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**KGroup**

**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)**

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**

**EASY SECURITIES LIMITED**

### **THE PLACING**

On 12 July 2023 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which, the Company has conditionally agreed to place, through the Placing Agent on a best effort basis, up to 8,800,000 Placing Shares to one or more Placee(s) at the Placing Price of HK\$0.282 per Placing Share.

Assuming that there is no change in the issued share capital of the Company between the date of this announcement and the Completion, the maximum number of Placing Shares represents 20.00% of the existing issued share capital of the Company of 44,000,000 Shares and approximately 16.67% of the issued share capital of the Company of 52,800,000 Shares as enlarged by the Placing Shares.

The Placing Price represents (i) a discount of approximately 13.2% to the closing price of HK\$0.325 per Share as quoted on the Stock Exchange on 12 July 2023, being the date of the Placing Agreement; and (ii) a discount of approximately 15.3% to the average closing price per Share of HK\$0.333 as quoted on the Stock Exchange for the last five consecutive trading days up to and including 11 July 2023, being the date immediately preceding the date of the Placing Agreement.

The Placing is conditional upon the Listing Committee granting approval for the listing of and permission to deal in the Placing Shares.

The maximum gross proceeds and net proceeds from the Placing will be approximately HK\$2.5 million and approximately HK\$2.4 million respectively. The Company intends to apply the net proceeds for general working capital of the Group.

## **GENERAL**

The Placing Shares will be allotted and issued pursuant to the General Mandate.

Application will be made by the Company to the Listing Committee for the grant of the approval for the listing of, and permission to deal in, the Placing Shares.

**The Completion is subject to the fulfilment of the condition set forth in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **THE PLACING AGREEMENT**

Date: 12 July 2023 (after trading hours)

Parties: (1) the Company; and

(2) the Placing Agent

(each a “Party”, collectively the “Parties”)

To the best of the Director’s knowledge, information and belief having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

### **The Placing**

The Placing Agent has conditionally agreed with the Company to place the Placing Shares to one or more Placee(s) on a best effort basis. The Company will issue a further announcement upon the Completion.

### **The Placee(s)**

The Placing Shares will be placed to one or more Placee(s) which will be professional, institutional, and/or other investors, and who and whose ultimate beneficial owners are Independent Third Parties.

## **Number of Placing Shares**

Assuming that there is no change in the issued share capital of the Company between the date of this announcement and the Completion, the maximum number of Placing Shares represents 20.00% of the existing issued share capital of the Company of 44,000,000 Shares and approximately 16.67% of the issued share capital of the Company of 52,800,000 Shares as enlarged by the Placing Shares. The aggregate nominal value of the Placing Shares will be HK\$880,000.

The Placing Shares will be issued and allotted pursuant to the General Mandate. Pursuant to the General Mandate, the total number of new Shares that the Company is authorised to issue is 8,800,000 Shares, representing 20% of the issued share capital of the Company as at the date of the AGM. As at the date of this announcement, the Company had not utilize the General Mandate, and the Placing Shares under the Placing represents the entire General Mandate. The issue of the Placing Shares is not subject to the approval of the Shareholders.

## **Ranking of Placing Shares**

The Placing Shares under the Placing will rank, upon issue, *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

## **Application for listing Application**

The Company will make an application to the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

## **Placing Price**

The Placing Price is HK\$0.282 per Placing Share, which represents:

- (a) a discount of approximately 13.2% to the closing price of HK\$0.325 per Share as quoted on the Stock Exchange on 12 July 2023, being the date of the Placing Agreement; and
- (b) a discount of approximately 15.3% to the average closing price per Share of HK\$0.333 as quoted on the Stock Exchange for the last five consecutive trading days up to and including 11 July 2023, being the date immediately preceding the date of the Placing Agreement.

The estimated expenses for the Placing are approximately HK\$100,000, comprising placing commission, other professional fees and expenses. Assuming that all the Placing Shares could be successfully placed out, the net price to the Company of each Placing Share is approximately HK\$0.271 per Placing Share.

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agent with reference to current market conditions, prevailing market price and liquidity of the Shares. The Directors consider that the Placing Price is fair and reasonable based on the current market conditions and is in the interests of the Company and the Shareholders as a whole.

The Board also considers that the terms of the Placing Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

### **Commission**

The Placing Agent will be entitled to a commission of 1% of the amount equivalent to the Placing Price multiplied by the number of Placing Shares actually placed. Such placing commission was arrived at after arm's length negotiation between the Company and the Placing Agent by reference to the size and the current market conditions. The Directors are of the view that the placing commission payable under the Placing is fair and reasonable.

### **Condition of the Placing**

The Placing is conditional upon the Listing Committee granting approval for the listing of and permission to deal in the Placing Shares. If the foregoing condition is not fulfilled on or before 26 July 2023 (or such later date as may be agreed between Parties in writing), all rights, obligations and liabilities of the Parties shall cease and terminate and neither of the parties shall have any claim against the other save for any antecedent breach under the Placing Agreement prior to such termination.

### **Termination of the Placing**

Notwithstanding anything contained in the Placing Agreement, the Placing Agent may terminate the Placing Agreement without any liability to the Company save for antecedent breach the Placing Agreement prior to such termination, by notice in writing given to the Company at any time prior to 8:00 a.m. on the Completion Date upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have an adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Placing Shares or has or may otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or

- (ii) the imposition of any moratorium, suspension (for more than seven (7) trading days) or restriction on trading in the securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would adversely affect the success of the Placing; or
- (iii) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may adversely affect the business or financial prospects of the Group and/or the success of the Placing; or
- (iv) any litigation or claim being instigated against any member of the Group, which has or may have an adverse effect on the business or financial position of the Group and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or
- (v) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
- (vi) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of the Placing Agreement; or
- (vii) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

If notice is given pursuant to the Placing Agreement, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any antecedent breach under the Placing Agreement prior to such termination.

### **The Completion**

The Completion shall take place on the Completion Date.

## **REASONS FOR THE PLACING AND USE OF PROCEEDS**

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

Pursuant to the interim report of the Group for the six months ended 28 February 2023, the Group had cash and bank balances of approximately SGD49,000, represent a decrease of approximately 54.6% from 31 August 2022. During six months ended 28 February 2023, the Group recorded net loss of approximately SGD878,000 which increased as compared to that of a loss of approximately SGD58,000 for the last corresponding period. The Directors consider that the Placing represents an opportunity to raise additional funding for the business operations of the Group and will strengthen the Group's financial position, and enlarge shareholders' base of the Company which may in turn enhance the liquidity of the Shares, and provide working capital to the Group to meet any financial obligations of the Group.

Assuming that all of the Placing Shares are successfully placed under the Placing Agreement, the gross proceeds from the Placing will be approximately HK\$2.5 million and the net proceeds from the Placing will be approximately HK\$2.4 million (after deduction of commission and other expenses of the Placing), representing a net issue price of approximately HK\$0.271 per Placing Share. The Company intends to apply the net proceeds from the Placing as general working capital of the Group.

The Directors consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are on normal commercial terms following arm's length negotiations between the Company and the Placing Agent and are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the Completion, assuming that there is no change in the issued share capital of the Company between the date of this announcement and the Completion:

	As at the date of this announcement		Immediately after the Completion (assuming all the Placing Shares have been issued and allotted)	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Fast Glory Group Limited	3,168,500	7.2	3,168,500	6.0
Canola Investment Holdings Limited (Notes 1, 2 and 3)	3,049,900	6.9	3,049,900	5.8
Placees	—	—	8,800,000	16.7
Other public Shareholders	37,781,600	85.9	37,781,600	71.5
Total	<u>44,000,000</u>	<u>100.0</u>	<u>52,800,000</u>	<u>100.0</u>

Notes:

- These Shares were held by Canola Investment Holdings Limited (“**Canola**”) which was in turn owned as to approximately 33.69% by Mr. Lai Weijie, Terence (“**Mr. Terence Lai**”), 23.17% by Mr. Yeap Wei Han, Melvyn (“**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, 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. Under the SFO, each of Mr. Terence Lai, Mr. Yeap, Mr. Ho, Mr. Tan, Mr. Ng and Mr. Derek Lai is deemed to be interested in 30,499,000 Shares held by Canola.
- Ms. Ong Hui Hui (“**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.
- Ms. Teo Yan Qi Sharon (“**Ms. Teo**”) is the spouse of Mr. Tan and she is deemed to be interested in the Shares which are beneficially owned and deemed to be held by Mr. Tan under the SFO.

## **EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS**

On 18 May 2022, the Company proposed to raise gross proceeds of up to approximately HK\$50.2 million (before expenses) (assuming full subscription under the rights issue) by issuing up to 88,000,000 rights shares by way of rights issue at the subscription price of HK\$0.57 per rights share on the basis of two (2) rights shares for every one (1) share and which was terminated on 19 April 2023.

Save as disclosed above, the Company has not conducted any other fund-raising activities in the past twelve months immediately before the date of this announcement.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company held on 28 February 2023
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day on which the Stock Exchange is open for the business of dealing in securities
“Company”	K Group Holdings Limited (千盛集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on GEM of the Stock Exchange (Stock Code: 8475)
“Completion”	completion of the Placing in accordance with the terms and conditions of the Placing Agreement
“Completion Date”	a date falling within two (2) Business Days after the day on which all the conditions under the Placing Agreement have been fulfilled (or such later date as may be agreed between the Company and the Placing Agent in writing)
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company



“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to issue, allot and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Listing Committee”	The Listing Committee of the Stock Exchange
“Placee(s)”	any individual(s), corporation(s) and/or institutional or professional investor(s) procured by or on behalf of the Placing Agent or its agent(s) to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligation under the Placing Agreement
“Placing”	the placing, on a best effort basis, of up to an aggregate of 8,800,000 Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Easy Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 12 July 2023 entered into between the Company and the Placing Agent in respect of the Placing
“Placing Price”	the placing price of HK\$0.282 per Placing Share
“Placing Shares”	up to 8,800,000 new Shares to be placed under the Placing
“SFO”	the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.1 each in the share capital of the Company

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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

Hong Kong, 12 July 2023

*As at the date of this announcement, the executive Directors are Mr. Zhou Junqi (Chairman), Mr. Chiang Ming Chun, Ms. Wong Pui Kei Peggy and Mr. Yeap Wei Han, Melvyn; and the independent non-executive Directors are Mr. Chau Wing Nam and Mr. Lee Ming Yeung, Michael.*

*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](http://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](http://www.kgroup.com.hk).*