

KGroup

KGROUP HOLDINGS LIMITED

千盛集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8475

**FIRST QUARTERLY REPORT
2021/2022**



CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE” AND THE “GEM”, RESPECTIVELY)

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Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, for which the directors (the “**Directors**” and each a “**Director**”) of K Group Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “**GEM 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 report 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 report misleading.*



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FIRST QUARTERLY RESULTS

The board of Directors (the “**Board**”) presents the unaudited condensed consolidated financial statements of the Group for the three months ended 30 November 2021 (the “**Period**” and the “**Unaudited Condensed Consolidated Financial Statements**”, respectively) together with comparative unaudited figures for the corresponding three months period in 2020 (the “**Last Corresponding Period**”) as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED 30 NOVEMBER 2021

		Three months ended	
		30 November	
		2021	2020
		(unaudited)	(unaudited)
	Notes	SGD'000	SGD'000
Revenue	4	3,127	4,463
Other income	5	691	622
Other losses, net	5	(5)	(1)
Cost of inventories consumed		(844)	(1,205)
Staff costs		(1,163)	(1,417)
Depreciation and amortisation		(579)	(1,383)
Rental and related expenses		(183)	(182)
Utility expenses		(136)	(135)
Marketing and advertising expenses		(10)	(78)
Franchise and licensing fees		(50)	(58)
Other operating expenses		(589)	(693)
Finance costs	6	(215)	(160)
Profit/(Loss) before tax	7	44	(227)
Income tax credit	8	17	–
Profit/(Loss) for the period		61	(227)
Profit/(Loss) per share attributable to ordinary equity holders of the parent	10		
Basic and diluted (SGD cents)		0.01	(0.05)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED 30 NOVEMBER 2021

	Three months ended	
	30 November	
	2021	2020
	(unaudited)	(unaudited)
	SGD'000	SGD'000
Other comprehensive loss		
<i>Other comprehensive income that may be reclassified to profit or loss in the subsequent period:</i>		
Exchange differences on translation of foreign operations	(1)	(6)
Total comprehensive income/(loss) for the period	60	(233)
Profit/(Loss) for the period attributable to:		
Owners of the parent	55	(216)
Non-controlling interests	6	(11)
	61	(227)
Total comprehensive income/(loss) attributable to:		
Owners of the parent	54	(219)
Non-controlling interests	6	(14)
	60	(233)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED 30 NOVEMBER 2021

	Attributable to owners of the parent						Non-controlling interests SGD'000	Total equity SGD'000
	Share capital SGD'000	Share premium SGD'000	Capital reserve SGD'000	Accumulated losses SGD'000	Translation reserve SGD'000	Sub-total SGD'000		
At 1 September 2021 (audited)	764	11,853	4,507	(20,129)	8	(2,997)	(898)	(3,895)
Profit for the period	-	-	-	55	-	55	6	61
Exchange differences on translation of foreign operations	-	-	-	-	(1)	(1)	-	(1)
Total comprehensive income/(loss) for the period	-	-	-	55	(1)	54	6	60
At 30 November 2021 (unaudited)	764	11,853	4,507	(20,074)	7	(2,943)	(892)	(3,835)
At 1 September 2020 (audited)	764	11,853	4,507	(13,407)	4	3,721	(694)	3,027
Loss for the period	-	-	-	(216)	-	(216)	(11)	(227)
Exchange differences on translation of foreign operations	-	-	-	-	(3)	(3)	(3)	(6)
Total comprehensive loss for the period	-	-	-	(216)	(3)	(219)	(14)	(233)
At 30 November 2020 (unaudited)	764	11,853	4,507	(13,623)	1	3,502	(708)	2,794

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

K Group Holdings Limited (the “**Company**”) is a limited liability company incorporated in the Cayman Islands and its shares are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. The registered office of the Company is located at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands, and the principal place of business of the Company located at 1 Grange Road, Orchard Building, #12-01, Singapore 239693.

During the year, the Group was involved in the following principal activities:

- Restaurant operations
- Sales of food ingredients
- Provision of franchise and royalty services

No statutory financial statements have been prepared for the Company as it is incorporated in a jurisdiction where there is no statutory audit requirement.

2. BASIS OF PREPARATION AND PRESENTATION

The Unaudited Condensed Consolidated Financial Statements together with the comparative unaudited figures for the Corresponding Period (the “**Financial Information**”) have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong, the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure requirements of the GEM Listing Rules. The accounting policies and methods of computation used in the preparation of these Unaudited Condensed Consolidated Financial Statements are consistent with those adopted in the preparation of audited consolidated financial statements included in the annual report for the year ended 31 August 2021, except for the adoption of the new and revised HKFRSs (the “**New and Revised HKFRSs**”) (which include all HKFRSs, Hong Kong Accounting Standards and Interpretations) issued by the HKICPA that are adopted for the first time for the Unaudited Condensed Consolidated Financial Statements.

The adoption of the New and Revised HKFRSs has had no significant effect on the Unaudited Condensed Consolidated Financial Statements and there have been no significant changes to the accounting policies applied in the Unaudited Condensed Consolidated Financial Statements.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These Unaudited Condensed Consolidated Financial Statements have been prepared on the historical cost basis.

The Financial Information is presented in Singapore dollars (“SGD”) which is also the functional currency of the Company.

The Unaudited Condensed Consolidated Financial Statements have not been audited by the Company’s independent auditor (the “**Independent Auditor**”), but have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

3. SEGMENT INFORMATION

The Group is principally engaged in restaurant operations, sale of food ingredients and sub-franchising, licensing/sub-licensing businesses. For the purposes of assessing performance and allocating resources, the Group’s operation is regarded as one reportable and operating segment which is restaurant operations. The chief operating decision makers (“**CODMs**”) of the Group will monitor the results of the Group in restaurant operations as a whole, as the CODMs consider that the sale of food ingredients and provision of franchise and royalty services are relatively insignificant and are ancillary to the restaurant operations. Accordingly, no segmental analysis is presented.

4. REVENUE

	Three months ended	
	30 November	
	2021	2020
	(unaudited)	(unaudited)
	SGD’000	SGD’000
Restaurant operations	3,122	4,440
Sales of food ingredients	1	8
Provision of franchise and royalty services	4	15
	3,127	4,463

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Geographical information

The Group's restaurant operations and sale of food ingredients are located in Singapore, while the sub-franchising, licensing/sub-licensing businesses are located in Indonesia. Certain licensing/sub-licensing businesses in Singapore and Malaysia have also ceased since January 2020.

Information about the Group's revenue from external customers is presented based on the location of the customers:

	Three months ended 30 November	
	2021 (unaudited) SGD'000	2020 (unaudited) SGD'000
Singapore	3,123	4,448
Indonesia	4	15
	3,127	4,463

5. OTHER INCOME AND OTHER GAINS/(LOSSES), NET

5a. Other income

	Three months ended 30 November	
	2021 (unaudited) SGD'000	2020 (unaudited) SGD'000
Government grants <i>(Note 1)</i>		
– Jobs support scheme	86	279
– Rental support scheme	441	–
– Other government grants	14	4
Rent concessions related to COVID-19	52	331
Management fee income	89	–
Others	9	8
	691	622

Note:

- (1) Job support scheme that introduced by the Singapore Government to supply local business during COVID-19 pandemic.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5b. Other gains/(losses), net

	Three months ended	
	30 November	
	2021	2020
	(unaudited)	(unaudited)
	SGD'000	SGD'000
Exchange loss, net	(5)	(1)

6. FINANCE COSTS

	Three months ended	
	30 November	
	2021	2020
	(unaudited)	(unaudited)
	SGD'000	SGD'000
Interest on bank loans	-	3
Interest on other loan	86	-
Interest on trust receipt loans	3	5
Interest on hire purchase	-	1
Interest on lease liabilities	126	151
	215	160

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7. PROFIT/(LOSS) BEFORE TAX

	Three months ended	
	30 November	
	2021	2020
	(unaudited)	(unaudited)
	SGD'000	SGD'000
The Group's profit/(loss) before tax is arrived at after charging:		
Auditor's remuneration	39	31
Amortisation of intangible assets	9	16
Depreciation of plant and equipment	386	383
Depreciation of right-of-use assets	283	984
Directors' remuneration	174	166
Other staff costs		
– Salaries and allowances	913	1,148
– Retirement benefit contributions	76	103
	989	1,251

8. INCOME TAX CREDIT

	Three months ended	
	30 November	
	2021	2020
	(unaudited)	(unaudited)
	SGD'000	SGD'000
Current – Singapore		
Over provision in prior years	17	–
Deferred taxation	–	–
	17	–

Singapore Corporate Income Tax is calculated at 17% of the estimated assessable profit for both periods.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9. DIVIDEND

No dividend was paid or proposed during the Period (three months ended 30 November 2020: Nil).

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic and diluted profit/(loss) based on:

	For the three months ended 30 November	
	2021	2020
	(Unaudited)	(Unaudited)
	SGD'000	SGD'000
<hr/>		
Profit/(Loss):		
Profit/(Loss) attributable to ordinary equity holders of the parent, used in the basic and diluted profit/(loss) per share calculations	55	(216)
Shares:		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted profit/(loss) per share calculation	440,000,000	440,000,000

Diluted profit/(loss) per share is the same as basic loss per share as there was no potential dilutive ordinary shares in issue for the Period and Last Corresponding Period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECT

The Group is a multi-brand restaurant group headquartered in Singapore, of which restaurants are mainly operated under a franchise model. The Group offers Korean, Japanese and Malaysian cuisines with casual dining concepts that target the middle-income mass market in Singapore and Indonesia.

At the date of this report, the Group had 14 self-operated restaurants and one central kitchen in total, including:

- three restaurants in Singapore under the brand “Chir Chir” pursuant to an exclusive franchise the Group obtained from the franchisor which owns a Korean fried chicken restaurant chain;
- two restaurants in Singapore under the brand “Masizzim” pursuant to an exclusive franchise the Group obtained from the franchisor which owns a Korean stew dish restaurant chain;
- two restaurants in Singapore under the self-developed brand “Kogane Yama” which offers Japanese premium tendon bowls and Japanese rice bowls;
- two restaurants in Singapore under the brand “Nipong Naepong” pursuant to an exclusive franchise the Group obtained from the franchisor which owns a Korean fusion noodle restaurant chain;
- one restaurant in Singapore under the brand “NY Night Market” pursuant to an exclusive franchise the Group obtained from the franchisor of the brand “Chir Chir”, which also owns a restaurant chain offering Korean fusion western food;
- one restaurant in Singapore under the self-developed brand “Sora Boru” which is a fast-casual restaurant offering Japanese one bowl meal and donburi;
- two restaurants in Singapore under the brand “Kota Zheng Zhong” under a cooperation arrangement with the owner which owns a Malaysian-style claypot herbal bak kut teh restaurant chain;
- one restaurant in Singapore under the self-developed brand “The Chir Café and Bar” which is a Korean lifestyle and brunch café that offering Korean -fusion menu, brunch menu to all-day pastas and to hearty dinner dishes; and
- one central kitchen in Singapore under the self-developed brand “Gangnam Kitchen” which offers catering and delivery services of Korean food in Singapore and serves as the central kitchen to the Group’s restaurants in Singapore.

As at the date of this report, the Group had also licensed the brand “Chir Chir” to the licensee in Indonesia (the “**Indonesian Licensee**”) for operation of restaurants in Indonesia.

MANAGEMENT DISCUSSION AND ANALYSIS

The restaurant and catering market in Singapore and Indonesia are intensively competitive. However, the management of the Company (the **"Management"**) believes that the Group possesses the following key strengths which contributed to its success, as well as distinguishing itself and positioning itself for significant further growth in the future: (i) proven abilities to select franchised brands which appeal to the customers; (ii) the strategic locations of the Group's restaurants in convenient shopping malls; (iii) a relentless commitment to food quality and hygiene as well as dining experience; and (iv) a passionate and dynamic management team.

We have considered actions to address the disclaimer of opinion in relation to the annual report for the year ended 31 August 2021 including cost control measures by cutting the salaries of employees and directors, tightening operational expenses, rent reduction, closure of underperforming restaurants and seeking fund-raising activities. The Group is ready to embrace the huge opportunities coming after the market recovery.

Looking forward, the Group intends to become a multi-brand restaurant group headquartered in Singapore, of which restaurants are mainly operated under a franchise model. The Group offers Korean, Japanese and Malaysian cuisines with casual dining concepts that target the middle-income mass market in Singapore and Indonesia and extend its network to other Southeast Asian countries.

The Group achieves the goals by implementing the following key strategies: (i) replicate our success through further expansion to acquire the restaurant business in Greater Bay Area which is showing signs of revival from the coronavirus pandemic as in-person events and lunches return, amid calls for the city's strict social-distancing curbs to be eased. (ii) continue to expand into more market segments by pursuing a multi-brand and multi-concept strategy. We plan to further promote the brand image and intend to identify targets which adopt innovative business models and possess development and growth potential or whose business models can create synergies with our business. We will continue to explore other business opportunities in the future.

FINANCIAL REVIEW

Revenue

The Group's revenue was mainly generated from (i) restaurant operations; (ii) sales of food ingredients; and (iii) Provision of franchise and royalty services.

Restaurant operations

The majority of the revenue was derived from the operations of self-operated restaurants in Singapore. The revenue generated from restaurant operations amounted to approximately SGD3.1 million and SGD4.4 million for the Period and Last Corresponding Period, respectively representing a decrease of approximately 29.5% from the Last Corresponding Period to the Period.

The decrease in the Group's revenue was mainly attributable to the impact from the outbreak of the COVID-19 pandemic whereby, Singapore recorded an unusual surge of COVID-19 infection numbers from over 1000 daily cases in September to over 5,000 daily cases in October. To rein in the spread of COVID-19, the Government of Singapore has tightened some of the measures to limit social gathering activities in Singapore which included the restriction for dine-in groups of up to 2 persons only for the period from 27 September 2021 to 24 October 2021. The tightened measures have posed an adverse impact on the sales of the food and beverage outlets in Singapore, especially for the eateries located in the Central Business District with a large number of people chose to stay and work from home instead of dining out for the period.

MANAGEMENT DISCUSSION AND ANALYSIS

Dine in rules for item (ii) details are as follow:

For the Period:

10 August 2021 to 26 September 2021: up to 5 pax with full vaccination

27 September 2021 to 21 November 2021: up to 2 pax with full vaccination

22 November 2021: Back to 5 pax with full vaccination

For the Last Corresponding Period:

19 June 2020 to 27 December 2020: 5 pax without full vaccination

During the Period, (i) there is full period operation of “The Chir Café and Bar” during the Period. The revenue contributed by this new self-operated restaurant is offset by the cessation of operation of one self-operated restaurants under the brand “NY Night Market” located at 313@Somerset 313 Orchard Road, #01-29 Singapore 238895 on 10 October 2021.

Sales of food ingredients

Revenue from sales of food ingredients mainly represented revenue from (i) sales of food through the operation of Gangnam Kitchen which provides catering and delivery services of Korean food to the customers in Singapore. The revenue from sales of food ingredients decreased from approximately SGD8,000 for the Last Corresponding Period to approximately SGD1,000 for the Period. The decrease was attributable to the measures implemented by Singapore Government to combat with COVID-19 pandemic.

Provision of franchise and royalty services

Provision of franchise and royalty services represented the royalties from the Indonesian Licensee, Mr. Jaesan Food Holdings Bdn. Bhd. and Mr. Peh KianGhee (“**Mr. Peh**”) pursuant to the sub-license arrangements which the Group has entered into. The revenue decreased to approximately SGD4,000 for the Period from approximately SGD15,000 for the Last Corresponding Period, representing a decrease of approximately 73.3%. The decrease was mainly attributable to suspension of restaurant operation of the licensees resulted from the outbreak of COVID-19 which had a significant impact on global economies. Further, it is also due to cessation of business partnership arrangements with Jaesan Food Holdings and Mr. Peh in January 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of inventories consumed

Cost of inventories consumed primarily consisted of the cost of the food ingredients, beverages and packaging materials used in the operations of the Group's self-operated restaurants and central kitchen in Singapore. During the Period, the Group's had (i) incurred additional direct cost that arising from online platform delivery and transaction fee; and (ii) increasing consumption of packaging material that arising due to the substantial increase of online delivery sales as compared to the Last Corresponding Period which was due to the measures implemented by Singapore Government to combat with COVID-19 as disclosed above. Cost of inventories consumed decreased from approximately SGD1.2 million for the Last Corresponding Period to approximately SGD0.8 million for the Period, representing a decrease of approximately 33.3% as compared to that of the Last Corresponding Period. The decreased was in line with the decreased in revenue changes.

Staff costs

Staff costs decreased from approximately SGD1.4 million for the Last Corresponding Period to approximately SGD1.2 million for the Period, representing a decrease of approximately 14.3% as compared to that of the Last Corresponding Period. The decrease was mainly attributable to (i) pay cut policy implemented across all level; (ii) restructuring of the remuneration package of operation staff; (iii) reduction in manpower; and (iv) cessation of operation of one self-operated restaurant under the brand "NY Night Market".

Rental and related expenses

Rental and related expenses had remained constant.

Other expenses

Other expenses primarily consisted of service fee paid to third party delivery platforms, credit card commissions, cleaning expenses, legal and professional fees, travelling expenses, and other miscellaneous administrative expenses. Other expenses decrease from approximately SGD693,000 for Last Corresponding Period to approximately SGD589,000 for the Period, representing a decrease of approximately SGD104,000. The decreased was in line with the cessation of one self-operated restaurant during the Period.

Finance costs

Finance costs primarily consisted of interest expenses on bank loans, other loan, trust receipts loans, hire purchase and the lease liabilities. Finance costs increased from approximately SGD160,000 for Last Corresponding Period to approximately SGD215,000 for the Period, representing an increase of approximately 34.4%. The increase was mainly arising from the loan interest that arising from the other loan which amounted to SGD86,000.

MANAGEMENT DISCUSSION AND ANALYSIS

(Profit)/(Loss) for the period

The Group recognised a profit of approximately SGD61,000 for the Period, which increased as compared to that of a loss of approximately SGD227,000 for the Last Corresponding Period. Such decrease in loss was mainly attributable the decrease in depreciation and amortisation whereby most of the right-of-use assets of the Group were been impaired in prior financial year due to the COVID-19 pandemic.

Contingent liabilities and pledge of assets

As at 30 November 2021, the Group did not have any significant contingent liabilities and pledge of assets.

Significant investments held

During the Period, except for investments in subsidiaries, the Group did not make any significant investments or material acquisitions and disposals of subsidiaries, associates or joint ventures.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 November 2021, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(i) Long position in the Shares

Name of Directors/ Chief executive	Capacity/ Nature of interest	Number of Shares/ underlying Shares interested <i>(Note 1)</i>	Approximate percentage of the Company's issued Shares*
Mr. Yeap Wei Han, Melvyn ("Mr. Yeap") <i>(Note 2)</i>	Interest held jointly with another person	30,499,000	6.93%
Mr. Ho Zhi Yi, Levi ("Mr. Ho") <i>(Note 2)</i>	Interest held jointly with another person	30,499,000	6.93%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

- (1) All interests stated are long positions.
- (2) These Shares were held by Canola which was in turn owned as to approximately 33.69% by Mr. Lai Weijie, Terence ("**Mr. Terence Lai**"), 23.17% by Mr. Yeap, 16.85% by Mr. Ho, 12.64% by Mr. Tan Chien Fong ("**Mr. Tan**"), 12.64% by Mr. Ng Yook Tim ("**Mr. Ng**") and 1.01% by Mr. Lai Weikang, Derek ("**Mr. Derek Lai**"). On 10 February 2018, Mr. Terence Lai, Mr. Yeap, Mr. Ho, Mr. Tan, Mr. Ng and Mr. Derek Lai entered into an acting-in-concert confirmation (the "**Confirmation**"), pursuant to which they had confirmed that they had been parties acting in concert in the operation and management of the Group since 1 October 2015. Accordingly, each person under the concert party arrangement is taken to be interested in the Shares the other party(ies) under such concert party arrangement is/are interested under the SFO.
- * The percentage represents the total number of the Shares and the underlying Shares, if any, interested divided by the number of issued Shares of 440,000,000 as at 30 November 2021.

(ii) Long position in the ordinary shares of associated corporation

Name of Directors/ Chief executive	Name of associated corporation	Capacity/ Nature of interest	Number of ordinary shares held (Note 1)	Approximate percentage of shareholding
Mr. Yeap	Canola (Note 2)	Beneficial owner	2,317	23.17%
Mr. Ho	Canola (Note 2)	Beneficial owner	1,685	16.85%

Notes:

- (1) All interests stated are long positions.
- (2) Canola is a direct shareholder of the Company (the "**Shareholder**") and is an associated corporation within the meaning of Part XV of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed above, as at 30 November 2021, none of the Directors nor the chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) recorded in the register referred to therein pursuant to section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 November 2021, so far as is known to the Directors, the following entity or persons, other than the Directors and the chief executive of the Company, had interests or short positions in the Shares and underlying Shares recorded in the register required to be kept by the Company under section 336 of the SFO:

Long Position in the Shares

Name of Shareholders	Capacity/Nature of interest	Number of Shares interested or held (Note 1)	Approximate percentage of the Company's issued Shares*
Canola	Beneficial owner	30,499,000	6.93%
Ms. Ong Hui Hui ("Ms. Ong") (Note 3)	Interest of spouse	30,499,000	6.93%
Mr. Terence Lai (Note 3)	Interest held jointly with another person	30,499,000	6.93%
Mr. Tan (Note 3)	Interest held jointly with another person	30,499,000	6.93%
Mr. Ng (Note 3)	Interest held jointly with another person	30,499,000	6.93%
Mr. Derek Lai (Note 3)	Interest held jointly with another person	30,499,000	6.93%
Fast Glory Group Limited	Beneficial owner	31,685,000	7.20%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

- (1) All interests stated are long positions.
- (2) Ms. Ong is the spouse of Mr. Ho and she is deemed to be interested in all the Shares which are beneficially owned and deemed to be held by Mr. Ho under the SFO.
- (3) On 10 February 2018, Mr. Terence Lai, Mr. Yeap, Mr. Ho, Mr. Tan, Mr. Ng and Mr. Derek Lai entered into the Confirmation, whereby they confirmed that among other things, since 1 October 2015, they had been actively cooperating with one another and acting in concert, with an aim to achieving consensus and concerted action on all operating and financing decisions and major affairs relating to each member company within the Group. Details of the acting in concert arrangement are set out in the section headed "History, Reorganisation and Corporate Structure – Acting-in-concert Confirmation" of the Prospectus. As such, each of Mr. Terence Lai, Mr. Yeap, Mr. Ho, Mr. Tan, Mr. Ng and Mr. Derek Lai is deemed to be interested in 6.93% of the issued Shares.

Interests in issued voting shares of other members of the Group

Name of shareholders	Name of members of the Group	Capacity/ Nature of interest	Number of ordinary share(s) <i>(Note 1)</i>	Approximate percentage of shareholding
Mr. Peh	Kogane Yama Restaurants Pte. Ltd.	Beneficial owner	80,400	40%
Jaesan Food Holdings <i>(Note 2)</i>	K Food Master Holdings Sdn. Bhd.	Beneficial owner	200,000	40%
Southern Enterprise <i>(Note 3)</i>	Kota Bak Kut Teh (SG) Pte. Ltd.	Beneficial owner	10	10%
Mr. Tan	Kota Bak Kut Teh (SRG) Pte. Ltd.	Beneficial owner	20	20%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

- (1) *All interests stated are long positions.*
- (2) *Jaesan Food Holdings is owned as to 27.83% by Mr. Lawrence Tan Wee Ee, 22.32% by Mr. Rodney Tay Peng-Liang, 22.32% by Mr. Shenton Yap Wen-Howe, 14.88% by Ms. Alisa Khoo, 4.65% by Mr. Kenneth Kok Tsing Kuan and 8% by Low Teck Hoe.*
- (3) *Southern Enterprise is owned as to 100% by Ms. Hong BingMei.*

Save as disclosed above, as at 30 November 2021, so far as is known by or otherwise notified to the Directors, no other entity or person (other than a Director or the chief executive of the Company) had interests and short positions in the Shares and underlying Shares as required to be recorded in the register to be kept by the Company under section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Period, the Company did not redeem any of its listed securities, nor did the Company or any of its subsidiaries purchase or sell such securities.

SHARE OPTION SCHEME

The Company had conditionally adopted a share option scheme (the "**Share Option Scheme**") on 23 July 2018 (the "**Adoption Date**"), which became effective upon the commencement of dealings of the Shares on the Stock Exchange on the Listing Date. Under the Share Option Scheme, the Company may grant options to eligible participants, including Directors and full-time employees of and advisers and consultants to the Group. No share option has been granted by the Company or agreed to be granted under the Share Option Scheme since the Adoption Date and up to the date of this report. Therefore, no share options lapsed or were exercised or cancelled during the Period and there were no outstanding share options as at 30 November 2021.

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Period was the Company or any of its subsidiaries or any of its fellow subsidiaries a party to any arrangement to enable the Directors or their respective associates (as defined in the GEM Listing Rules) to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate.

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "**Required Standard of Dealings**") as rules governing securities transactions by the Directors. Following a specific enquiry made by the Company on each of the Directors, all Directors have confirmed that they had complied with the Required Standard of Dealings during the Period.

CORPORATE GOVERNANCE CODE

The Board considers that the Company has adopted and complied with all the applicable code provisions of the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules (the "**CG Code**") during the Period.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESSES

During the Period, none of the Directors or the Controlling Shareholders or their respective close associates (as defined under the GEM Listing Rules) had any business or interest in a business which competes or may compete with the business of the Group and any other conflicts of interest which any such person or entity had or might have with the Group.

INTEREST OF THE COMPLIANCE ADVISER

Company has appointed Lego Corporate Finance Limited ("**Lego**") as the compliance adviser of the Company (the "**Compliance Adviser**") pursuant to Rule 6A.19 of the GEM Listing Rule. As at 30 November 2020, neither Lego nor its directors or employees or close associates (as defined under the GEM Listing Rules) had any interests in the securities of the Company or any member of the Group (including options and rights to subscribe for such securities), which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules. The compliance adviser service agreement with Lego has been expired on 30 November 2020.

CORPORATE GOVERNANCE AND OTHER INFORMATION

EVENT AFTER THE REPORTING PERIOD

Following the resignation of Ms. Huang Qingrong as an independent non-executive Director with effect from 15 September 2021, the Company has only two members. The Company has made announcement on 15 December 2021 to appoint Mr. Lee Ming Yeung Michael as the new independent non-executive Director to ensure compliance by the Company with the requirement under the GEM Listing Rules. On 10 January 2022, the Company has appointed Mr. Xie Jianlong as executive Director, following Mr. Ho Zhi Yi, Levi who has resigned from his position as executive director

AUDIT COMMITTEE

The Audit Committee was established on 23 July 2018 with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and code provisions C.3.3 and C.3.7 of the CG Code. The Audit Committee comprises all the three independent non-executive Directors (the “INEDs”), namely Mr. Ong King Keung (“**Mr. Ong**”), Mr. Law Chung Lam, Nelson and Lee Ming Yeung, Michael, Mr. Ong is the chairman of the Audit Committee. The principal duties of the Audit Committee are, among other things, to make recommendations to the Board on the appointment, re-appointment and removal of the Independent Auditor, to review and supervise the financial reporting process and internal control system of the Group, and to review the Group’s financial information and the relationship with the Independent Auditor.

The Audit Committee has reviewed the Unaudited Condensed Consolidated Financial Statements and this report and is of the view that such statements and report have been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other legal requirements, and that adequate disclosures have been made.

CORPORATE GOVERNANCE AND OTHER INFORMATION

APPRECIATIONS

On behalf of the Board, I would like to extend our sincere thanks to our Shareholders, business partners and customers for their continuous support to the Group. I would also like to extend my gratitude and appreciation to all the Directors, Management and staff for their hard work and dedication throughout the Period.

By Order of the Board
K Group Holdings Limited
Zhou Junqi
Chairman and Executive Director

Singapore, 14 January 2022

As at the date of this report, the executive Directors are Mr. Zhou Junqi (Chairman), Mr. Yeap Wei Han, Melvyn (Chief Financial Officer), Ms. Wong Pui Kei Peggy and Mr. Xie Jianlong; the non-executive Director is Mr. Liu Junjie and the independent non-executive Directors are Mr. Ong King Keung, Mr. Law Chung Lam, Nelson and Mr. Lee Ming Yeung, Michael.