

K2 F AND B HOLDINGS LTD:
THIS IS, IN EFFECT, ANOTHER MAMA-AND-PAPA COMPANY
... WITH THEIR 22-YEAR-OLD DAUGHTER,
BEING INCLUDED TO SHARE SOME LOVELY LOLLY

These days, external funding, to be given any consideration in respect of relatively newly established companies, is as hard to obtain as are hens' teeth.

Managements of licensed banks and reputable finance houses, in most parts of the world, are very wary of embarking on new funding programmes with regard to applications from limited liability companies that have the slightest odours of being a potentially risky funding situation.

Ergo: Managements of companies, needing more funding for one reason or another, are being forced to try to raise money via equity markets by selling some of their shares to investors who have ready money.

This appears, in the opinion of this medium, to have been the prime reason that K2 F and B Holdings Ltd (Code: 2108, Main Board, The Stock Exchange of Hongkong Ltd) pitched its Share Offer Prospectus on premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

(Please refer to the section of this analysis, labelled: Conclusion.)

This is not to suggest that there is anything wrong with K2 F and B Holdings Ltd, far from it, in fact, but with a Gearing Ratio of 139.10 percent, a Debt-to-Equity Ratio of 124.60 percent, and with declining Net Profits over the past few years, one may appreciate how many bankers would look askance should Management of this Company come knocking at the bank's door, hoping to raise additional external

funding.

The Business Of K2 F and B Holdings Ltd

K2 F and B Holdings Ltd is a company, incorporated in the Cayman Islands, but its business is completely dependent on its activities in The Republic of Singapore.

Management operates 12 food centres in the Island-City State; and, it has a history of engaging in this industry, during the past 15 years.

The Company was founded by Mr Chu Chee Keong (), also known as Mr Zhu Zhi Qiang (), and his wife, Ms Leow Poh Hoon (), also known as Ms Liao BaoYun

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Mr and Mrs Chu Chee Keong founded Fu Chan F and B Private Ltd (referred to in the Share Offer Prospectus by the initials, 'FCP') in Singapore on January 29, 2004. It is a wholly owned subsidiary of K2 F and B Holdings Ltd, today.

The aim of this company, since its founding, was to own and operate food centres in Singapore.

Today, according to Page 95 of the Share Offer Prospectus, one is told: '*... we have grown from a small food centre owner and operator into one of the largest food centre operators in Singapore.*'

At Pages 111 and 112 of the Share Offer Prospectus, one was informed in a business '**OVERVIEW**' of the Company:

'We are a food and beverage group based in Singapore with more than 15 years of experience in the ownership and operation of food centres and food street in Singapore. Currently, our business can be categorised into the (1) F&B Retail Business and (2) Outlet Management and Leasing Business.

'As at the Latest Practicable Date (February 12, 2019), we operated and managed a total of 13 food establishments, being (i) 12 food centres, comprising nine non-air-conditioned food centres and three air-conditioned food centres; and (ii) one food street, under our Outlet Management and Leasing Business. Our food street is leased by our Group from an

Independent Third Party, and comprises four food and beverage kiosks, of which three are operated by us under our F&B Retail Business.

‘A food centre is a non-air-conditioned or air-conditioned food establishment comprising individual indoor food and/or beverage stall(s) offering affordable food choices with indoor and/or outdoor dining areas. Unlike a hawker centre, a food centre, more commonly referred to as a coffee shop or eating house in Singapore, is usually privately managed. A food centre is an iconic representation of Singapore’s dining culture and is commonly found in residential and industrial estates. A food street is an outdoor food establishment comprising individual food and beverage stalls or kiosks with only outdoor eating area and is not a hawker centre ...

‘F and B Retail Business

‘Under our F and B Retail Business, we operate beverage stalls and food stalls selling food such as Mixed Vegetable Rice, Zi Char, roasted meat and chicken rice at the food centres and food street that we operate and manage, as well as food centres operated and managed by third parties. As at the Latest Practicable Date, we operated a total of 45 food and beverage stalls under our F and B Retail Business, some of which are open 24 hours a day. 29 of these food and beverage stalls are located in food centres owned/leased and food street leased, operated and managed by us under either “...” or “...” brands. Of these 29 food and beverage stalls, nine are operated on owned properties and 20 are on leased properties. The remaining 16 food stalls are leased from and located in food centres managed by Independent Third Parties. As at the Latest Practicable Date, we ... [CLICK TO ORDER FULL ARTICLE](#)

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