

K GROUP HOLDINGS LTD:
PROMISES MADE; PROMISES KEPT

In accordance with promises, contained in the Share Offer Prospectus of K Group Holdings Ltd () (Code: 8475, The **G**rowth **E**nterprise **M**arket [the **GEM**], The Stock Exchange of Hongkong Ltd), on August 13, 2018, the Company recorded a Net Loss Attributable to Shareholders in respect of the nine months, ended June 30, 2018.

But there shall be further losses, recorded for the full Financial Year, ended September 30, 2018, according to Management of this restaurant-operating company, based in The Republic of Singapore.

With regard to the first nine months of the Current Financial Year, the highlights of this Company's financials included:

Revenue:	\$S11,526,000 (2017: \$S9,839,000)
Listing Expenses:	(\$S2,678,000) (2017: Zero)
Net Profit/(Loss) Attributable to Shareholders:	(\$S1,832,000) (2017: \$S929,000)

The Initial Public Offering (IPO) Of K Group Holdings Ltd

Management of K Group Holdings Ltd published and disseminated its Share Offer Prospectus on July 31, 2018.

The Company Offered 100 million, one-cent (Hongkong) Shares at the Indicative Offer Price Per Share,

ranging from a low of 50 cents to a high of 80 cents.

Investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) were Offered 10 million Shares and 90 million Shares were reserved (presumably) for Institutional/Professional/and/or Well-Heeled Individual Investors via select Share Placements.

On Friday, August 10, 2018, Management reported that the Offer Price Per Share had been struck at 72 cents and that it was anticipated that \$HK38.70 million would be forthcoming from this cash-raising exercise.

The net proceeds of the IPO are expected to be utilised for the following purposes, one was told at Pages Five and Six of this public announcement:

1. Approximately, 6.50 percent, that is about \$HK2.50 million, *'will be used to identify and procure franchise right on brands of foreign restaurants that are established and popular, with distinguishing menu and ambience that could differentiate itself from the existing brands of the Group'*;
2. Approximately, 58.10 percent, that is about \$HK22.50, *'will be used to open new restaurants in Singapore including two new restaurants under the brand of "NY Night Market", one new restaurant under the brand "Nipong Naepong", one new restaurant under the brand "Masizzim", one new restaurant under the brand "After School" and one new restaurant under a new franchised brand to be procured. The Company plans to open new restaurants in non-traditional commercial areas in Singapore as opposite to the traditional commercial area such as the surrounding areas of Orchard Road. The non-traditional commercial areas should be populated residential areas with malls, banks and offices located nearby train stations, such as Vivo City, Bishan Junction 8 and sites with similar features. However, if suitable locations are found in central town areas, such as Clarke Quay and Paragon Orchard, the Company would also consider such areas'*;
3. Approximately, 6.50 percent, that is about \$HK2.50 million, *'will be used to strengthen the marketing efforts activities of the Group to promote the brands by carrying out marketing and promotional activities, such as inviting Korean pop stars to visit the restaurants of the Group'*;
4. Approximately, 6.60 percent, that is about \$HK2.50 million, *'will be used to expand the workforce of the Group by hiring two marketing staffs (sic) to enhance the marketing effort, one operation and area manager to manage the restaurant network as the Company expands its business, and one executive chef for research and development of menu and dishes that cater (for) the local customers' tastes and preferences>'*;

5. Approximately, 4.80 percent, that is about \$HK1.90 million, *'will be used to upgrade the POS (Point of Sale) system and accounting system of the Group'*;
6. Approximately, 13.70 percent, that is about \$HK5.30 million, *'will be used for partial repayment of outstanding bank borrowings. The bank borrowings to be repaid with the net proceeds from the Share Offer included loans from two banks in Singapore in the amount of approximately SGD193,000* and SGD182,000* as at 31 January 2018, respectively, as well as a bridge loan obtained by the Group in April 2018 from a bank in Singapore in the amount of SGD500,000*, which carries an interest rate of 10.38% as at 31 May 2018'*; and,
7. Approximately, 3.80 percent, that is about \$HK1.50 million, *'will be used as general working capital of the Group'*.
8. Approximately, 6.50 percent, that is about \$HK2.50 million, *'will be used to identify and procure franchise right on brands of foreign restaurants that are established and popular, with distinguishing menu and ambience that could differentiate itself from the existing brands of the Group'*;

*

Note: 'SGD' = Singapore dollar = \$HK5.90

The Business Of K Group Holdings Ltd

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