

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

If you are in any doubt about this circular or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in K. H. Group Holdings Limited, you should at once hand this circular and the enclosed form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer, registered institution in securities, or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



**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)**

**PROPOSALS FOR (1) ADOPTION OF  
AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
AND REPORTS OF DIRECTORS AND AUDITORS;  
(2) RE-ELECTION OF RETIRING DIRECTORS;  
(3) RE-APPOINTMENT OF AUDITORS;  
(4) GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES  
AND  
NOTICE OF 2019 ANNUAL GENERAL MEETING**

---

This circular, for which the directors (the “**Directors**”) of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) for the purpose of giving information with regard the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

A notice convening the 2019 annual general meeting (“**2019 AGM**”) of K. H. Group Holdings Limited to be held at Room 1703-04 Worldwide House, 19 Des Voeux Central, Central, Hong Kong on Friday, 13 September 2019 at 10:00 a.m. is set out on pages 16 to 19 of this circular. A form of proxy for use at the 2019 AGM is enclosed with this circular. Whether or not you are able to attend the 2019 AGM, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of the power of attorney or authority, to the Company’s Hong Kong branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding such meeting or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at such meeting or any adjourned meeting thereof (as the case may be) should you so wish.

This circular, together with a form of proxy, will remain on the HKEx’s website at “[www.hkexnews.hk](http://www.hkexnews.hk)” for at least 7 days from the date of its publication and on the Company’s website at “[www.kh-holdings.com](http://www.kh-holdings.com)”.

Hong Kong, 15 July 2019

---

## CONTENTS

---

|   | <i>Page</i> |
|---|-------------|
| <b>DEFINITIONS</b> .....  | 1           |
| <b>LETTER FROM THE BOARD</b> .....  | 3           |
| Introduction .....  | 3           |
| Resolution (1) Adoption of the Audited Consolidated Financial Statements<br>and the Reports of Directors and Auditors<br>for the year ended 31 March 2019 ..... | 4           |
| Resolution (2) Re-election of Retiring Directors .....  | 4           |
| Resolution (3) Re-appointment of Auditors .....   | 7           |
| Resolutions (4), (5) and (6) Issue Mandate, Repurchase Mandate<br>and Extension Mandate .....   | 7           |
| 2019 Annual General Meeting and Proxy Arrangement .....   | 9           |
| Voting by way of Poll at the 2019 Annual General Meeting .....  | 9           |
| Closure of Register of Members .....  | 9           |
| Recommendation .....  | 10          |
| Responsibility of Directors .....   | 10          |
| General Information .....   | 10          |
| Language .....  | 11          |
| <b>APPENDIX — EXPLANATORY STATEMENT</b> .....   | 12          |
| <b>NOTICE OF 2019 ANNUAL GENERAL MEETING</b> .....  | 16          |

---

## DEFINITIONS

---

*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

|                            |  |
|----------------------------|--|
| “2019 AGM”                 | the 2019 annual general meeting of the Company to be held at Room 1703–04 Worldwide House, 19 Des Voeux Central, Central, Hong Kong on Friday, 13 September 2019 at 10:00 a.m., the notice of which is set out on pages 16 to 19 of this circular, or any adjourned meeting thereof; |
| “2019 AGM Notice”          | the notice convening the 2019 AGM set out on pages 16 to 19 of this circular;  |
| “2019 Annual Report”       | the annual report of the Company for the financial year ended 31 March 2019 despatched to the Shareholders together with this circular;  |
| “Articles of Association”  | the articles of association of the Company;  |
| “Auditors”                 | the auditors of the Company;   |
| “Board”                    | the Board of Directors;  |
| “Cayman Companies Law”     | the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands;   |
| “close associate(s)”       | has the meaning ascribed to it under the Listing Rules;  |
| “Company”                  | K. H. Group Holdings Limited 劍虹集團控股有限公司, an exempted company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board (stock code: 1557);  |
| “controlling shareholder”  | has the meaning ascribed to it under the Listing Rules;  |
| “core connected person(s)” | has the meaning ascribed to it under the Listing Rules;  |
| “Director(s)”              | director(s) of the Company;  |
| “Extension Mandate”        | a general and unconditional mandate proposed to be granted to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Issue Mandate;                             |
| “Group”                    | the Company and its subsidiaries from time to time;  |
| “HK\$”                     | Hong Kong dollars, the lawful currency of Hong Kong;   |

---

## DEFINITIONS

---

|                           |  |
|---------------------------|--|
| “Hong Kong”               | the Hong Kong Special Administrative Region of the PRC;  |
| “Issue Mandate”           | a general and unconditional mandate proposed to be granted to the Directors at the 2019 AGM to allot, issue and deal with Shares of up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate; |
| “Latest Practicable Date” | 10 July 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular;   |
| “Listing Rules”           | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;  |
| “Main Board”              | the Main Board of the Stock Exchange;  |
| “Memorandum”              | the memorandum of association of the Company as amended and restated, supplemented or modified from time to time;  |
| “PRC”                     | The People’s Republic of China, which for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;  |
| “Repurchase Mandate”      | a general and unconditional mandate proposed to be granted to the Directors at the 2019 AGM to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate;            |
| “SFO”                     | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);   |
| “Share(s)”                | ordinary share(s) of HK\$0.01 each in the share capital of the Company;  |
| “Shareholder(s)”          | the holder(s) of Share(s);   |
| “Stock Exchange”          | The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited, being a recognized exchange company under the SFO;   |
| “Takeovers Code”          | The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission in Hong Kong; and   |
| “%”                       | per cent.  |



**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)**

*Executive Directors:*

Mr. Chen Rongsheng (*Chairman*)

Mr. Guan Jingdong

*Independent Non-executive Directors:*

Dr. Luo Tiejian

Dr. Lu Haitian

Mr. Liu Xin

*Registered office:*

P. O. Box 1350

Clifton House, 75 Fort Street

Grand Cayman, KY1-1108

Cayman Islands

*Head office and principal place of  
business in Hong Kong:*

Unit 01, 82/F.

International Commerce Centre

1 Austin Road West

Kowloon, Hong Kong

Hong Kong, 15 July 2019

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR (1) ADOPTION OF  
AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
AND REPORTS OF DIRECTORS AND AUDITORS;  
(2) RE-ELECTION OF RETIRING DIRECTORS;  
(3) RE-APPOINTMENT OF AUDITORS;  
(4) GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES  
AND  
NOTICE OF 2019 ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the 2019 AGM including (i) the adoption of audited consolidated financial statements and the reports of Directors and Auditors; (ii) the proposed re-election of the retiring Directors; (iii) the proposed re-appointment of the Auditors; (iv) the granting of the Issue Mandate; (v) the granting of the Repurchase Mandate; (vi) the extension of the Issue Mandate by adding it to the aggregate nominal amount of the issued Shares repurchased by the Company under the Repurchase Mandate.

---

## LETTER FROM THE BOARD

---

### **RESOLUTION (1) ADOPTION OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND THE REPORTS OF DIRECTORS AND AUDITORS FOR THE YEAR ENDED 31 MARCH 2019**

The audited consolidated financial statements of the Company for the year ended 31 March 2019 together with the Reports of Directors and Auditors are set out in the 2019 Annual Report which has been uploaded to the websites of the Company at “[www.kh-holdings.com](http://www.kh-holdings.com)” and the Hong Kong Exchanges and Clearing Limited (“**HKEx**”) at “[www.hkexnews.hk](http://www.hkexnews.hk)”. The audited consolidated financial statements have been reviewed by the Audit Committee of the Company.

### **RESOLUTION (2) RE-ELECTION OF RETIRING DIRECTORS**

The Board currently consists of two Executive Directors, namely Mr. Chen Rongsheng and Mr. Guan Jingdong and three Independent Non-executive Directors namely Dr. Luo Tiejian, Dr. Lu Haitian and Mr. Liu Xin.

Pursuant to article 108 of the Articles of Association and to comply with the code provision A.4.2 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. Pursuant to article 108 of the Articles of Association, a retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the 2019 AGM at which he retires. Accordingly, Mr. Chen Rongsheng and Mr. Liu Xin will retire from office as Directors by rotation at the 2019 AGM and being eligible, offer themselves for re-election at the 2019 AGM.

The re-election of Directors has been reviewed by the Nomination Committee of the Company which recommended to the Board that the re-election be proposed for Shareholders’ approval at the 2019 AGM.

The nominations were made in accordance with the Board Nomination Policy of the Company and the objective criteria for the nominations include but not limited to, gender, age, cultural and educational background, professional experience, skills, knowledge and length of service, with due regard for the benefits of diversity as set out under the Board Diversity Policy of the Company.

---

## LETTER FROM THE BOARD

---

In recommending each of Mr. Chen Rongsheng to stand for re-election as an Executive Director (“**ED**”) and Mr. Liu Xin to stand for re-election as an Independent Non-executive Director (“**INED**”), the Nomination Committee has considered the following background and attributes of the nominees concerned:

(a) Mr. Cheng Rongsheng

Mr. Chen obtained an EMBA Degree jointly awarded by the National Taiwan University in Taiwan and the Fudan University in the PRC in January 2014. He has more than 17 years of experience in information technology.

(b) Mr. Liu Xin

Mr. Liu Xin is a registered accountant of the Chinese Institute of Certified Public Accountants since December 2004. He has over 18 years of experience in investment consultancy and accounting. Mr. Liu obtained a Bachelor of Accountancy in the Jinan University in the PRC in June 2001.

The Nomination Committee considered that in view of their diverse and different educational background and professional knowledge and experience in information technology and in investment and accounting, the appointments of Chen Rongsheng as an ED and Mr. Liu Xin as an INED will bring valuable perspectives, knowledge, skills and experience to the Board for its efficient and effective functioning and their appointments will contribute to the diversity of the Board appropriate to the requirements of the Company’s business.

The Nomination Committee has also assessed the independence of all the Independent Non-Executive Directors (“**INEDs**”). All the INEDs of the Company satisfy the Independence Guidelines set out in Rule 3.13 of the Listing Rules and have provided to the Company an annual written confirmation of his independence.

Brief biographical and other details of the retiring Directors which are required to be disclosed under the Listing Rules are set out below.

---

## LETTER FROM THE BOARD

---

### **Mr. Chen Rongsheng**

**Mr. Chen Rongsheng** (“**Mr. Chen**”), aged 49, is an entrepreneur in the PRC with his business and investment involved in various sectors including integrated circuit card and electronic labels, e-commerce, fintech and virtual game platform. He obtained an EMBA Degree jointly awarded by the National Taiwan University in Taiwan and the Fudan University in the PRC in January 2014. Mr. Chen has more than 17 years of experience in information technology. He has worked in New Doone Technology Company Limited\* (新東網科技有限公司), a wholly owned subsidiary of Tatwah Smartech Company Limited (中山達華智能科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002512) and is principally engaged in development of radiofrequency identification technology like integrated circuit cards and electronic labels since 2001 with his current position as the chief executive officer. Since 2014, Mr. Chen has been appointed as the director and chief executive of Tatwah Smartech Company Limited. Mr. Chen also invests in companies which are principally engaged in e-commerce, fintech or virtual game platform in the PRC.

Mr. Chen has entered into a service agreement with the Company for an initial term of 3 years commencing from 13 August 2018 subject to (i) termination in accordance with the terms of the service agreement; (ii) he retires but not offer for re-election at an annual general meeting of the Company; or (iii) he retires and offer for re-election but is not being re-elected at an annual general meeting of the Company. Mr. Chen is entitled to HK\$10,000 per year as Director’s fee which was determined based on arm’s length negotiation between the parties.

Save as disclosed above, Mr. Chen, has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. As at the Latest Practicable Date, Mr. Chen is beneficially interested in 300,000,000 Shares representing approximately 75% of the total issued Shares. Mr. Chen is not connected with any Directors, senior management, substantial or controlling shareholders of the Company.

### **Mr. Liu Xin**

**Mr. Liu Xin** (“**Mr. Liu**”), aged 41, has over 18 years of experience in investment consultancy and accounting. He obtained a Bachelor of Accountancy in the Jinan University in the PRC in June 2001. He worked in PriceWaterhouseCoopers for 8 years with his last position as a senior manager in the Advisory Department. He then served in Shanghai Fosun High Technology (Group) Company Limited\* (上海復星高科技(集團)有限公司) (a subsidiary of Fosun International Limited, a company listed on the Stock Exchange (stock code: 656)) from July 2011 to September 2015 as the chief financial officer of Fosun Kinzon Capital. From October 2015 to February 2019, he was the chief operating officer and a member of the Investment Committee of Shoreline Capital Management Ltd. Since March 2019, he has been the chief operating officer of Vision Plus Capital. Mr. Liu is a registered accountant of the Chinese Institute of Certified Public Accountants since December 2004.



---

## LETTER FROM THE BOARD

---

Mr. Liu has entered into a letter of appointment with the Company for an initial term of 3 years commencing from 13 August 2018 subject to (i) termination in accordance with the terms of the service agreement; (ii) he retires but not offer for re-election at an annual general meeting of the Company; or (iii) he retires and offer for re-election but is not being re-elected at an annual general meeting of the Company. Mr. Liu is entitled to HK\$150,000 per year as Director's fee which was determined based on arm's length negotiation between the parties.

Save as disclosed above, Mr. Liu has not held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. He is neither connected with any Directors, senior management, substantial or controlling shareholders of the Company, nor has any interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO as at the Latest Practicable Date.

Save as disclosed above, there is no other matters in relation to the re-election of the abovementioned retiring Directors that need to be brought to the attention of the Shareholders and there is no information relating to the abovementioned retiring Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

### **RESOLUTION (3) RE-APPOINTMENT OF AUDITORS**

World Link CPA Limited, will retire as the Auditors of the Company at the 2019 AGM and, being eligible, offer themselves for re-appointment.

The Board (which agreed with the view of the Audit Committee of the Company) recommended that, subject to the approval of the Shareholders at the 2019 AGM, World Link CPA Limited be re-appointed as the Auditors of the Company for 2019.

### **RESOLUTIONS (4), (5) AND (6) ISSUE MANDATE, REPURCHASE MANDATE AND EXTENSION MANDATE**

The existing general mandates to issue and repurchase Shares will lapse at the conclusion of the 2019 AGM. Accordingly, the following ordinary resolutions will be proposed at the 2019 AGM to seek the approval from Shareholders for the granting to the Directors of general mandates authorising them to:

- (i) exercise the powers of the Company to allot, issue and otherwise deal with new Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of such resolution;
- (ii) repurchase Shares on the Stock Exchange with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of such resolution; and

---

## LETTER FROM THE BOARD

---

- (iii) subject to the passing of the ordinary resolutions to approve the Issue Mandate and the Repurchase Mandate at the 2019 AGM, extend the Issue Mandate by an amount representing the aggregate nominal amount of Shares repurchased under the Repurchase Mandate.

As at the Latest Practicable Date, the Directors have not exercised the existing general mandates to issue and repurchase Shares and the Company had 400,000,000 Shares in issue.

Subject to the passing of the ordinary resolutions to approve the Issue Mandate at the 2019 AGM and on the basis that there is no change in the issued share capital of the Company between the Latest Practicable Date and the date of the 2019 AGM, the Company would be allowed to issue up to a maximum of 80,000,000 new Shares under the Issue Mandate.

Subject to the passing of the proposed resolution granting the Repurchase Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company between the Latest Practicable Date and the 2019 AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 40,000,000 Shares.

The explanatory statement providing the requisite information regarding the Repurchase Mandate as required to be sent to the Shareholders under the Listing Rules is set out in the Appendix to this circular.

In addition, an ordinary resolution will be proposed at the 2019 AGM to extend the Issue Mandate by an additional amount representing the aggregate nominal value of Shares repurchased under the Repurchase Mandate.

The Issue Mandate the Repurchase Mandate and the Extension Mandate, if approved by the Shareholders at the 2019 AGM, will continue until whichever is the earliest of:

- (i) the conclusion of the 2020 annual general meeting of the Company;
- (ii) the expiration of the period within which the 2020 annual general meeting of the Company is required by the Memorandum and the Articles of Association or any applicable laws of the Cayman Islands to be held; and
- (iii) the revocation or variation of such authority by ordinary resolution of the Shareholders in a general meeting.

With reference to the Issue Mandate and the Repurchase Mandate, the Directors wish to state that they have no immediate plan to issue any new Shares or repurchase any Shares pursuant thereto.

---

## LETTER FROM THE BOARD

---

### 2019 ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

A notice convening the 2019 AGM at which ordinary resolutions will be proposed for adoption of the audited consolidated financial statements for the year ended 31 March 2019 and the reports of the Directors and Auditors, the granting of the general mandate to issue and repurchase Shares, the re-election of Directors and the re-appointment of the Auditors of the Company is set out on pages 16 to 19 of this circular.

A form of proxy for use by the Shareholders at the 2019 AGM is enclosed with this circular. Whether or not you are able to attend the 2019 AGM in person, you are requested to complete and sign the form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of the power of attorney or authority, to the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the 2019 AGM or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the 2019 AGM or any adjourned meeting thereof (as the case may be) should you so wish and in such event, your appointment of proxy under any form of proxy shall be deemed to be revoked.

### VOTING BY WAY OF POLL AT THE 2019 ANNUAL GENERAL MEETING

Pursuant to Rule 13.39(4) of the Listing Rules and the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, all the resolutions proposed at the 2019 AGM will be voted by way of poll by the Shareholders.

Pursuant to Article 79 of the Articles of Association of the Company, on a poll, every Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy, shall have one vote for every Share held which is fully paid or credited as fully paid.

After the conclusion of the 2019 AGM, an announcement on the poll results will be published on the websites of the HKEx at "[www.hkexnews.hk](http://www.hkexnews.hk)" and the Company at "[www.kh-holdings.com](http://www.kh-holdings.com)".

### CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company for the 2019 AGM will be closed from Tuesday, 10 September 2019 to Friday, 13 September 2019, both days inclusive, during which no transfer of Shares will be registered. In order to qualify for attending and voting at the 2019 AGM or any adjournment thereof, all transfers of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong

---

## LETTER FROM THE BOARD

---

Kong branch share registrar and transfer office, Union Registrars Limited at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong not later than 4:00 p.m. on Monday, 9 September 2019.

### RECOMMENDATION

At the 2019 AGM, ordinary resolutions will be proposed to approve, among other matters, the adoption of audited consolidated financial statements and reports of the Directors and Auditors, the granting of the Issue Mandate, Repurchase Mandate and the Extension Mandate, the re-election of retiring Directors and the re-appointment of Auditors.

The Directors believe that the proposed granting of the Issue Mandate, the Repurchase Mandate and the Extension Mandate, the extension of the Issue Mandate and the proposed re-election of the retiring Directors and the re-appointment of the Auditors are in the best interests of the Group and the Shareholders as a whole. The Directors believe that an exercise of the General Mandate will enable the Company to take advantage of market conditions to raise additional capital for the Company. The Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be exercised when the Directors believe that such repurchase of Shares will benefit the Company and the Shareholders. An exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and/or gearing position of the Company. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital requirements or the gearing levels of the Company. Accordingly, the Directors recommend you to vote in favour of all the resolutions to be proposed at the 2019 AGM.

### RESPONSIBILITY OF DIRECTORS

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### GENERAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendix to this circular.

---

**LETTER FROM THE BOARD**

---

**LANGUAGE**

This circular is in English and Chinese. In case of any inconsistency, the English version shall prevail.

Yours faithfully,  
By Order of the Board  
**K. H. Group Holdings Limited**  
**Chen Rongsheng**  
*Chairman*

\* *For identification purposes only*

The following is the explanatory statement as required by the Listing Rules to be provided to the Shareholders concerning the Repurchase Mandate proposed to be granted to the Directors at the 2019 AGM.

### **LISTING RULES RELATING TO SHARES REPURCHASE**

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their Shares on the Stock Exchange subject to certain restrictions.

The Listing Rules provide that all proposed share repurchase by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate or by specific approval of a particular transaction. Such authority may only continue in force during the period from the passing of the resolution until the earlier of: (i) the conclusion of the next annual general meeting of the company; (ii) the expiry of the period within which the next annual general meeting of the company is required by law to be held; and (iii) the passing of an ordinary resolution by shareholders in general meeting of the company revoking or varying such mandate.

### **SHARE CAPITAL**

As at the Latest Practicable Date, the authorised share capital of the Company was 10,000,000,000 Shares, of which a total of 400,000,000 Shares were issued and fully paid.

Subject to the passing of the proposed ordinary resolution to approve the Repurchase Mandate and on the basis that there is no change in the issued share capital of the Company between the Latest Practicable Date and the date of the 2019 AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 40,000,000 Shares during the period from the date of the 2019 AGM up to (i) the conclusion of the 2020 annual general meeting of the Company; (ii) the expiration of the period within which the 2020 annual general meeting of the Company is required by the Memorandum and Articles of Association or any applicable laws of the Cayman Islands to be held; or (iii) the revocation or variation of such authority by ordinary resolution of Shareholders in a general meeting, whichever occurs first.

### **REASONS FOR REPURCHASE**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole for the Directors to have a general authority from the Shareholders to enable the Directors to repurchase Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and its assets and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole. The number of Shares to be bought-back on any occasion and the price and other terms on which the same are bought-back will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

**FUNDING AND IMPACT OF REPURCHASE**

The Company is empowered by the Articles of Association to repurchase its Shares. In repurchase of Shares, the Company may only apply funds which are legally available for the purpose in accordance with the Listing Rules, the Memorandum, and the Articles of Association, the Cayman Companies Law and all other applicable laws, rules and regulations, as the case may be.

Under the Listing Rules, a listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange.

Subject to the foregoing, any repurchases by the Company may be made out of profits of the Company, out of the Company's share premium account, out of proceeds of a new issue of Shares made for the purpose of the repurchase or, if authorised by the Articles of Association and subject to the Cayman Companies Law, out of capital. Any amount of premium payable on the purchase over the par value of the Shares to be repurchased must be paid out of profits of the Company or from sums standing to the credit of the Company's share premium account or, if authorised by the Articles of Association and subject to the Cayman Companies Law, out of capital.

As compared with the financial position of the Company as at 31 March 2019 (being the date to which the latest audited accounts of the Company were made up), the Directors consider that there might be a material adverse impact on the working capital or the gearing position of the Company in the event that the Repurchase Mandate was to be exercised in full during the proposed repurchase period. The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**DISCLOSURE OF INTEREST BY DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS**

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, having made all reasonable enquiries, none of the Directors nor any of their respective close associates has any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell any Shares to the Company.

No core connected person of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor he/she/it has undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

**UNDERTAKING OF THE DIRECTORS**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands, the Memorandum and Articles of Association.

**EFFECT OF THE TAKEOVERS CODE**

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the Directors' exercising the powers of the Company to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a mandatory offer for Shares under Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, the following persons were directly or indirectly interested in 5% or more of the issued share capital of the Company. Their respective interest as at the Latest Practicable Date is shown under the column "Approximate percentage of the issued share capital before a possible exercise of the Repurchase Mandate" while the respective interest in the event that the Directors exercise in full the power to repurchase Shares in accordance with the terms of the ordinary resolutions in relation to the Repurchase Mandate to be proposed at the 2019 AGM (and assuming that the issued share capital of the Company remains unchanged up to the date of the 2019 AGM) is shown under the column "Approximate percentage of the issued share capital should the Repurchase Mandate be exercised in full":

| <b>Name of Shareholder</b>                       | <b>Number of Shares Interested</b> | <b>Approximate percentage of the issued share capital before a possible exercise of the Repurchase Mandate</b> | <b>Approximate percentage of the issued share capital should the Repurchase Mandate is exercised in full</b> |
|--|------------------------------------|--|--|
| Blessing Well Enterprise Limited ( <i>Note</i> ) | 300,000,000                        | 75%  | 83.3%  |
| Chen Rongsheng                                   | 300,000,000                        | 75%  | 83.3%  |

The above are calculated based on 400,000,000 shares in issue as at the latest Practicable Date.

*Note:* 300,000,000 Shares is held by Blessing Well Enterprise Limited, a company wholly-owned by Chen Rongsheng.

On the basis of the shareholding held by the Shareholders named above, an exercise of the Repurchase Mandate in full will not result in Mr. Chen Rongsheng and Blessing Well Enterprise Limited becoming obliged to make a mandatory offer under Rules 26 and 32 of the Takeovers Code but will result in the reduction of public holding of Shares below 25%



of the issued capital of the Company. However, the Directors do not intend to exercise the power to Repurchase Shares to an extent which would render the public holding of Shares would be reduced below 25% of the issued capital of the Company.

#### SHARE REPURCHASE MADE BY THE COMPANY

No repurchase of Shares has been made by the Company (whether on the Stock Exchange or otherwise) during the six months immediately prior to the Latest Practicable Date.

#### SHARE PRICES

The monthly highest and lowest prices at which the Shares traded on the Stock Exchange during each of the previous twelve months, and up to the Latest Practicable Date, were as follows:

|  | <b>Per Share</b> |               |
|--|------------------|---------------|
|  | <b>Highest</b>   | <b>Lowest</b> |
|  | <i>HK\$</i>      | <i>HK\$</i>   |
| <b>2018</b>                              |                  |               |
| July                                     | 2.10             | 1.97          |
| August                                   | 2.02             | 1.89          |
| September                                | 2.00             | 2.00          |
| October                                  | 2.33             | 1.98          |
| November                                 | 2.78             | 1.10          |
| December                                 | 2.29             | 1.81          |
| <b>2019</b>                              |                  |               |
| January                                  | 2.02             | 1.60          |
| February                                 | 1.90             | 1.50          |
| March                                    | 1.85             | 1.50          |
| April                                    | 1.75             | 1.38          |
| May                                      | 1.69             | 1.26          |
| June                                     | 1.60             | 1.26          |
| July (up to the Latest Practicable Date) | 1.49             | 1.24          |



**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)**

**NOTICE OF 2019 ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** the 2019 annual general meeting (“**2019 AGM**”) of shareholders of K. H. Group Holdings Limited (the “**Company**”) will be held at Room 1703-04 Worldwide House, 19 Des Voeux Central, Central, Hong Kong on Friday, 13 September 2019 at 10:00 a.m. for the following purposes:

**ORDINARY RESOLUTIONS**

As Ordinary Business:

1. To receive and to consider and if thought fit, approve the audited consolidated financial statements and the reports of the Directors and the Auditors for the year ended 31 March 2019;
2. (a) To re-elect Mr. Chen Rongsheng as an Executive Director;  
(b) To re-elect Mr. Liu Xin as Independent Non-executive Director;  
(c) To authorise the Board of Directors of the Company to fix the Directors’ remuneration; and
3. To re-appoint World Link CPA Limited as the Auditors of the Company and to authorise the Board to fix their remuneration.

As Special Business:

To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions of the Company:

4. **“THAT:**
  - (a) subject to paragraph 4(c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with unissued shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require

---

## NOTICE OF 2019 ANNUAL GENERAL MEETING

---

the exercise of such powers, subject to and in accordance with all applicable laws and the articles of association of the Company, be and is hereby generally and unconditionally approved;

- (b) the Directors be and are hereby authorised during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of the share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraphs 4(a) and 4(b) above, otherwise than pursuant to a Rights Issue (as hereinafter defined) or pursuant to the exercise of any options granted under the share option scheme adopted by the Company or an issue of shares upon the exercise of subscription or conversion rights attached to the warrants or the convertible securities which might be issued by the Company or an issue of shares in lieu of the whole or part of a dividend on shares or any scrip dividend scheme or similar arrangement in accordance with the articles of association of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any applicable laws of the Cayman Islands to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of shares whose names stand on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”

---

**NOTICE OF 2019 ANNUAL GENERAL MEETING**

---

5. **“THAT:**
- (a) subject to paragraph 5(c) below, the exercise by the Directors during the Relevant Period (as defined in paragraph 4(d) above) of all the powers of the Company to repurchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
  - (b) the approval in paragraph 5(a) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors; and
  - (c) the aggregate nominal amount of the share capital of the Company which the Directors are authorised to repurchase pursuant to the approval in paragraphs 5(a) and 5(b) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of this resolution, and the said approval shall be limited accordingly.”
6. **“THAT** conditional upon the passing of the ordinary resolutions numbered 4 and 5 as set out in the notice convening this meeting being duly passed, the aggregate nominal amount of the shares in the issued capital of the Company which are repurchased by the Company under the authority granted to the Directors pursuant to and in accordance with the said resolution numbered 5 shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the Directors pursuant to and in accordance with the said resolution numbered 4.”

By Order of the Board  
**K. H. Group Holdings Limited**  
**Chen Rongsheng**  
*Chairman*

Hong Kong, 15 July 2019

---

## NOTICE OF 2019 ANNUAL GENERAL MEETING

---

*Notes:*

1. Any member of the Company entitled to attend and vote at the 2019 AGM may appoint another person as his proxy to attend and to vote instead of him. A proxy need not be a member of the Company.
2. All resolutions at the 2019 AGM will be taken by way of poll pursuant to the Listing Rules and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
3. Where there are joint registered holders of any share of the Company, any one such person may vote at the 2019 AGM, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the 2019 AGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof. The vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
4. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof must be delivered to the office of the Company's Hong Kong branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the 2019 AGM or any adjournment thereof.
5. A form of proxy for use at the 2019 AGM is despatched to the shareholders of the Company together with a copy of this notice.
6. The register of members of the Company will be closed from Tuesday, 10 September 2019 to Friday, 13 September 2019 (both days inclusive), during which no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the meeting, all transfer of shares of the Company accompanied by the relevant properly completed transfer forms and the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, not later than 4:00 p.m. on Monday, 9 September 2019.
7. As at the date hereof, the Board comprises Mr. Chen Rongsheng and Mr. Guan Jingdong as Executive Directors; and Dr. Luo Tiejian, Dr. Lu Haitian and Mr. Liu Xin as Independent Non-executive Directors.
8. If a Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force at or at any time after 7:00 a.m. on the date of the 2019 AGM, the 2019 AGM will be adjourned. The Company will post an announcement on the websites of the Company at "[www.kh-holdings.com](http://www.kh-holdings.com)" and the HKEx at "[www.hkexnews.hk](http://www.hkexnews.hk)" to notify shareholders of the date, time and place of the adjourned meeting.

The 2019 AGM will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the 2019 AGM under bad weather conditions bearing in mind their own situations.