

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.*



**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)**

**SUPPLEMENTAL ANNOUNCEMENT TO**  
**ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2024**

Reference is made to the Company's annual report for the year ended 31 March 2024 (the "**Annual Report**"). Unless otherwise stated, capitalised terms used herein shall have the same meanings as defined in the Annual Report.

In addition to the information set out in the Annual Report, the Company would like to provide the following supplemental information.

In order to strengthen the Company's financial position by broadening the Company's capital base and raise additional funds to facilitate the Group's business operations and seek other business development opportunities, the Company and Alpha Financial Group Limited entered into a placing agreement on 30 November 2023 regarding the placing of 80,000,000 new ordinary Shares (the "**Placing Shares**") to not less than six independent placees under the general mandate at a placing price of HK\$0.375 per Placing Share (the "**Placing**"). The net proceeds (after deducting the actual expenses relating to the Placing) (the "**Net Proceeds**") from the Placing was approximately HK\$29.6 million. The closing price of the Shares as quoted on the Stock Exchange on 30 November 2023 was HK\$0.440 per Share, the aggregate nominal value of the Placing Shares was HK\$800,000, and the net placing price was HK\$0.370 per Placing Share.

The table below sets out the planned applications of the Net Proceeds and actual usage during the year ended 31 March 2024:

	<b>Planned Applications (HK\$ million)</b>	<b>Utilisation up to 31 March 2024 (HK\$ million)</b>	<b>Unutilised Net Proceeds as at 31 March 2024 (HK\$ million)</b>
Business development opportunities, i.e. to develop and extend the Group's construction business	9.6	–	9.6
General working capital	20	5.2	14.8
<b>Total</b>	<b>29.6</b>	<b>5.2</b>	<b>24.4</b>

As at the date of the Annual Report, the Net Proceeds were used, or are proposed to be used, according to the intentions previously disclosed by the Company in its announcement dated 13 December 2023 and the Directors are not aware of any material change to the intended use of the net proceeds set forth above.

The above supplemental information does not affect other information contained in the Annual Report. Save as disclosed above, all other information in the Annual Report remains unchanged.

## CHANGE IN USE OF PROCEEDS

After considering the reasons set out in paragraphs headed “Reasons for the Change in Use of Proceeds” below, the Board has resolved on 30 September 2024 to change the use of the unutilised Net Proceeds as follows:

	<b>Utilisation from 1 April 2024 to immediately before the reallocation</b>	<b>Unutilised Net Proceeds immediately before the reallocation</b>	<b>Revised allocation of the unutilised Net Proceeds (HK\$ million)</b>	<b>Utilisation since the reallocation to the date of this announcement</b>	<b>Unutilised Net Proceeds as at the date of this announcement</b>	<b>Expected timeline of utilizing the Net Proceeds</b>
Business development opportunities, i.e. to develop and extend the Group's construction business	–	9.6	–	–	–	N/A
General working capital	0.8	14.0	11.1	2.4	8.7	September 2025
Repayment of bank borrowings	–	–	12.5	12.5	–	N/A
<b>Total</b>	<b>0.8</b>	<b>23.6</b>	<b>23.6</b>	<b>14.9</b>	<b>8.7</b>	

## **Reasons for the Change in Use of Proceeds**

In view of the winding-up petition dated 21 June 2024 filed by The Bank of East Asia, Limited (the “**Petitioner**”) at the High Court of the Hong Kong Special Administrative Region against the Company and K. H. Foundations Limited, a wholly-owned subsidiary of the Company, the Board has decided to prioritise the repayment of debts owed to the Petitioner which were overdue, and as a result, the Company has made adjustments to the use of the Net Proceeds.

The Board is of the view that the aforementioned change in use of proceeds from the Placing will enable the Group to utilise the unutilised Net Proceeds for the operation of the Group’s existing business, which will facilitate the Company to deploy its unallocated financial resources in a more flexible and efficient manner and is in the best interest of the Company and the Shareholders as a whole.

As at the date of this announcement, the Directors are not aware of any circumstances which will lead to a material change to the intended use of the unutilised Net Proceeds.

By Order of the Board  
**K. H. Group Holdings Limited**  
**Chang Chih-Chia**  
*Chairman and Executive Director*

Hong Kong, 29 November 2024

*As at the date of this announcement, the Board comprises three Executive Directors, namely, Mr. Chang Chih-Chia (Chairman), Dr. Wang Lei and Mr. Yang Xuefeng and three Independent Non-executive Directors, namely, Mr. Feng Zhidong, Mr. Wang Bo and Ms. Liu Yixing.*