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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**”, 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 of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions 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 “**Board**”) wishes to inform the shareholders (the “**Shareholders**”) of the Company and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 March 2022 (the “**Year**”) and the information currently available to the Board, the Group is expected to record a net loss of not more than HK\$18.4 million for the Year as compared to a profit of approximately HK\$1.1 million for the year ended 31 March 2021 (the “**Comparative Year**”).

The Board considers that the expected net loss for the Year is primarily attributable to the following reasons:

- a) Increase in construction costs during the completion stages of certain foundations projects during the Year;
- b) Unexpected increase in project costs due to the changes in on-site arrangements and works schedules of certain projects because of the outbreak of the COVID-19 during the Year; and

- c) The Group received a non-recurring government grant of approximately HK\$5,819,000 under the Employment Support Scheme launched by the Hong Kong Government during the Comparative Year but no such income has been received during the Year.

The Company is in the process of preparing and finalising the annual results of the Group for the Year. The information contained in this announcement is only based on the information currently available to the Board and the preliminary review by the Board on the unaudited management accounts of the Group for the Year, which have not been reviewed by the Independent Auditors and/or the Audit Committee of the Company. The actual annual results of the Group for the Year may differ from what is disclosed in this announcement. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the Year, which is expected to be published in June 2022 in accordance with the requirements of the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the securities 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, 27 June 2022

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 Nonexecutive Directors, namely, Mr. Feng Zhidong, Professor 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.