days	<b>333</b>	8,065
Over 90 days	<b>4,731</b>	4,734
	<b><u>41,599</u></b>	<b><u>76,074</u></b>

(b) As at 31 March 2016, the amount of retention payables expected to be due after more than twelve months was HK\$9,119,000 (2015: HK\$7,665,000).

## MANAGEMENT DISCUSSION & ANALYSIS

### BUSINESS REVIEW

The Group has over 30 years history in the foundation works industry in Hong Kong, undertaking foundation and associated works for the private sector as well as the public sector. With the strengths and advantages of the Group, the management is expanding the Group's business prudently in accordance with the market conditions for the overall best interest to shareholders.

During the financial year ended 31 March 2016, the following projects were undertaken and contributed revenue to the Group:

Location of project	Project type	Type of works	Status
Tai Po, New Territories	Private	Foundations works	Completed
Hong Kong Island South, Hong Kong	Private	Foundations works and ELS works	Work in Progress
Lantau Island, New Territories	Public	Foundations works	Work in Progress
Sai Kung, New Territories	Private	Foundation works, ELS works and pile caps	Completed
Central Kowloon	Private	Foundation works, ELS works and pile caps	Work in Progress
Lantau Island, New Territories	Private	Foundations works and ELS works	Work in Progress
West Kowloon	Private	Foundations works	Work in Progress
East Kowloon	Public	Foundations works	Work in Progress

The revenue attributable from the foundation projects was approximately HK\$492.6 million for the Year (2015: approximately HK\$357.3 million). During the Year, the Group has completed 2 construction projects. 5 new projects were awarded during the Year, in which 2 new projects will be commenced after the Year, with an estimated contract sum of approximately HK\$155.8 million. As at 31 March 2016, the outstanding contract sums of all projects on hand were approximately HK\$174.0 million.

## **Development**

The shares of the Company were listed on the Stock Exchange on 18 March 2016 (“the Listing”). The Listing enhances the Group’s financial capabilities in business operation, and brings positive effect on the Group’s position and business opportunities in the market.

In line with the plans stated in the Prospectus, additional machinery will be purchased and additional middle to high level employees will be recruited. These will strengthen the competitiveness of the Group.

One of the members of the Group, K. H. Foundations Limited, successfully registered as Site Formation Works Specialist Contractor under Buildings Ordinance in March 2016. This enables the Group to participate more actively in projects with site formation works.

## **FINANCIAL REVIEW**

### **Revenue**

Revenue during the Year was mainly contributed by the foundation projects commenced since previous years. The Group’s total revenue for the Year was approximately HK\$492.6 million (2015: approximately HK\$357.3 million), representing an increase of approximately 37.9% as compared with the Previous Year and is mainly attributable to the achievement of significant progress or practical completion of these foundation projects for the Year.

### **Gross Profit and Gross Profit Margin**

The Group’s gross profit increased from approximately HK\$70.3 million for the Previous Year to approximately HK\$76.7 million for the Year. In addition, the Group’s gross profit margin decreased from approximately 19.7% for the Previous Year to 15.6% for the Year. The decrease of gross profit margin was mainly attributable to (i) additional construction costs

were incurred towards the completion stage of certain foundation projects in order to meet the schedule requirements during the Year; and (ii) the Group commenced certain new foundation projects during the Year in which the gross profit margin of these new foundation projects are lower than those in previous years. Directors consider that the overall gross profit margin still maintained at a healthy position during the Year.

### **Administrative Expenses**

The Group's administrative expenses was increased from approximately HK\$14.0 million for the Previous Year to approximately HK\$28.5 million for the Year and such increase was mainly attributable to (i) increase in non-recurring Listing expenses of approximately HK\$6.2 million; (ii) increase in staff costs and directors' remuneration totaling of approximately HK\$2.7 million during the Year as compared to the Previous Year.

### **Net Profit and Adjusted Net Profit**

During the Year, the Group reported a net profit of approximately HK\$40.3 million (2015: approximately HK\$46.6 million), representing a decrease of approximately 13.5% as compared with last year. If the non-recurring Listing expenses were eliminated, the Group's adjusted net profit for the Year would be revised to approximately HK\$49.0 million (2015: approximately HK\$49.1 million), representing a slightly decrease of approximately 0.2%.

*Note:* the calculation of the adjusted net profit disregard tax effect.

### **PROSPECTS**

The Group expects a steady growth in the construction industry in Hong Kong in view of the Government's policy in increasing land supply for housing and commercial building developments for both private and public sector as well as in infrastructure development plans. Moreover, the Group is considering to apply for inclusion into the registered piling contractor list under the Housing Department in order to enhance the Group's business opportunities.

To capture the up-coming business opportunities, the Group will continue to adequately invest for strengthening of machinery force and for upgrading man power. Premised on those competitive edges of the Group, the management is optimistic in achieving a steady growth in business performance. Meanwhile, the Group targets to further enhance the quality and efficiency of both management and site works.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

The Group has funded the liquidity and capital requirements primarily through capital contributions from the shareholders, bank borrowings and cash inflows from the operating activities.

As at 31 March 2016, the Group had pledged bank deposits and bank and cash balances of approximately HK\$83.6 million (2015: approximately HK\$27.7 million). The gearing ratio of the Group as at 31 March 2016 (defined as the total borrowings divided by total equity) was approximately 40.4% (2015: approximately 91.5%).

The financial resources presently available to the Group include bank borrowings and the net proceeds of the share offer and we have sufficient working capital for our future requirements. During the Year, the Group has not employed any financial instrument for hedging purposes.

### **USE OF NET PROCEEDS FROM LISTING**

As disclosed in the Prospectus, the Group intends to apply the net proceeds from the share offer, after deducting related underwriter fees and listing expenses, of approximately HK\$77.1 million as follows:

- approximately HK\$30.9 million or approximately 40% of the net proceeds will be used for the operation of prospective projects;
- approximately HK\$15.4 million or approximately 20% of the net proceeds will be used for the hiring of additional staff;
- approximately HK\$23.1 million or approximately 30% of the net proceeds will be used for the purchase of machinery and equipments; and
- approximately HK\$7.7 million or approximately 10% of the net proceeds will be used as the general working capital of our Group.

As at 31 March 2016, the Group spent approximately HK\$3.3 million for the operation of projects and approximately HK\$5.4 million as general working capital and placed the remaining net proceeds of approximately HK\$68.4 million in bank.

## **FOREIGN EXCHANGE**

The Group has a minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities, Hong Kong dollars. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

## **SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES**

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 23 July 2015. The Group completed the Group Reorganisation on 25 January 2016 in preparation for Listing pursuant to which the Company became the ultimate holding company of our Group. Details of the Group Reorganisation are set out in the Prospectus.

## **CAPITAL COMMITMENTS**

As at 31 March 2016, the Group has capital commitments of approximately HK\$3.0 million (2015: approximately HK\$3.1 million) contracted for purchase of plant and equipments.

## **CONTINGENT LIABILITIES**

- (a) As at 31 March 2016, the Group has provided guarantees to an insurance company on performance bonds for construction contracts amounting to approximately HK\$19.2 million (2015: approximately HK\$41.8 million).
- (b) During the Year, a subcontractor claimed against the Group for certain construction work. The Group and the subcontractor agree to resolve their disputes by arbitration or by other means of dispute resolution. The Group assessed the maximum liability on the claim that will affect the profit or loss would be approximately HK\$7,734,000.

The management, after taking external legal advice, consider that it is pre-mature to assess the outcome for the said claim. Pursuant to the Deed of Indemnity, the Controlling Shareholders have irrevocably and unconditionally, jointly and severally, agreed to indemnify the Group against, among others, all losses and damages arising from the disputes. Accordingly, no provision has been made for the claim.

## **OTHER INFORMATION**

### **Human Resources**

As at 31 March 2016, the Group had approximately 127 (2015: 86) employees. The remuneration package includes salary, discretionary bonuses and allowances. In general, the Group determines employee salaries based on the individual's qualifications, position and performance (where applicable).

### **Material Acquisitions and Disposals of Assets**

During the Year, save as additions to machinery and equipments for the normal course of business, the Group did not have any material acquisitions or disposals of assets.

### **Purchase, Sale or Redemption of Listed Securities**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the period from the Listing Date up to 31 March 2016.

### **Corporate Governance**

The Company has complied with all the applicable code provisions of the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the period from the Listing Date up to 31 March 2016.

### **Model Code of Securities Transactions by Directors**

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules upon Listing. The Company has made specific enquiry with the Directors and all Directors have confirmed that they complied with the required standards as set out in the Model Code throughout the period from the Listing Date up to 31 March 2016.



## **Review of Annual Results**

The Audit Committee of the Company has reviewed the accounting principles and practices adopted by the Group and the consolidated financial statements of the Group for the Year. The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in this announcement have been agreed by the Group's auditor, RSM Hong Kong, to the amounts set out in the Group's draft consolidated financial statements for the Year. The work performed by RSM Hong Kong in this respect was limited and did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by RSM Hong Kong on this announcement.

## **Final Dividend and Annual General Meeting**

The Directors recommended no payment of final dividend for the Year. Notice of the annual general meeting will be published and despatched to shareholders of the Company in the manner required by the Listing Rules in due course.

## **Closure of Register of Members**

In order to establish entitlements to attend and vote at the forthcoming annual general meeting of the Company, the register of members of the Company will be closed from Monday, 5 September 2016 to Wednesday, 7 September 2016, both days inclusive, during which period no transfer of shares of the Company will be registered. All transfers of shares of the Company accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Union Registrars Limited of Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration no later than 4:00 pm on Friday, 2 September 2016.

## **Publication of Results Announcement and Annual Report**

This announcement is published on the website of the Stock Exchange at [www.hkex.com.hk](http://www.hkex.com.hk) and at the website of the Company at [www.kh-holdings.com](http://www.kh-holdings.com). The annual report will be despatched to the shareholders of the Company and available on the above websites in due course.

## **APPRECIATION**

The Board would like to express its sincere gratitude to the management of the Group and all the staff for their hard work and dedication, as well as its shareholders, business associates and other professional parties for their support throughout the year.

By order of the Board  
**K. H. Group Holdings Limited**  
**Yu Shiu Tin Paul**  
*Chairman*

Hong Kong, 22 June 2016

*As at the date of this announcement, the executive directors of the Company are Mr. Yu Shiu Tin Paul (Chairman), Mr. Yeung Sau Ming Boris, Ms. Chan Lai Kuen; and the independent non-executive directors of the Company are Mr. Chan Kee Huen Michael, Mr. Cheng Yan Kee, Mr. Cheung Chi Fai Frank and Professor Chung Hung Kwan Barnabas.*