

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) 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 GROUP HOLDINGS LIMITED

千盛集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8475)

**ANNOUNCEMENT OF THIRD QUARTERLY RESULTS
FOR THE NINE MONTHS ENDED 30 JUNE 2019**

The board of directors (the “**Directors**”) of K Group Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) announces the unaudited condensed consolidated financial results of the Group for the nine months ended 30 June 2019. This announcement, containing the full text of the 2018/19 third quarterly report of the Company (the “**2018/19 Third Quarterly Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM**” and the “**GEM Listing Rules**”, respectively) in relation to the information to accompany preliminary announcement of quarterly results. The printed version of the 2018/19 Third Quarterly Report containing the information required by the GEM Listing Rules will be dispatched to the shareholders of the Company and available for viewing on the websites of the Stock Exchange at www.hkexnews.hk and of the Company at www.kgroup.com.hk in due course in the manner as required by the GEM Listing Rules.

For and on behalf of
K Group Holdings Limited
Lai Weijie, Terence
Chairman and Executive Director

Singapore, 14 August 2019

As at the date of this announcement, the executive Directors are Mr. Lai Weijie, Terence (Chairman), Mr. Ho Zhi Yi, Levi (Chief Executive Officer), Mr. Yeap Wei Han, Melvyn (Chief Financial Officer) and Mr. Tan Chien Fong; the non-executive Director is Mr. Ng Yook Tim and the independent non-executive Directors are Mr. Chow Wai San, Mr. Law Chung Lam, Nelson and Mr. Choo Zheng Xi.

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 on the GEM website at www.hkgem.com for at least 7 days from the date of its publication. This announcement will also be published on the Company’s website at www.kgroup.com.hk.



KGroup Holdings Limited 千盛集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8475

- 2018/19 Third Quarterly Report -



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	16

THIRD QUARTERLY RESULTS

The board of Directors (the “**Board**”) presents the unaudited condensed consolidated financial statements of the Group for the three months and nine months ended 30 June 2019 (the “**Period**” and the “**Unaudited Condensed Consolidated Financial Statements**”, respectively) together with comparative unaudited figures for the corresponding period in 2018 (the “**Last Corresponding Period**”) as follows:

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

FOR THE THREE MONTHS AND NINE MONTHS ENDED 30 JUNE 2019

		Three months ended 30 June		Nine months ended 30 June	
		2019 (unaudited) SGD'000	2018 (unaudited) SGD'000	2019 (unaudited) SGD'000	2018 (unaudited) SGD'000
	Notes				
Revenue	3	4,832	4,175	12,088	11,526
Other income	4	4	55	51	238
Other gains and losses, net	4	4	5	(25)	(2)
Cost of inventories consumed		(1,350)	(1,094)	(3,216)	(2,562)
Staff costs		(1,508)	(1,133)	(4,027)	(3,024)
Depreciation and amortisation		(337)	(194)	(893)	(533)
Rental and related expenses		(1,158)	(933)	(3,134)	(2,660)
Utility expenses		(123)	(85)	(341)	(239)
Marketing and advertising expenses		(193)	(59)	(425)	(166)
Franchise and licensing fees		(29)	(10)	(103)	(66)
Other expenses		(657)	(439)	(1,818)	(1,452)
Listing expenses		–	(655)	–	(2,678)
Finance costs		(20)	(23)	(94)	(73)
Loss before tax	5	(535)	(390)	(1,937)	(1,691)
Income tax expense	6	(8)	(66)	(20)	(194)
Loss for the period		(543)	(456)	(1,957)	(1,885)
Loss per share	8				
Basic (SGD cents)		0.1	0.2	0.5	0.6

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

FOR THE THREE MONTHS AND NINE MONTHS ENDED 30 JUNE 2019

	Three months ended 30 June		Nine months ended 30 June	
	2019	2018	2019	2018
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	SGD'000	SGD'000	SGD'000	SGD'000
Other comprehensive income (expense)				
<i>Item that may be subsequently reclassified to profit or loss:</i>				
Exchange differences arising on translation of foreign operations	2	(2)	2	8
Total comprehensive expense for the period	(541)	(458)	(1,955)	(1,877)
Loss for the period attributable to:				
Owners of the Company	(555)	(462)	(1,932)	(1,832)
Non-controlling interests	12	6	(25)	(53)
	(543)	(456)	(1,957)	(1,885)
Total comprehensive expense attributable to:				
Owners of the Company	(554)	(464)	(1,931)	(1,827)
Non-controlling interests	13	6	(24)	(50)
	(541)	(458)	(1,955)	(1,877)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED 30 JUNE 2019

	Attributable to owners of the Company								
	Share capital SGD'000	Other reserve SGD'000	Share premium SGD'000	Capital reserve SGD'000	Retained profits/ accumulated losses SGD'000	Translation reserve SGD'000	Sub-total SGD'000	Non-controlling interests SGD'000	Total SGD'000
As at 1 October 2018 (audited)	694	-	9,316	4,507	(2,635)	1	11,883	(17)	11,866
Loss for the period	-	-	-	-	(1,932)	-	(1,932)	(25)	(1,957)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	1	1	1	2
Total comprehensive (expense) income for the period	-	-	-	-	(1,932)	1	(1,931)	(24)	(1,955)
As at 30 June 2019 (unaudited)	694	-	9,316	4,507	(4,567)	2	9,952	(41)	9,911
As at 1 October 2017 (audited)	1,751	-	-	-	1,806	(2)	3,555	103	3,658
Loss for the period	-	-	-	-	(1,832)	-	(1,832)	(53)	(1,885)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	5	5	3	8
Total comprehensive (expense) income for the period	-	-	-	-	(1,832)	5	(1,827)	(50)	(1,877)
Dividend recognised as distribution	-	-	-	-	(600)	-	(600)	-	(600)
Issuance of ordinary shares by K Food Holdings Pte. Ltd. ("K Food Holdings")	2,743	-	-	-	-	-	2,743	-	2,743
Issuance of ordinary shares by K Investment Holdings Limited ("K Investment")	13	-	-	-	-	-	13	-	13
Transfer arising from the Reorganisation (Note)	(4,481)	4,481	-	-	-	-	-	-	-
As at 30 June 2018 (unaudited)	26	4,481	-	-	(626)	3	3,884	53	3,937

Note:

In preparation for the initial listing of the ordinary shares of the Company (the "**Shares**") in issue on GEM (the "**Listing**"), the Group had undergone and completed a reorganisation (the "**Reorganisation**") whereupon the Company became the holding company and the listing vehicle of the Group and the subsidiaries were transferred to the Company. Details of the Reorganisation are set out in the section headed "Group Restructuring and Basis of Preparation of Consolidation Financial Statements" as described in note 1 to the Consolidated Financial Statements of the annual report of the Company for the year ended 30 September 2018 (the "**Annual Report**").

The other reserve represents the difference between the nominal value of the share capital issued by K Investment for the acquisition of all the interests in K Food Holdings and the value of issued share capital of K Food Holdings.



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated as an exempted company in the Cayman Islands with limited liability on 24 January 2018 and the Shares in issue have been initially listed on GEM since 13 August 2018 (the “**Listing Date**”). Its parent and ultimate holding company is Canola Investment Holdings Limited (“**Canola**”). The registered office of the Company is situated at PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. The principal place of business of the Company in the Republic of Singapore (“**Singapore**”) is situated at 1 Grange Road, Orchard Building, #12-01, Singapore, 239693.

The Company is an investment holding company. Its subsidiaries are principally engaged in restaurant operations, sale of food and food ingredients and sub-franchising, licensing/sublicense businesses.

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 the accounting policies which conform with the Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) 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, 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

2. BASIS OF PREPARATION AND PRESENTATION (Continued)

The Group has not applied any new and revised standards, amendments or interpretations that have been issued but are not yet effective. The Group is currently assessing the impact of the adoption of such new and revised standards, amendments or interpretations on the Group but is yet to be in a position to state whether they would have any material financial impact on the Group's results of operations and financial position.

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. REVENUE

	Three months ended 30 June		Nine months ended 30 June	
	2019 (unaudited) SGD'000	2018 (unaudited) SGD'000	2019 (unaudited) SGD'000	2018 (unaudited) SGD'000
Restaurant operations	4,539	3,866	11,600	10,695
Sales of food and food ingredients	228	177	298	497
Royalty income	65	132	190	334
	4,832	4,175	12,088	11,526

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. OTHER INCOME AND OTHER GAINS AND LOSSES, NET

4a. Other income

	Three months ended 30 June		Nine months ended 30 June	
	2019	2018	2019	2018
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	SGD'000	SGD'000	SGD'000	SGD'000
Interest income	–	1	1	1
Rental income	–	42	–	168
Government grants (Note)	1	9	28	61
Others	3	3	22	8
	4	55	51	238

Note:

The amount represents rewards or subsidies which were received in Singapore. There are no unfulfilled conditions or contingencies relating to these grants.

4b. Other gains and losses, net

	Three months ended 30 June		Nine months ended 30 June	
	2019	2018	2019	2018
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	SGD'000	SGD'000	SGD'000	SGD'000
Exchange gain (loss), net	4	5	(25)	(2)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. LOSS BEFORE TAX

	Three months ended 30 June		Nine months ended 30 June	
	2019	2018	2019	2018
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	SGD'000	SGD'000	SGD'000	SGD'000
Loss before tax has been arrived at after charging:				
Auditor's remuneration	27	42	92	126
Amortisation of intangible assets	19	14	53	36
Depreciation of plant and equipment	318	180	840	497
Directors' remuneration	238	84	657	229
Other staff costs				
– Salaries and allowances	1,194	989	3,163	2,629
– Retirement benefit contributions	76	60	207	166
	1,270	1,049	3,370	2,795

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. INCOME TAX EXPENSE

	Three months ended 30 June		Nine months ended 30 June	
	2019 (unaudited) SGD'000	2018 (unaudited) SGD'000	2019 (unaudited) SGD'000	2018 (unaudited) SGD'000
Current tax				
– Singapore Corporate Income	–	61	5	180
Deferred taxation	8	5	15	14
	8	66	20	194

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.

7. DIVIDEND

During the Last Corresponding Period, K Food Holdings, presently an indirect wholly-owned subsidiary of the Company, declared and paid dividends in an aggregate amount of SGD600,000 in respect of the year ended 30 September 2017 to its then shareholders. The rate of dividends and number of shares ranking for the dividends are not presented as such information is not considered meaningful having regard to the purpose of this report.

No dividend has been paid or declared by the Company since its incorporation. The Board has resolved not to declare the payment of a dividend for the Period (30 June 2018: Nil).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

8. LOSS PER SHARE

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

Three months ended 30 June		Nine months ended 30 June	
2019 (unaudited) SGD'000	2018 (unaudited) SGD'000	2019 (unaudited) SGD'000	2018 (unaudited) SGD'000

Loss:

Loss for the purpose of basic loss
per share attributable to owners
of the Company

0.001	0.002	0.005	0.006
--------------	-------	--------------	-------

Number of shares:

Weighted average number of
ordinary Shares for the purpose
of basic loss per share

400,000,000	300,000,000	400,000,000	300,000,000
--------------------	-------------	--------------------	-------------

For the three months and nine months ended 30 June 2018, the weighted average numbers of ordinary Shares for the purpose of basic loss per share are determined on the assumption that the Reorganisation and the capitalisation issue of 299,990,000 ordinary Shares as described in note 26 to the Consolidated Financial Statements of the Annual Report had been effective on 1 October 2016.

No diluted loss per share for the respective periods were presented as there were no potential dilutive ordinary Shares in issue for both 2019 and 2018.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECT

The Group is headquartered in Singapore and has multi-branded restaurants that are mainly operated under a franchise model. The Group offers Korean and Japanese cuisines with casual dining concepts that target the middle-income mass market in Singapore, The Federation of Malaysia (“**Malaysia**”) and the Republic of Indonesia (“**Indonesia**”).

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

- three self-operated restaurants in Singapore and two self-operated restaurants in Malaysia 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 self-operated 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 self-operated restaurants in Singapore under the self-developed brand “Kogane Yama” which offers Japanese premium tendon bowls and Japanese rice bowls;
- two self-operated 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;
- two self-operated restaurants 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 self-operated restaurant in Singapore under the self-developed brand “Sora Boru” which is a fast-casual restaurant offering Japanese one bowl meal and donburi; 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 sub-licensed the brand “Chir Chir” to an Indonesian licensee (the “**Indonesian Licensee**”) which has (i) set up and operated three restaurants under the same brand in Indonesia; and (ii) further sub-licensed the brand to four sub-licensees to set up and operate a total of four restaurants under the same brand in Indonesia.



MANAGEMENT DISCUSSION AND ANALYSIS

The restaurant and catering market in Singapore, Malaysia and Indonesia are intensely competitive. However, management of the Company (the “**Management**”) believes that the Group possesses the following key strengths which contributed to its continuous 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 substantial dining experience; and (iv) a passionate and dynamic Management team.

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.

FINANCIAL REVIEW

Revenue

The Group’s revenue was mainly generated from (i) restaurant operations; (ii) sales of food and food ingredients; and (iii) royalty income.

The majority of the revenue was derived from the operations of self-operated restaurants in Singapore and Malaysia. For the Period, the revenue generated from restaurant operations amounted to approximately SGD11.6 million, representing an increase of approximately 7.8% over that of approximately SGD10.7 million for the Last Corresponding Period. The increase was mainly attributable to (i) the full period operation of Kogane Yama (JEM), Nipong Naepong (JEM), Nipong Naepong (313) and NY Night Market (Westgate) and (ii) the commencement of operation of (a) two self-operated restaurants under the brand “NY Night Market”, which are located at #01-29 313@Somerset, 313 Orchard Road, Singapore 238895 (**NY Night Market (313)**) and #01-116/116ORA Vivo City, 1 Harbourfront Walk, Singapore 098585 (**NY Night Market (Vivo)**), respectively, (b) a self-operated restaurant under the brand “Chir Chir” which is located at The Mega Mall Southkey, LG-054 Jalan Tok Siak, Kampung Tok Siak, 81100 Johor Bahru, Johor, Malaysia (**Chir Chir (JB)**) and (c) one self-operated restaurant under the self-developed new brand “Sora Boru” which is located at #B3-19/20 313@Somerset, 313 Orchard Road, Singapore 238895 (**Sora Boru (313)**). The increase in revenue was slightly offset by the cessation of operation of a self-operated restaurant under the brand “Chir Chir” which was located at #01-43 Chinatown Point, 133 New Bridge Road, Singapore 059413 (**Chir Chir (CP)**) on 1 December 2018.



MANAGEMENT DISCUSSION AND ANALYSIS

Revenue from sales of food and 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; and (ii) sales of food ingredients to the Indonesian Licensee. The revenue from sales of food and food ingredients decreased from approximately SGD497,000 for the Last Corresponding Period to approximately SGD298,000 for the Period. The decrease was mainly due to the cessation of providing catering service for sale of food to a club in Singapore.

Royalty income represented the royalties from the Indonesian Licensee, Jaesan Food Holdings Sdn. Bhd. (“**Jaesan Food Holdings**”) and Mr. Peh Kian Ghee (“**Mr. Peh**”) pursuant to respective business partnership arrangements and sub-license arrangements which the Group has entered into. The revenue from royalty income decreased from approximately SGD334,000 for the Last Corresponding Period to approximately SGD190,000 for the Period, representing a decrease of approximately 43.1% as compared to that of the Last Corresponding Period. The decrease was due to the absence of store open fee received from the Indonesian Licensee for the opening of store under “Chir Chir”, which was received during the Last Corresponding Period.

Cost of inventories consumed

Cost of inventories consumed primarily consisted of the cost of the food ingredients and beverages used in the operations of the Group’s self-operated restaurants and central kitchen in Singapore and Malaysia. Cost of inventories consumed increased from approximately SGD2.6 million for the Last Corresponding Period to approximately SGD3.2 million for the Period, representing an increase of approximately 23.1% as compared to that of the Last Corresponding Period. The Group believes that the increase in cost of inventories consumed, which was not in proportion to the Group’s revenue changes, was primarily due to the full operation of NY Night Market (Westgate), Nipong Naepong (JEM) and Nipong Naepong (313) for the Period, where the brands of NY Night Market and Nipong Naepong required sourcing of sauce from the Korean franchisor that require higher costs.

Staff costs

Staff costs increased from approximately SGD3.0 million for the Last Corresponding Period to approximately SGD4.0 million for the Period, representing an increase of approximately 33.3% as compared to that of the Last Corresponding Period. The increase was mainly attributable to an increase in headcount of staff in view of the expansion of the Group’s network of two new self-operated restaurants and the full operation of restaurants which were newly operated in the Last Corresponding Period.



MANAGEMENT DISCUSSION AND ANALYSIS

Rental and related expenses

Rental and related expenses increased from approximately SGD2.7 million for the Last Corresponding Period to approximately SGD3.1 million for the Period, representing an increase of approximately 14.8% as compared to those of the Last Corresponding Period. The increase in rental and related expenses was mainly attributable to the expansion of the Group's network of two new self-operated restaurants and the full operation of restaurants which were newly operated in the Last Corresponding Period.

Listing expenses

The Listing expenses primarily consisted of fees paid or payable to professional parties and underwriting fee and commission in relation to the Listing. During the Last Corresponding Period, the Group recognised non-recurring Listing expenses of approximately SGD2.7 million and no such expenses were recognised for the Period.

Finance costs

The finance costs increased from approximately SGD73,000 for the Last Corresponding Period to approximately SGD94,000 for the Period, representing an increase of approximately 28.8% as compared to those of the Last Corresponding Period. The increase was mainly due to a penalty imposed arising from the early repayment of a bank loan as disclosed in the prospectus of the Company dated 31 July 2018 (the "**Prospectus**").

Loss for the period

The Group recognised a loss of approximately SGD2.0 million for the Period, which was stable as compared to that of approximately SGD1.9 million for the Last Corresponding Period. Other than the factors discussed above, the loss was also attributed by the increases in depreciation and amortisation cost and advertising and marketing cost.

Contingent liabilities and pledge of assets

As at 30 June 2019, 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 THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2019, 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 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, were as follows:

(i) Long position in the Shares

Name of Directors/ Chief executive	Capacity/ Nature of interest	Number of Shares/underlying Shares interested (Note 1)	Approximate percentage of the Company's issued Shares*
Mr. Lai Weijie, Terence (“ Mr. Terence Lai ”) (Note 2)	Interest of a controlled corporation/interest held jointly with another person	216,990,000	54.25%
Mr. Yeap Wei Han, Melvyn (“ Mr. Yeap ”) (Note 2)	Interest held jointly with another person	216,990,000	54.25%
Mr. Ho Zhi Yi, Levi (“ Mr. Ho ”) (Note 2)	Interest held jointly with another person	216,990,000	54.25%
Mr. Tan Chien Fong (“ Mr. Tan ”) (Note 2)	Interest held jointly with another person	216,990,000	54.25%
Mr. Ng Yook Tim (“ Mr. Ng ”) (Note 2)	Interest held jointly with another person	216,990,000	54.25%

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. Terence Lai, 23.17% by Mr. Yeap, 16.85% by Mr. Ho, 12.64% by Mr. Tan, 12.64% by 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 (collectively the **"Controlling Shareholders"**) 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 400,000,000 as at 30 June 2019.

(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. Terence Lai	Canola (Note 2)	Beneficial owner	3,369	33.69%
Mr. Yeap	Canola (Note 2)	Beneficial owner	2,317	23.17%
Mr. Ho	Canola (Note 2)	Beneficial owner	1,685	16.85%
Mr. Tan	Canola (Note 2)	Beneficial owner	1,264	12.64%
Mr. Ng	Canola (Note 2)	Beneficial owner	1,264	12.64%

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 June 2019, 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 June 2019, 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 as 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	216,990,000	54.25%
Ms. Ong Hui Hui ("Ms. Ong") (Note 2)	Interest of spouse	216,990,000	54.25%
Ms. Teo Yan Qi Sharon ("Ms. Teo") (Note 3)	Interest of spouse	216,990,000	54.25%
Mr. Derek Lai (Note 4)	Interest held jointly with another person	216,990,000	54.25%
Mr. Tan Yit Hoe	Beneficial owner	20,001,791	5.00%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

- (1) All interests stated are long positions.
- (2) Mr. Terence Lai, Mr Yeap, Mr. Ho, Mr. Tan and Mr. Ng are directors of Canola.
- (3) 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.
- (4) 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.
- (5) 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 approximately 54.25% of the issued Shares.
- * The percentage represents the number of Shares interested divided by the number of issued Shares of 400,000,000 as at 30 June 2019.

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) (Note 1)	Percentage of shareholding
Mr. Peh	Kogane Yama Restaurants Pte. Ltd.	Beneficial owner	400	40%
Jaesan Food Holdings (Note 2)	K Food Master Holdings Sdn. Bhd.	Beneficial owner	200,000	40%

Notes:

- (1) All interests stated are long positions.
- (2) Jaesan Food Holdings is owned as to 31% by Mr. Lawrence Tan Wee Ee, 24% by Mr. Rodney Tay Peng-Liang, 24% by Mr. Shenton Yap Wen-Howe, 16% by Ms. Alisa Khoo and 5% by Mr. Kenneth Kok Tsing Kuan.



CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed above, as at 30 June 2019, 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 June 2019.

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 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.



CORPORATE GOVERNANCE AND OTHER INFORMATION

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

The 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 June 2019, as notified by Lego, save for the compliance adviser agreement dated 10 February 2018 and entered into between the Company and Lego regarding the receipt of fees for acting as the Compliance Adviser, 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.

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. Chow Wai San ("**Mr. Chow**"), Mr. Law Chung Lam, Nelson and Mr. Choo Zheng Xi, and the non-executive Director (the "**NED**"), Mr. Ng. Mr. Chow 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
Lai Weijie, Terence
Chairman and Executive Director

Singapore, 14 August 2019

As at the date of this report, the executive Directors are Mr. Lai Weijie, Terence (Chairman), Mr. Ho Zhi Yi, Levi (Chief Executive Officer), Mr. Yeap Wei Han, Melvyn (Chief Financial Officer) and Mr. Tan Chien Fong; the NED is Mr. Ng Yook Tim; and the INEDs are Mr. Chow Wai San, Mr. Law Chung Lam, Nelson and Mr. Choo Zheng Xi.