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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)

CHANGE OF AUDITOR

This announcement is made by K. H. GROUP HOLDINGS LIMITED (the “**Company**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

RESIGNATION OF AUDITOR

The board of directors of the Company (the “**Board**”) hereby announces that World Link CPA Limited (“**World Link**”) has resigned as the Auditor of the Company with effect from 19 March 2020 after taking into account the circumstances and conditions including the change of its engagement team personnel responsible for carrying out the audit work for the Group for the year ending 31 March 2020.

The Company has received from World Link a confirmation that there is no other matter in connection with its resignation that need to be brought to the attention of the Company’s members or creditors of the Company.

The Board and the audit committee of the Company (the “**Audit Committee**”) also confirmed that there is no disagreement between World Link and the Company, and there is no other matters in respect of the resignation of World Link which should be brought to the attention of the holders of securities or creditors of the Company.

The Board would like to take this opportunity to thank World Link for their professional and quality services provided to the Company in the past year.

APPOINTMENT OF NEW AUDITOR

The Board announces that McMillan Woods (Hong Kong) CPA Limited (“**McMillan Woods**”) has been appointed as the new Auditor of the Company with effect from 19 March 2020 to fill the casual vacancy which was created by the resignation of World Link and to hold office until the conclusion of the forthcoming annual general meeting of the Company.

According to Code Provision C3.3 of Appendix 14 to the Listing Rules, the Audit Committee is responsible for performing, among others, the following duties:

- (a) to be primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external Auditor;
- (b) to approve the remuneration and terms of engagement of the external Auditor; and
- (c) to address any issues related to the resignation or removal of the Auditor (if any).

In respect of the resignation of World Link and the appointment of Mc Millian Woods, the Audit Committee has:

1. discussed and dealt with issues regarding the reasons for World Link’s resignation as the Company’s Auditors and the possible impacts on auditing of the Company’s consolidated financial statements for the year ending 31 March 2020 (the “**2020 Financial Report Audit**”);
2. obtained fee quotations from McMillan Woods and other professional accounting firms;
3. conducted a review of the background and suitability of McMillan Woods, including its qualifications, industry experience, service capabilities, and adjustments to future audit prices.

On the basis of the above works, the Audit Committee has passed a resolution on 19 March 2020 to recommend to the Board the appointment of McMillian Woods as the new Auditor of the Company to fill the vacancy created by the resignation of World Link and to hold office until the next annual general meeting of the Company after taking into consideration, inter alia, its fee quotation and its qualifications, industry experience, service capabilities, and adjustments to future audit fees.

Members of the Board have unanimously agreed to adopt the recommendations of the Audit Committee and a board resolution has been passed on 19 March 2020 to appoint McMillan Woods as the Company’s new Auditor to fill the vacancy created by the resignation of the World Link until the end of the forthcoming annual general meeting of the Company.

The Board would like to take this opportunity to extend its welcome to McMillan Woods on its appointment as the new Auditor of the Company.

By Order of the Board
K. H. Group Holdings Limited
劍虹集團控股有限公司
Chen Rongsheng
Chairman and Executive Director

Hong Kong, 20 March 2020

As at the date of this announcement, the Board comprises two Executive Directors, namely, Mr. Chen Rongsheng (Chairman) and Mr. Guan Jingdong and three Independent Non-executive Directors, namely, Dr. Luo Tiejian, Dr. Lu Haitian and Mr. Liu Xin.

If there is any inconsistency in this announcement between the Chinese and English versions, the English version shall prevail.