

KGroup



**FIRST QUARTERLY REPORT
2022/2023**

KGROUP HOLDINGS LIMITED

千盛集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8475

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

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

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.

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

*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.*





CONTENTS

	Page
Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	3
Unaudited Condensed Consolidated Statement of Changes in Equity	5
Notes to the Unaudited Condensed Consolidated Financial Statements	6
Management Discussion and Analysis	12
Corporate Governance and Other Information	17



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 2022 (the “**Period**” and the “**Unaudited Condensed Consolidated Financial Statements**”, respectively) together with comparative unaudited figures for the corresponding three months period in 2021 (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 2022

		Three months ended	
		30 November	
		2022	2021
		(unaudited)	(unaudited)
	<i>Notes</i>	SGD'000	SGD'000
Revenue	4	2,089	3,127
Other income	5	94	691
Other gains/(losses), net	5	147	(5)
Cost of inventories consumed		(544)	(844)
Staff costs		(1,110)	(1,163)
Depreciation and amortisation		(310)	(579)
Rental and related expenses		(328)	(183)
Utility expenses		(123)	(136)
Marketing and advertising expenses		(3)	(10)
Franchise and licensing fees		(41)	(50)
Other operating expenses		(469)	(589)
Finance costs	6	(112)	(215)
(Loss)/Profit before tax	7	(710)	44
Income tax credit	8	-	17
(Loss)/Profit for the period		(710)	61
			(Restated)
(Loss)/Profit per share attributable to ordinary equity holders of the parent	10		
Basic and diluted (SGD cents)		(1.53)	0.13

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

FOR THE THREE MONTHS ENDED 30 NOVEMBER 2022

	Three months ended	
	30 November	
	2022	2021
	(unaudited)	(unaudited)
	SGD'000	SGD'000
Other comprehensive (loss)/income		
<i>Other comprehensive (loss)/income that may be reclassified to profit or loss in the subsequent period:</i>		
Exchange differences on translation of foreign operations	13	(1)
Total comprehensive (loss)/income for the period	(697)	60
(Loss)/Profit for the period attributable to:		
Owners of the parent	(671)	55
Non-controlling interests	(39)	6
	(710)	61
Total comprehensive (loss)/income attributable to:		
Owners of the parent	(664)	54
Non-controlling interests	(33)	6
	(697)	60

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED 30 NOVEMBER 2022

	Attributable to owners of the parent					Sub-total SGD'000	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			
At 1 September 2022 (audited)	764	11,853	4,507	(22,687)	26	(5,537)	(961)	(6,498)
Loss for the period	-	-	-	(671)	-	(671)	(39)	(710)
Exchange differences on translation of foreign operations	-	-	-	-	13	13	-	13
Total comprehensive income/(loss) for the period	-	-	-	(671)	13	(658)	(39)	(697)
At 30 November 2022 (unaudited)	764	11,853	4,507	(23,358)	39	(6,195)	(1,000)	(7,195)
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)

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 GEM of The Stock Exchange of Hong Kong Limited. The registered office of the Company is located at PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands and the principal place of business of the Company located at 1 Pemimpin Drive, #03-04 One Pemimpin, Singapore 576151.

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 2022, 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	
	2022	2021
	(unaudited)	(unaudited)
	SGD’000	SGD’000
Restaurant operations	2,069	3,122
Sales of food ingredients	20	1
Provision of franchise and royalty services	–	4
	2,089	3,127

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Geographical information

The Group's restaurant operations are located in Singapore and Malaysia, sale of food ingredients are located in Singapore and Indonesia, while the sub-franchising, licensing/sub-licensing businesses are located in Singapore, Malaysia and Indonesia.

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

	Three months ended 30 November	
	2022	2021
	(unaudited)	(unaudited)
	SGD'000	SGD'000
Singapore	2,089	3,123
Indonesia	-	4
	2,089	3,127

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

5a. Other income

	Three months ended 30 November	
	2022	2021
	(unaudited)	(unaudited)
	SGD'000	SGD'000
Government grants (<i>Note 1</i>)		
– Jobs support scheme	-	86
– Rental support scheme	-	441
– Other government grants	9	14
Rent concessions related to COVID-19	-	52
Management fee income	71	89
Others	14	9
	94	691

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	
	2022	2021
	(unaudited)	(unaudited)
	SGD'000	SGD'000
Exchange gains/(losses), net	37	(5)
Gain on lease modification	110	–
	147	(5)

6. FINANCE COSTS

	Three months ended 30 November	
	2022	2021
	(unaudited)	(unaudited)
	SGD'000	SGD'000
Interest on other loan	75	86
Interest on trust receipt loans	–	3
Interest on hire purchase	1	–
Interest on lease liabilities	36	126
	112	215

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7. (LOSS)/PROFIT BEFORE TAX

	Three months ended 30 November	
	2022	2021
	(unaudited)	(unaudited)
	SGD'000	SGD'000
<hr/>		
The Group's (loss)/profit before tax is arrived at after charging:		
Auditor's remuneration	70	39
Amortisation of intangible assets	8	9
Depreciation of plant and equipment	138	386
Depreciation of right-of-use assets	164	283
Directors' remuneration	89	174
Other staff costs		
– Salaries and allowances	962	913
– Retirement benefit contributions	59	76
	<hr/>	<hr/>
	1,021	989
	<hr/>	<hr/>

8. INCOME TAX CREDIT

	Three months ended 30 November	
	2022	2021
	(unaudited)	(unaudited)
	SGD'000	SGD'000
<hr/>		
Current – Singapore		
Over provision in prior years	–	17
Deferred taxation	–	–
	<hr/>	<hr/>
	–	17
	<hr/>	<hr/>

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 2021: Nil).

10. (LOSS)/PROFIT PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

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

	For the three months ended	
	30 November	
	2022	2021
	(unaudited)	(unaudited)
	SGD'000	SGD'000
		(Restated)
(Loss)/Profit:		
(Loss)/Profit attributable to ordinary equity holders of the parent, used in the basic and diluted (loss)/profit per share calculations	(671)	55
Shares:		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted (loss)/profit per share calculation (<i>Note</i>)	44,000,000	44,000,000

Diluted (loss)/profit 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.

Note: The weighted average number of ordinary shares for the purpose of basic and diluted earnings per share has been adjusted for share consolidation on 21 October 2022. Pursuant to an ordinary resolution passed by shareholders at the extraordinary general meeting held on 17 October 2022, the share consolidation of every ten issued and unissued shares of HK\$0.01 each into one consolidated share of HK\$0.1 each became effective on 21 October 2022.

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 8 self-operated restaurants and one central kitchen in total, including:

- one restaurant 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;
- one restaurant 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 “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.

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 good and convenient locations; (iii) a relentless commitment to food quality and hygiene as well as dining experience; and (iv) a passionate and dynamic management team.

MANAGEMENT DISCUSSION AND ANALYSIS

We have considered actions to address the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as going concern in relation to the annual report for the year ended 31 August 2022. The actions include to (i) enlarge the operations of profitable restaurants by increasing distribution channels, eliminate the under-performance restaurants by nature loss and impose measures to tighten controls over expenses; (ii) obtain a revolving loan facility of HK\$40,000,000 (equivalent to SGD7,119,000) from an independent third party; and (iii) propose a rights issue exercise as detail in the circular of the Company dated 28 September 2022. The Management is willing to provide adequate financial support and seek for investors to ensure the Group's continuous operations. The Group is ready to embrace the huge opportunities coming after the market recovery.

Looking forward, the Group intends to become a leading restaurant operator in Singapore and extend its network to other Southeast Asian countries. The Group plans to achieve the goals by implementing the following key strategies: (i) continue to grow the business by procuring new franchised brands; (ii) open restaurants of existing brands outside the central area of Singapore; and (iii) develop more restaurant brands and continue to strengthen its regional presence, marketing efforts and information technology system.

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; and (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 SGD2.1 million and SGD3.1 million for the Period and Last Corresponding Period, respectively representing a decrease of approximately 32.3% from the Last Corresponding Period to the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

The decrease in the Group's revenue was mainly attributable to the decrease in number of restaurants during the Period as compared to the Last Corresponding Period. There was cessation of operation of six self-operated restaurants:

- 1 self-operated restaurant under the brand "NY Night Market"
- 1 self-operated restaurant under the brand "Sora Baru"
- 2 self-operated restaurants under the brand "Chir Chir Chicken Factory"
- 1 self-operated restaurant under the brand "Kogane Yama"
- 1 self-operated restaurant under the brand "Kota Zheng Zhong Bak Kut Teh"

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 increase is mainly due to increase in catering services revenue during the Period, amounting to approximately SGD13,000.

Provision of franchise and royalty services

Provision of franchise and royalty services represented the royalties from the Indonesian Licensee, PT Jaya Boga Makmur Abadi, Jaesan Food Holdings Sdn. Bhd. and Mr. Peh Kian Ghee ("**Mr. Peh**") pursuant to the respective business partnership arrangements and sub-license arrangements which the Group has entered into. The revenue decreased from approximately SGD4,000 for the Last Corresponding Period to nil for the Period, representing a decrease of 100%. The decrease was mainly attributable to termination of restaurant operations of the licensees resulted from the outbreak of COVID-19 which had a significant impact on global economies.

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, cost of inventories consumed is directly proportional to the decrease in revenue.

Staff costs

Staff costs decreased from approximately SGD1.2 million for the Last Corresponding Period to approximately SGD1.1 million for the Period, representing a decrease of approximately 8.3% 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 six self-operated restaurants.

Rental and related expenses

Rental and related expenses increased from approximately SGD183,000 for Last Corresponding Period to SGD328,000 for the Period, representing an increase of approximately SGD145,000. The increase was mainly attributable to increase in office rental during the Period; offset by the cessation of operation of six self-operated restaurants.

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 SGD589,000 for Last Corresponding Period to approximately SGD469,000 for the Period, representing a decrease of approximately SGD120,000. The decreased was in line with the cessation of six self-operated restaurants during the Period.

Finance costs

Finance costs primarily consisted of interest expenses on other loan, trust receipts loans, hire purchase and lease liabilities. Finance costs decreased from approximately SGD215,000 for Last Corresponding Period to approximately SGD112,000 for the Period, representing an decrease of approximately 47.9%. The decrease was mainly arising from the decrease on lease liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

(Loss)/Profit for the period

The Group recognised a loss of approximately SGD710,000 for the Period as compared to that of a profit of approximately SGD61,000 for the Last Corresponding Period. The turning from profit to loss was mainly attributable to the cessation of self-operated restaurants during the Period.

Contingent liabilities and pledge of assets

As at 30 November 2022, 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 2022, 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%

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 Zhi Yi, Levi (**"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 2022.

(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%

Notes:

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed above, as at 30 November 2022, 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 2022, 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 2)	Interest of spouse	30,499,000	6.93%
Ms. Teo Yan Qi Sharon (" Ms. Teo ") (Note 3)	Interest of spouse	30,499,000	6.93%
Mr. Terence Lai (Note 4)	Interest held jointly with another person	30,499,000	6.93%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Name of Shareholders	Capacity/ Nature of interest	Number of Shares interested or held (Note 1)	Approximate percentage of the Company's issued Shares*
Mr. Tan (Note 4)	Interest held jointly with another person	30,499,000	6.93%
Mr. Ng (Note 4)	Interest held jointly with another person	30,499,000	6.93%
Mr. Derek Lai (Note 4)	Interest held jointly with another person	30,499,000	6.93%
Fast Glory Group Limited	Beneficial owner	31,685,000	7.20%

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) Ms. Teo is the spouse of Mr. Tan and she is deemed to be interested in all the Shares which are beneficially owned and deemed to be held by Mr. Tan under the SFO.
- (4) 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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%

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 2022, 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 2022.

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.

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 AND OTHER INFORMATION

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.

EVENT AFTER THE REPORTING PERIOD

Save as those disclosed in this report, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 30 November 2022 and up to the date of this report.

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 D.3.3 and D.3.7 of the CG Code. The Audit Committee comprises all the three independent non-executive Directors (the “INEDs”), namely Mr. Chau Wing Nam (“**Mr. Chau**”), Mr. Law Chung Lam, Nelson and Mr. Lee Ming Yeung, Michael. Mr. Chau 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, 13 January 2023

As at the date of this report, the executive Directors are Mr. Zhou Junqi (Chairman), Mr. Chiang Ming Chun (Vice-Chairman), Mr. Yeap Wei Han, Melvyn (Chief Financial Officer), Ms. Wong Pui Kei Peggy and Mr. Xie Jianlong; and the independent non-executive Directors are Mr. Chau Wing Nam, Mr. Law Chung Lam, Nelson and Mr. Lee Ming Yeung, Michael.