

TARGET

Intelligence Report

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K GROUP HOLDINGS LTD: THE COMPANY IS IN MORE THAN A WEE BIT OF TROUBLE

K Group Holdings Ltd (千盛集團控股有限公司) (Code: 8475, The **G**rowth Enterprise Market – The **GEM** – The Stock Exchange of Hongkong Ltd) published and disseminated its Share Offer Prospectus in the **H**ongkong Special Administrative **R**egion (**HKSAR**) of the **P**eople's Republic of **C**hina (**PRC**) on July 31, 2018.

About two weeks after the publication of the Company's Share Offer Prospectus, that was on or about August 13, 2018, Senior Management of K Group Holdings Ltd informed its shareholders that the Company had recorded a Net Loss Attributable to Shareholders in respect of the nine months, ended June 30, 2018.

And, pouring oil onto the fire, so to speak, Management declared, openly, that, with regard to the Financial Year, ended September 30, 2018, more losses were guaranteed.

Management of K Group Holdings Ltd has, historically, been very accurate and honest in respect of its predictions in respect of annual financial results – since the Company has recorded recurring annual losses in respect of the five Financial Years, ended August 31, 2022, aggregating not less than \$S24,978,000.00 (about \$HK149,168,626.00).

As to the Company's revenue with regard to the Financial Year, ended August 31, 2022, Management declared that it had recorded the lowest single revenue of the past five Financial Years, of \$S13,321,000.00 (about \$HK79,553,012.00).

Say that which one will about this Company, but one has to applaud Management's complete honesty and candour with regard to the recurring financial losses.

The 2021-2022 Annual Report Of K Group Holdings Ltd

On or about Thursday, December 15, 2022, Senior Management caused to have published and disseminated the Company's 2021-2022 Annual Report in respect of the Financial Year, ended August 31, 2022.

At Page 60 of the 2021-2022 Annual Report, the '**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**' was presented, some of

the highlights of which this medium has extracted, believing that that which may be considered relevant to extant shareholders and prospective investors, who are au fait with numerical facts, borne out of recorded statistics.

	For The Financial Year, Ended August 31		Percentage Increase/(Decrease)*
	2022	2021	
	All Figures Are Denominated In \$\$'000 (except where otherwise stipulated)		
Revenue	13,321	15,431	(13.67)
Loss Before Taxation	(2,560)	(6,947)	(63.15)
Loss For The Year	(2,633)	(6,929)	(62.00)
Net Loss Attributable To Shareholders Of The Company	(2,558)	(6,722)	(61.95)
Loss Per Share, Attributable To Shareholders Of The Company	(0.58) Singapore cents	(1.53) Singapore cents	(62.09)

Notes

- * These are **TARGET**'s calculations.
- This medium determined that the Singapore dollar (\$S), as at the date of this Report, was equivalent to \$HK5.972.

At the following Pages 61 and 62 of the 2021-2022 Annual Report, two matters caught the eye of this financial analyst, namely:

- Under Current Liabilities, it was stated that \$S1,059,000.00 (about \$HK6,324,348.00) was owed to a Director of the Company. In respect of the 2021 Financial Year, it was presumed, by this medium, that the declared Director had not lent money to the Company.

No further information was forthcoming from Management in respect of this matter.

- The Deficit In Assets of the Company, in respect of the 2022 Financial Year, came in at (\$S6,498,000.00) (about \$HK38,806,056.00). With regard to the 2021 Financial Year, the Deficit In Assets was said to have been (\$S3,895,000.00) (about \$HK23,260,940.00).

With regard to the Deficit in Assets, as at August 31, 2021, Zenith CPA Ltd (誠豐會計師事務所有限公司) had informed Management of K Group Holdings Ltd that it determined to resign as the Auditor of the Company with effect from Friday, October 14, 2022.

Management of K Group Holdings Ltd went on record, stating, as to the reason for the resignation of Zenith CPA Ltd as the Company's Auditor that *'the Company and Zenith could not reach a consensus in respect of the audit fee for the year ended 31 August 2022.'*

However, at foot of Page 56 of the 2021-2022 Annual Report of K Group Holdings Ltd, one was informed of some of the contents of the following paragraph:

‘The consolidated financial statements of the Group for the year ended 31 August 2021 were audited by another auditor who expressed a disclaimer opinion in relation of the material uncertainty related to going concern on those statements on 26 November 2021.’

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