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K GROUP HOLDINGS LIMITED

千盛集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8475)

DISCLOSEABLE TRANSACTION ACQUISITION OF 51% ISSUED SHARE CAPITAL OF THE TARGET COMPANY AND CONTINUED SUSPENSION OF TRADING

THE SALE AND PURCHASE AGREEMENT

On 18 January 2024 (after trading hours), the Company and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Company agreed to acquire and the Vendor agreed to sell 765,000 shares of the Target Company (representing 51% of the total issued shares of the Target Company) at a total consideration of HK\$1 million.

LISTING RULES IMPLICATIONS

As the highest percentage ratio under the GEM Listing Rules exceeds 5% but is under 25%, the Acquisition constitutes a discloseable transaction and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

The Board is pleased to announce that on 18 January 2024 (after trading hours), the Vendor and the Company, entered into the Sale and Purchase Agreement, pursuant to which the Vendor has agreed to sell to the Purchaser, and the Purchaser has conditionally agreed to purchase from the Vendor, the Sale Shares, representing 51% of the entire issued share capital of the Target Company.

THE SALE AND PURCHASE AGREEMENT

Date: 18 January 2024 (after trading hours)

Parties:

1. Mr. Law Wai Leung as Vendor; and
2. The Company as Purchaser.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, immediately prior to Completion, the Vendor and his associates are Independent Third Parties of the Company and its Connected Persons.

Assets to be acquired:

Pursuant to the Sale and Purchase Agreement, the Purchaser has agreed to acquire, and the Vendor has agreed to sell the Sale Shares. The Sale Shares, representing 51% of the issued share capital of the Target Company, will be sold free from all encumbrances together with all rights to any dividend or other distribution declared, made or paid after the date of the Sale and Purchase Agreement. Details of the Target Company are set out in the section headed "Financial Information of the Target Company" below.

Consideration:

The consideration is HK\$1 million which shall be satisfied by the Purchaser within 12 months from the Completion Date in the following manner.

Subject to the requirements of the GEM Listing Rules, the Purchaser shall have the right in its absolute discretion to elect to pay the Consideration any time within 12 months from the Completion Date by way of cash or by way of new Shares on the basis of the closing price of the Company's Shares on the last trading day prior to the settlement date.

During 24 months after the date of the Sale and Purchase Agreement, the Company shall provide management accounts to the Purchaser before the 15th day after each month end date. The Purchaser shall bear the additional cost related thereto.

Further announcement(s) will be made to comply with the GEM Listing Rules if and when the Company decides to allot Consideration Shares in satisfaction of the Consideration.

Basis of consideration:

The consideration of HK\$1 million was determined after arm's length negotiations between the Vendor and the Purchaser with reference to (i) the historical financial performance of the Target Company and (ii) the reasons for the Acquisition as set out under the section "REASONS FOR AND BENEFITS OF THE ACQUISITION" below. The Directors consider that the consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Completion:

Completion shall take place on the fifth Business Day after the date of the Sale and Purchase Agreement or such other date as the Vendor and the Purchaser may agree. After Completion, the Target Company will become a subsidiary of the Company and its financial statements will be consolidated into the financial statements of the Group.

INFORMATION OF THE GROUP

The Group is principally engaged in restaurant and catering business with headquarters in Singapore.

FINANCIAL INFORMATION OF THE TARGET COMPANY

The Target Company is a limited company incorporated in Hong Kong and is principally engaged in Western cuisine restaurant operations in Hong Kong under the business name of "風車Windmill Restaurant & Bar".

Set out below is the summary of the unaudited financial figures of the Target Company for the financial years ended 31 March 2022 and 31 March 2023 respectively:

	For the year ended 31 March 2022 (HK\$)	For the year ended 31 March 2023 (HK\$)
Revenue	3,681,609	3,569,678
Profit/(loss) before tax	(32,114)	(62,705)
Total assets	1,638,710	1,655,534
Net asset value	1,450,819	1,388,114

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Acquisition is in line with the Group's main business operations and will enable the Group to expand its food and beverage business to Western cuisine business in Hong Kong. The Board has reviewed the business of the Target Company and is confident in the prospects of the Target Company. Based on the above, the Directors are of the view that the terms of the Sale and Purchase Agreement and the Acquisition are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as calculated in accordance with Rule 19.07 of the GEM Listing Rules) are more than 5% but all applicable percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

CONTINUED SUSPENSION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended since 9:00 a.m. on 1 December 2023 and will continue to be suspended until further notice.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalized terms used shall have the following meanings:

“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the Sale and Purchase Agreement;
“Board”	the board of Directors;
“Business Day(s)”	a day (other than a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hour;
“Company” or the “Purchaser”	K Group Holdings Limited (stock code: 8475), a company incorporated in the Cayman Islands with limited liability whose shares are listed on GEM of the Stock Exchange;
“Completion”	Completion of the Acquisition;
“Completion Date”	the fifth Business Day after the date of the Sale and Purchase Agreement or such other date as the parties may agree in writing and on which Completion shall take place;

“Connected Persons”	has the meaning ascribed to it under the GEM Listing Rules;
“Consideration”	HK\$1 million, being the total consideration for the Acquisition;
“Director(s)”	the director(s) of the Company;
“GEM”	the GEM of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons (having the meaning ascribed to it under the GEM Listing Rules);
“Sale and Purchase Agreement”	the sale and purchase agreement dated 18 January 2024 entered into between the Purchaser and the Vendor in relation to the Acquisition;
“Sale Share(s)”	765,000 existing Target Company Shares held by Law Wai Leung being 51% of the issued share capital of the Target Company;
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Company’s Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Substantial Shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Target Company”	PDR’s Dining Limited, a company incorporated in Hong Kong with limited liability;
“Target Company Shares”	ordinary shares of HK\$1.00 each in the share capital of the Target Company;

“Vendor”	Law Wai Leung who held 73.3% of the issued share capital in the Target Company prior to the Acquisition; and
“%”	Per cent.

For and on behalf of
K Group Holdings Limited
Li Junjian
Chairman and Executive Director

Hong Kong, 18 January 2024

As at the date of this announcement, the executive Directors are Mr. Li Junjian (Chairman), Mr. Chiang Ming Chun, Ms. Wong Pui Kei Peggy and Mr. Yeap Wei Han, Melvyn; the non-executive Director is Mr. Su Shiyi; and the independent non-executive Directors are Mr. Chau Wing Nam, Mr. Lee Ming Yeung, Michael and Mr. Lei Xiongpeng.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 announcement 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 announcement misleading.

This announcement will remain on the Latest Listed Company Information page of the Stock Exchange at www.hkexnews.hk for a minimum period of seven days from the date of its publication and on the Company’s website at www.kgroup.com.hk.