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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)

PROFIT WARNING

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

In the Company’s interim results announcement (the “**2016 Interim Results Announcement**”) dated 28 November 2016 and interim report (the “**2016 Interim Report**”) despatched on 22 December 2016, it was disclosed that, among other things, the Group recorded an unaudited consolidated net loss attributable to equity holders of approximately HK\$19,350,000 for the six months ended 30 September 2016 as compared to an audited consolidated net profit attributable to equity holders of approximately HK\$42,095,000 for the corresponding period in 2015.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the factors causing such loss, which were previously mentioned in the profit warning announcement issued by the Company on 31 October 2016, the 2016 Interim Results Announcement and the 2016 Interim Report, continue to significantly affect the operating results of the Group. The challenging trend is expected to continue in 2017. As such, based on the information currently available to the Group including the unaudited consolidated management accounts of the Group for the nine months ended 31 December 2016, the Group is expected to incur a consolidated net loss attributable to equity holders for the year ending 31 March 2017, as compared to a consolidated net profit attributable to equity holders of approximately HK\$40,303,000 for the year ended 31 March 2016.

The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the information currently available to the Group including the unaudited consolidated management accounts of the Group for the nine months ended 31 December 2016 and is not based on any financial figures or information which has been audited or reviewed by the Company's auditors. Further details of the Group's financial results and performance for the year ending 31 March 2017 will be disclosed in the Company's annual results announcement to be published and made not later than 30 June 2017.

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

By Order of the Board
K. H. Group Holdings Limited
Yu Shiu Tin Paul
Chairman and executive Director

Hong Kong, 17 February 2017

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