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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

MEMORANDUM OF UNDERSTANDING FOR POTENTIAL BUSINESS COOPERATION

This announcement is made by K Group Holdings Limited (the “**Company**”, together with its subsidiaries collectively referred to as the “**Group**”) on a voluntary basis to keep the shareholders of the Company (the “**Shareholders**”) and potential investors informed of the latest business development of the Group.

MEMORANDUM OF UNDERSTANDING

The board (the “**Board**”) of directors of the Company (the “**Directors**”) is pleased to announce that, on 10 February 2021, the Company entered into a non-legally binding memorandum of understanding (the “**MOU**”) with Hong Kong People Health Chinese Medicine Biotechnology Limited (the “**Partner**”), in relation to the potential cooperation with the Partner to explore potential collaboration opportunities (“**Potential Collaboration**”) that leverage upon the strengths of both the Group and the Partner and its subsidiaries (the “**Partner Group**”), so as to bring mutual benefits to each other.

The Company and the Partner will commence discussion on the possible ways of Potential Collaboration (the “**Discussion**”) shortly, which may include, without limitation, (i) the formation of a joint venture between the Company (and/or its subsidiary(ies)) and the Partner; or (ii) the Company’s and/or the Company’s subsidiary(ies)’ investment in the Partner; or (iii) cooperating with the Partner Group to incorporate healthy Chinese traditional ingredients into the food offered in the Group’s restaurants.

The Partner hereby appoints Ms. Liu Yiting as its representatives to promote the Potential Collaboration. Ms. Liu received the Bachelor of Pharmacy in Shanxi Institute of International Trade and Commerce.

Upon the conclusion of the Discussion, a formal agreement may be signed between the parties.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the date of this announcement, the Partner and its ultimate beneficial owners are independent third parties of and not connected with the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”).

BACKGROUND OF THE PARTNER

The Partner is a company incorporated in Hong Kong with limited liabilities. The Partner Group are principally engaged in the business of developing and trading Chinese traditional medicines in Hong Kong and the People’s Republic of China.

REASONS FOR AND BENEFITS OF ENTERING INTO THE MOU

The Group is a multi-brand restaurant group headquartered in Singapore, of which restaurants are mainly operated under a franchise model.

However, as disclosed in the Company’s first quarterly report 2020/2021 for the three months ended 30 November 2020 published on 15 January 2021, the decrease in the Group’s revenue was mainly attributable to the impact from the outbreak of the COVID-19 pandemic whereby the Singapore Government had put in place several measures to combat the COVID-19 pandemic. Hence, the Group is actively seeking new business opportunities to strengthen its income stream.

The Directors consider that the entering into the MOU is in the interests of the Company and its shareholders as a whole as the transactions contemplated under the MOU, if materialised, are expected to strengthen the income stream of the Group. Accordingly, the Board is of the view that the entering into of the MOU is in the interests of the Company and the Shareholders as a whole.

GENERAL

The Board wishes to emphasise that the Potential Collaboration contemplated under the MOU may or may not proceed and that the parties have not entered into a legally binding agreement in relation to the transaction contemplated under the MOU as at the date of this announcement. If the transactions contemplated under the MOU materialise, the Company will make further announcements as and when appropriate in accordance with the GEM Listing Rules. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
K GROUP HOLDINGS LIMITED
Lai Weijie, Terence
Chairman and Executive Director

Singapore, 11 February 2021

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 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.