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K2 F&B HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2108)

MAJOR TRANSACTION IN RELATION TO DISPOSAL OF PROPERTY AND DISCLOSEABLE TRANSACTION IN RELATION TO LEASEBACK ARRANGEMENT

THE DISPOSAL AND LEASEBACK ARRANGEMENT

The Board is pleased to announce that on 6 February 2026 (after trading hours of the Stock Exchange), the Vendor, an indirect wholly-owned subsidiary of the Company, and the Purchaser entered into the Disposal Agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Property at the consideration of S\$28,000,000 (equivalent to approximately HK\$171,640,000), exclusive of applicable GST.

Following the execution of the Disposal Agreement, on 6 February 2026 (after trading hours of the Stock Exchange), the Vendor and the Purchaser concurrently entered into the Tenancy Agreement, pursuant to which, the Purchaser as landlord agreed to lease, upon Completion, the Property to the Vendor as tenant at the rent of S\$75,000 (equivalent to approximately HK\$460,000) per calendar month (exclusive of applicable GST which shall be borne by the Vendor) for an initial term of three years commencing from the date immediately following the Completion Date with an option for the Vendor to renew for a further term of three years at the prevailing market rate, provided that any increase in rent upon renewal shall not exceed 10% of the rent payable during the initial term.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the transaction contemplated under the Disposal Agreement exceed 25% but all are below 75%, the transaction contemplated under the Disposal Agreement constitutes a major transaction for the Company and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, as at the date of this announcement, none of the Shareholders and their respective associates has any material interest in the Disposal Agreement and the transactions contemplated thereunder. As such, no Shareholder would be required to abstain from voting if the Company were to convene a general meeting for the approval of the Disposal Agreement and the transactions contemplated thereunder. As at the date of this announcement, Strong Oriental is the controlling Shareholder of the Company and beneficially holds 600,000,000 Shares, representing 75% of the entire issued share capital of the Company. Written approval of the transactions contemplated under the Disposal Agreement has been obtained from Strong Oriental. Pursuant to Rule 14.44 of the Listing Rules, such written approval may be accepted in lieu of holding a general meeting of the Company, and accordingly, no general meeting of the Company will be convened for the purpose of approving the Disposal Agreement and the transactions contemplated thereunder.

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions contemplated under the Tenancy Agreement exceed 5% but all are below 25%, the transaction contemplated under the Tenancy Agreement constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements, but is exempt from the circular and shareholders' approval requirements, under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) details of the Disposal; (ii) financial information of the Group; and (iii) a valuation of the Property shall be despatched to the Shareholders within 15 business days after publication of this announcement, that is, on or before 4 March 2026. However, as more time is required for the Company to prepare the information to be included in the circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules in respect of the delay in despatch of the circular, and will make a further announcement of the expected despatch date of the circular in due course.

Completion of the Disposal is subject to certain conditions precedent, and may or may not materialise. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the securities of the Company.

THE DISPOSAL AGREEMENT

On 6 February 2026 (after trading hours of the Stock Exchange), the Vendor, an indirect wholly-owned subsidiary of the Company, and the Purchaser entered into the Disposal Agreement in relation to the Disposal.

The principal terms of the Disposal Agreement are as follows:

Date	:	6 February 2026 (after trading hours)
Parties	:	(i) Aik Chuan Construction Pte Ltd as the purchaser (ii) CK Chu Holdings Pte Ltd as the vendor
Subject matter	:	The Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Property which comprises nine units located in People's Park Centre, Singapore, in accordance with the terms and conditions of the Disposal Agreement.
Consideration	:	S\$28,000,000 (equivalent to approximately HK\$171,640,000), exclusive of applicable GST

The Consideration is payable in the following manner:

- (i) a deposit of 5% of the Consideration (being S\$1,400,000 (equivalent to approximately HK\$8,582,000)) together with GST of S\$126,000 (equivalent to approximately HK\$772,000) shall be payable in cash by the Purchaser upon the signing of the Disposal Agreement; and
- (ii) the remaining balance of the Consideration (being S\$26,600,000 (equivalent to approximately HK\$163,058,000)) shall be payable in cash by the Purchaser upon Completion.

The Consideration was determined after arm's length negotiation between the Group and the Purchaser, having taken into account of, among other things: (a) the preliminary valuation of the Property indicated by an independent valuer; and (b) the prevailing market condition and location of the Property.

- Completion : Completion shall take place within 12 weeks from the date of the Disposal Agreement or such other dates as mutually agreed by the parties. The Purchaser or the Vendor may give notice to the other party to extend the Completion Date by up to further 12 weeks, provided that such notice to be given not less than two weeks before the Completion Date. Notwithstanding the foregoing, the Purchaser and the Vendor may mutually agree to complete the sale and purchase of the Property on a date falling later than 24 weeks from the date of the Disposal Agreement.
- Conditions precedent : Completion is conditional upon the following, among others, being fulfilled before the Completion Date:
- (i) the Disposal is subject to the shareholders' approval of the Vendor and the Company;
 - (ii) the entering into of the Tenancy Agreement with effective date being the date immediately following the Completion Date;
 - (iii) the Disposal is subject to the "Law Society of Singapore's Conditions of Sale 2020" in so far as the same are applicable to a sale by private treaty and are not varied by or inconsistent with the conditions in the Disposal Agreement and are not contrary to or in conflict with the following:
 - (a) Conveyancing and Law of Property (Conveyancing) Rules 2011 as promulgated under the Conveyancing and Law of Property Act 1886; and
 - (b) Singapore Academy of Law (Conveyancing Money) Rules 2011 as promulgated under the Singapore Academy of Law Act 1988 (if applicable);
 - (iv) the Disposal shall be subject to the Purchaser's solicitors receiving satisfactory replies to the legal requisitions and applications for interpretations plans from the relevant Government Departments in Singapore;
 - (v) the titles to the Property shall be in order and be properly deduced and free from encumbrances;
 - (vi) the Property is sold subject to all easements, reservations, covenants and conditions whatsoever affecting the Property;
 - (vii) the Property units are sold on a collective basis; and

(viii) the Property is sold on an “as is where is” basis in its present state and condition and the Purchaser shall be deemed to have notice in a respect of the actual state of condition of the Property and shall not be entitled to raise any queries, requisitions or objections of whatsoever nature in respect thereof.

In the event that any of the conditions precedent under items (i), (iv) or (vii) are not being fulfilled, the Deposit shall be refunded to the Purchaser.

THE TENANCY AGREEMENT

Following the execution of the Disposal Agreement, on 6 February 2026 (after trading hours of the Stock Exchange), the Vendor and the Purchaser entered into the Tenancy Agreement in relation to the Leaseback Arrangement.

The principal terms of the Tenancy Agreement are as follows:

- | | | |
|---------|---|---|
| Date | : | 6 February 2026 (after trading hours) |
| Parties | : | (i) Aik Chuan Construction Pte Ltd as the landlord
(ii) CK Chu Holdings Pte Ltd as the tenant |
| Rent | : | The Purchaser as landlord agreed to lease the Property to the Vendor as tenant at the rent of S\$75,000 (equivalent to approximately HK\$460,000) per calendar month (exclusive of applicable GST which shall be borne by the Vendor) for an initial term of three (3) years commencing from the date immediately following the Completion Date with an option for the Vendor to renew for a further term of three (3) years at the prevailing market rate, provided that any increase in rent upon renewal shall not exceed 10% of the rent payable during the initial term. |

The rent payable by Vendor to the Purchaser under the Tenancy Agreement was determined upon arm’s length negotiation between the parties to the Tenancy Agreement, having regard to (a) the prevailing market rent for similar properties in the vicinity of the Property; (b) the conditions of the Property; and (c) the gross floor area of the Property.

The monthly rent shall be payable in advance on or before the first day of each calendar month. Payments under the Tenancy Agreement is expected to be satisfied by internal resources of the Group in its ordinary and usual course of business.

- Sub-lease : The Purchaser agreed that the Vendor has the right to sub-lease the Property during the term of the Tenancy Agreement.
- Condition precedent : The Tenancy Agreement is conditional upon the Completion of the Disposal.

INFORMATION ABOUT THE PROPERTY

The Property comprises nine units on Level 1 of People's Park Centre, 101 Upper Cross Street, Singapore 058357. The units are identified as #01-02A, #01-02B, #01-02C, #01-02E, #01-04A, #01-05A, #01-05B, #01-05C, and #01-05P, with an aggregate area of approximately 530 square metres. Of the nine units, eight units are located in close proximity, forming an integrated food centre layout around a common dining area. Of the nine units, eight are currently operated and managed by the Group as an air-conditioned food centre under its outlet management and leasing business, with some food and beverage stalls being operated directly by the Group, and the rest being leased to external parties. The remaining unit is leased to a third party for retail purpose.

Set out below are the audited financial information of the Property for the two years ended 31 December 2023 and 2024:

	For the financial year ended	
	31 December	
	2024	2023
	<i>(S\$)</i>	<i>(S\$)</i>
	<i>(approximately)</i>	<i>(approximately)</i>
Revenue ⁽¹⁾	925,000	732,000
Net profit before tax	(36,000)	1,036,000 ⁽²⁾
Net profit after tax	(36,000)	1,011,000 ⁽²⁾

Notes:

- The revenue attributable to the Property includes rental income derived from the leasing of premises to third party tenants and other tenants within the Group as well as revenue derived from the provision of management, cleaning and utilities services to such tenants.
- The net profit before tax and net profit after tax include a fair value gain of S\$870,000, which was recognised based on the valuation performed by an independent professional valuer.

INFORMATION ABOUT THE PARTIES

The Group and the Vendor

The Group is principally engaged in (i) food and beverage retail business; and (ii) outlet management and leasing business in Singapore. The Vendor is an indirect wholly-owned subsidiary of the Company, which primarily engages in the ownership and operation of food centres, and operation of food and beverage stalls.

The Purchaser

The Purchaser is a company incorporated under the laws of Singapore with limited liability, primarily engaged in the provision of building construction services and the operation of hostels and dormitories for students, workers and others individuals, with the ultimate beneficial owner of the Purchaser being Mr. Lim Yew Ming Ken.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owner is an Independent Third Party, and does not have any other past or present relationships (formal or informal, business or otherwise, implied or explicit) with the Company or its connected persons.

REASONS FOR AND BENEFITS OF THE DISPOSAL AND LEASEBACK ARRANGEMENT

The Property was acquired by the Group in 2020 for a consideration of approximately S\$22,200,000 (equivalent to approximately HK\$136,086,000), with the acquisition substantially financed through bank borrowings. As mentioned above, the Property is currently operated and managed by the Group as an air-conditioned food centre under its outlet management and leasing business and the Group also leased out certain units of the Property to third parties. Taking into consideration the prevailing property market conditions and the gain to be recorded from the Disposal, the Disposal represents a positive opportunity to realise the value of the Property. The Board believes that the Disposal will allow the Group to realise its investment in the Property and apply the net proceeds to repay bank loan of the Group, thereby reducing the indebtedness and finance costs of the Group and mitigating its liquidity pressure.

Following the Completion, the Leaseback Arrangement would enable the Group to continue to utilise the Property for operating the food centre without disruption, thereby preserving existing revenue streams.

Based on the above, the Board is of the view that the Disposal and Leaseback Arrangement represent a commercially sound decision, is in the best interests the Shareholders as a whole, and is aligned with the Group's long-term strategy of strengthening its financial position and focusing on future growth opportunities.

FINANCIAL EFFECTS OF THE DISPOSAL AND USE OF PROCEEDS

The Property is classified as an investment property in the Group's consolidated financial statements as at 31 December 2024, with an aggregate fair value of approximately S\$23,500,000 (equivalent to approximately HK\$144,055,000). Based on the Consideration of S\$28,000,000 (equivalent to approximately HK\$171,640,000) and taking into account the related expenses for the Disposal, the overall gain from the Disposal is estimated to be approximately S\$3,400,000 (equivalent to approximately HK\$20,842,000).

The Group is expected to recognise a fair value gain of approximately S\$4,500,000 (equivalent to approximately HK\$27,585,000) in respect of the Property for the financial year ended 31 December 2025. Upon completion of the Disposal, a loss on disposal of approximately S\$1,100,000 (equivalent to approximately HK\$6,743,000) arising primarily from the related expenses incurred for the Disposal, is expected to be recognised in the financial year ending 31 December 2026. In addition, right-of-use assets of approximately S\$2,700,000 (equivalent to approximately HK\$16,551,000), lease liabilities of approximately S\$2,600,000 (equivalent to approximately HK\$15,938,000) and a provision for reinstatement of approximately S\$100,000 (equivalent to approximately HK\$613,000) will be recognised in accordance with the applicable financial reporting standards. The actual amount of gain or loss to be recorded in the Group's accounts as a result of the Disposal will be subject to final review and audit by the auditor of the Company.

The net proceeds from the Disposal after deducting the related expenses of approximately S\$1,100,000 (equivalent to approximately HK\$6,743,000) (including commission payable to the independent licensed property agent, and other transactions costs including legal fees and other professional fees) are expected to be approximately S\$26,900,000 (equivalent to approximately HK\$164,897,000). The Company intends to use (i) approximately S\$16,400,000 for repayment of the existing bank loans relating to the Property; (ii) approximately S\$4,500,000 for repayment of other short-term banking facilities; (iii) the remaining proceeds of approximately S\$6,000,000 will be applied as general working capital of the Group.

LISTING RULES IMPLICATIONS

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To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, as at the date of this announcement, none of the Shareholders and their respective associates has any material interest in the Disposal Agreement and the transactions contemplated thereunder. As such, no Shareholder would be required to abstain from voting if the Company were to convene a general meeting for the approval of the Disposal Agreement and the transactions contemplated thereunder. As at the date of this announcement, Strong Oriental is the controlling Shareholder of the Company and beneficially holds 600,000,000 Shares, representing 75% of the entire issued share capital of the Company. Written approval of the transactions contemplated under the Disposal Agreement has been obtained from Strong Oriental. Pursuant to Rule 14.44 of the Listing Rules, such written approval may be accepted in lieu of holding a general meeting of the Company, and accordingly, no general meeting of the Company will be convened for the purpose of approving the Disposal Agreement and the transactions contemplated thereunder.

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions contemplated under the Tenancy Agreement exceed 5% but all are below 25%, the transaction contemplated under the Tenancy Agreement constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements, but is exempt from the circular and shareholders' approval requirements, under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) details of the Disposal; (ii) financial information of the Group; and (iii) a valuation of the Property shall be despatched to the Shareholders within 15 business days after publication of this announcement, that is, on or before 4 March 2026. However, as more time is required for the Company to prepare the information to be included in the circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules in respect of the delay in despatch of the circular, and will make a further announcement of the expected despatch date of the circular in due course.

Completion of the Disposal is subject to certain conditions precedent, and may or may not materialise. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Board”	the board of Directors
“Company”	K2 F&B Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange (stock code: 2108)
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Disposal Agreement
“Completion Date”	the date on which Completion shall take place
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	S\$28,000,000 (equivalent to approximately HK\$171,640,000), exclusive of applicable GST, being the consideration for the Property payable by the Purchaser to the Vendor pursuant to the Disposal Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Property pursuant to the Disposal Agreement

“Disposal Agreement”	the agreement dated 6 February 2026 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Property
“Group”	the Company and its subsidiaries from time to time
“GST”	Goods and Service Tax in Singapore
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person(s) or company(ies) who/which is(are) independent of the Company and its connected persons
“Leaseback Arrangement”	the leaseback of the Property by the Vendor from the Purchaser pursuant to the terms of the Tenancy Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	Units #01-02A, #01-02B, #01-02C, #01-02E, #01-04A, #01-05A, #01-05B, #01-05C and #01-05P on Level 1 of People’s Park Centre, 101 Upper Cross Street, Singapore 058357
“Purchaser”	Aik Chuan Construction Pte Ltd, a company incorporated under the laws of Singapore with limited liability
“S\$”	Singaporean dollar(s), the lawful currency of Singapore
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strong Oriental”	Strong Oriental Limited, the controlling shareholder of the Company holding 600,000,000 Shares, representing 75.0% of the total issued share capital of the Company
“Tenancy Agreement”	the tenancy agreement dated 6 February 2026 entered into between the Vendor and the Purchaser in relation to the Leaseback Arrangement

“Vendor” CK Chu Holdings Pte Ltd, a company incorporated under the laws of Singapore with limited liability and an indirect wholly-owned subsidiary of the Company

“%” per cent.

Note: Unless otherwise stated, the figures in “S\$” are converted into HK\$ at the rate of S\$1.00: HK\$6.13 throughout this announcement for indicative purposes only, and should not be construed as a representation that any amount has been, could have been or may be, exchanged at this or any other rate.

By Order of the Board
K2 F&B Holdings Limited
Chu Chee Keong (Zhu Zhiqiang)
Chairman

Singapore, 6 February 2026

As at the date of this announcement, the Directors are:

Executive Directors:

Mr. Chu Chee Keong (Zhu Zhiqiang)
Ms. Leow Poh Hoon (Liao Baoyun)
Mr. Chu Pok Chong, Ivan

Independent non-executive Directors:

Mr. Wong Loke Tan
Mr. Mah Seong Kung
Mr. Ng Yong Hwee