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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)

VOLUNTARY ANNOUNCEMENT LETTER OF INTENT IN RESPECT OF POSSIBLE FORMATION OF JOINT VENTURE

This is a voluntary announcement made by K Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 22 January 2020 (after trading hours), the Company, through its wholly-owned subsidiary, entered into a letter of intent (the “**LOI**”) with Harbin Lingchun Flavor Catering Management (Group) Co., Ltd. (哈爾濱靈椿味道餐飲管理(集團)有限公司) (“**Harbin Lingchun**”) in relation to the proposed formation of a joint venture company (the “**JV Company**”) for the purpose of exploring, engaging and diversifying the existing business of the Group outside Singapore (the “**Proposed Joint Venture**”).

PRINCIPAL TERMS OF THE LOI

Pursuant to the LOI:

1. subject to the entering into a definitive agreement (the “**Definitive Agreement**”) by the parties hereunder and the terms and conditions hereof, the parties to the LOI will set up the JV Company in the PRC, the issued shares of which will be owned as to approximately 50% and 50% by the Company and Harbin Lingchun, respectively ;
2. subject to the agreement by the parties hereunder and the amount to be set out in the Definitive Agreement, the initial aggregate investment in the JV Company is to be determined; and
3. upon signing of the LOI, the parties hereunder will further negotiate about the Definitive Agreement on the JV Company, including but not limited to board composition and other customary terms and conditions as appropriate.

This LOI is intended to record the preliminary mutual understandings between the parties to the LOI and to serve as a platform for further negotiations and is not intended to be legally binding on the relevant parties (save for customary terms, such as, confidentiality and so forth).

Subject to the business needs and development plans of the JV Company, as and when required, the Company and Harbin Lingchun may make further contributions to the JV Company for the Proposed Joint Venture. In such case, further announcement(s) may be made by the Company to comply with the applicable requirements of the Listing Rules as and when appropriate.

INFORMATION ON HARBIN LINGCHUN

Harbin Lingchun, a company incorporated in the PRC with limited liability, is an investment holding company. It has a registered capital of RMB10 million. The main business scope of the company includes catering management services, catering services, food business, hotel management, corporate management consulting services, corporate image planning services, business start-up planning services and convention services. Harbin Lingchun will be responsible for the development and introduction/seeking of new brands for the JV Company in the PRC.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of Harbin Lingchun and its ultimate beneficial owner is an independent third party who is not a connected person of the Company (as defined under the Listing Rules) and is independent of the Company and its connected persons.

REASONS FOR THE PROPOSED JOINT VENTURE

The Group is a multi-brand restaurant group headquartered in Singapore, of which restaurants are mainly operated under a franchise model. K Wealth Hong Kong Limited, a wholly-owned subsidiary of the Company and one of the parties to the LOI, will be responsible for providing advice on brand project management in respect of projects introduced/developed by Harbin Lingchun.

The Group intends to become a leading restaurant operator in Singapore and expand its network to other Southeast Asian countries. After careful consideration, the Board considered that with our knowledge and experience in brand project management in the industry, we will be able to broaden the income stream and profitability of the Group through diversification of the catering brand business of the Group outside Singapore.

GENERAL

The Directors consider that the entering into the LOI is in the interests of the Company and its shareholders as a whole as the transactions contemplated under the LOI, if materialized, are expected to diversify and broaden the income stream of the Group.

The LOI may or may not lead to the entering into of the Definitive Agreement and the transactions contemplated thereunder may or may not proceed. The Definitive Agreement and Proposed Joint Venture, if materialized, would not constitute a notifiable transaction of the Company under the Listing Rules as all the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules are below 5%. This announcement is made by the Company on a voluntary basis.

Further announcement(s) on the Definitive Agreement and Proposed Joint Venture will be made by the Company in accordance with all applicable requirements of the Listing Rules as and when appropriate to keep shareholders and potential investors of the Company updated.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Singapore, 23 January 2020

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 Rules Governing the Listing of Securities on GEM (“GEM”) of the Stock Exchange 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 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 website of the Company at www.kgroup.com.hk.