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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)

(I) INSIDE INFORMATION — PLACING OF SHARES BY THE CONTROLLING SHAREHOLDER;

AND

(II) UPDATE ON THE STATUS OF PUBLIC FLOAT

Placing Agent of the controlling shareholder



KINGSTON SECURITIES

This announcement is made pursuant to Rule 13.09 of the Listing Rules and the provisions of the inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

References are made to the joint announcement of K. H. Group Holdings Limited (the “**Company**”) and Blessing Well Enterprise Limited (the “**Offeror**”) dated 6 August 2018 (the “**Close of Offer Announcement**”) in relation to the close of mandatory unconditional cash offer and the announcements of the Company dated 15 August 2018, 5 September 2018 and 12 September 2018 in relation to the grant of waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules. Capitalised terms used herein have the same meanings as defined in the Close of Offer Announcement unless the context otherwise requires.

PLACING OF SHARES BY THE CONTROLLING SHAREHOLDER

As set out in the Close of Offer Announcement, immediately after the close of the Offer, subject to the due registration by the Registrar of the transfer of the Offer Shares tendered under the Offer to the Offeror in respect of which valid acceptances were received, a total of 31,750,000 Shares, representing approximately 7.94% of the total issued share capital

of the Company, were held by the public (within the meaning of the Listing Rules). Accordingly, the Company cannot fulfil the minimum public float requirement set out under Rule 8.08(1)(a) of the Listing Rules.

The Company was informed by the Offeror, the controlling shareholder of the Company who is interested in 368,250,000 Shares (representing approximately 92.06% of the entire issued share capital of the Company), that on 12 October 2018, in order to assist the Company to restore the public float, the Offeror had entered into a placing agreement (the “**Placing Agreement**”) with Kingston Securities Limited (the “**Placing Agent**”) for the placing of 68,250,000 Shares (the “**Placing Shares**”) held by the Offeror at a placing price of HK\$1.99 per Placing Share (the “**Placing**”), on a best effort basis to placees who are third parties independent of the Company and its connected persons (as defined under the Listing Rules) (the “**Placees**”). The 68,250,000 Placing Shares represent approximately 17.06% of the issued share capital of the Company as at the date of this announcement. Pursuant to the Placing Agreement, the Placing Agent shall use its reasonable endeavours to ensure that (i) the Placees and their respective ultimate beneficial owners (if any) shall be third parties independent of the Company and its connected persons (as defined under the Listing Rules); and (ii) none of the Placees will be allotted with Placing Shares to the extent that any Placee will become a substantial shareholder (as defined under the Listing Rules) of the Company immediately upon the completion of the Placing. The placing period shall commence upon the execution of the Placing Agreement and ending on the Business Day immediately prior to placing completion date, being a date on or before 31 October 2018 or such other date as the Offeror and the Placing Agent shall agree).

RESTORATION OF PUBLIC FLOAT

As at the date of this announcement, the Offeror held approximately 92.06% the issued share capital of the Company. There were 31,750,000 Shares (representing approximately 7.94% of the entire issued share capital of the Company) held in the hands of the public. Immediately upon the completion of the Placing (assuming all the Placing Shares are placed), a total of 100,000,000 Shares, representing 25.00% of the issued share capital of the Company, will be held in the hands of the public and accordingly the public float of the Company will be restored. It is expected that completion of the Placing will take place on or before 31 October 2018 (or at such later date as the Offeror and the Placing Agent shall agree in writing). Further announcement(s) will be made by the Company in relation to completion of the Placing and the public float as and when appropriate.

EFFECT OF THE PLACING ON SHAREHOLDING

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) for illustrative purpose only, immediately upon completion of the Placing:

Shareholders	As at the date of this announcement		Immediately upon the completion of the Placing	
	<i>Number of Shares</i>	<i>Approximately %</i>	<i>Number of Shares</i>	<i>Approximately %</i>
The Offeror, Mr. Chen and parties acting in concert with any of them	368,250,000	92.06	300,000,000	75.00
Other public Shareholders (including the Placees)	<u>31,750,000</u>	<u>7.94</u>	<u>100,000,000</u>	<u>25.00</u>
Total	<u>400,000,000</u>	<u>100.00</u>	<u>400,000,000</u>	<u>100.00</u>

SUSPENSION OF TRADING

Trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 7 August 2018 and will remain suspended until further notice.

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

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, 12 October 2018

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.