

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

## **K2 F&B HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2108)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of K2 F&B Holdings Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (“**FY2025**”) together with the comparative figures for the year ended 31 December 2024 (“**FY2024**”), which have been reviewed by the audit committee of the Company (the “**Audit Committee**”), as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

*For the year ended 31 December 2025*

	<i>Notes</i>	<b>2025</b> <b>S\$'000</b>	2024 <i>S\$'000</i>
<b>Revenue</b>	4	<b>51,506</b>	57,172
Fair value gain of investment properties		<b>8,400</b>	1,546
Other income, gains and losses, net	5	<b>86</b>	1,061
Cost of inventories consumed		<b>(15,233)</b>	(18,527)
Staff costs		<b>(14,483)</b>	(17,417)
Property rentals and related expenses		<b>(4,883)</b>	(4,572)
Management, cleaning and utilities expenses		<b>(3,851)</b>	(3,325)
Depreciation of property, plant and equipment		<b>(1,759)</b>	(1,738)
Depreciation of right-of-use assets		<b>(3,502)</b>	(3,579)
Other operating expenses		<b>(3,117)</b>	(3,928)
Finance costs	6	<b>(3,266)</b>	(3,616)
<b>Profit before tax</b>	7	<b>9,898</b>	3,077
Taxation	8	<b>(338)</b>	(284)
<b>Profit for the year</b>		<b>9,560</b>	2,793
Other comprehensive income/(expense)			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		<b>7</b>	(3)
<b>Total comprehensive income for the year</b>		<b>9,567</b>	2,790
<b>Profit attributable to:</b>			
Owners of the Company		<b>9,560</b>	2,811
Non-controlling interests		<b>-<sup>#</sup></b>	(18)
		<b>9,560</b>	2,793
Total comprehensive income attributable to:			
Owners of the Company		<b>9,566</b>	2,809
Non-controlling interests		<b>1</b>	(19)
		<b>9,567</b>	2,790
<b>Earnings per share</b>			
Basic and diluted (in Singapore cents)	10	<b>1.20</b>	0.35

<sup>#</sup>: Less than S\$1,000

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 December 2025*

	<i>Notes</i>	2025 <i>S\$'000</i>	2024 <i>S\$'000</i>
<b>Non-current assets</b>			
Investment properties	<i>11</i>	<b>113,800</b>	135,600
Property, plant and equipment	<i>12</i>	<b>47,375</b>	48,621
Right-of-use assets		<b>5,662</b>	7,681
Investment in associates		<b>244</b>	4
Financial assets at fair value through profit or loss		<b>768</b>	788
Deferred tax assets		<b>44</b>	28
Deposits paid		<b>1,266</b>	1,544
		<hr/> <b>169,159</b>	<hr/> 194,266
<b>Current assets</b>			
Inventories		<b>145</b>	159
Trade and other receivables	<i>13</i>	<b>674</b>	612
Prepayments and deposits paid		<b>1,165</b>	788
Financial assets at fair value through profit or loss		<b>433</b>	47
Pledged bank deposits		<b>1,015</b>	1,015
Cash and cash equivalents		<b>3,999</b>	7,158
		<hr/> <b>7,431</b>	<hr/> 9,779
Non-current assets held for sale	<i>14</i>	<b>28,000</b>	–
		<hr/> <b>35,431</b>	<hr/> 9,779
<b>Current liabilities</b>			
Trade payables	<i>15</i>	<b>2,409</b>	2,628
Accruals, other payables and deposits received		<b>6,291</b>	6,828
Borrowings		<b>24,422</b>	9,891
Lease liabilities		<b>3,176</b>	3,524
Tax payables		<b>450</b>	346
		<hr/> <b>36,748</b>	<hr/> 23,217
<b>Net current liabilities</b>		<hr/> <b>(1,317)</b>	<hr/> (13,438)
<b>Total assets less current liabilities</b>		<hr/> <b>167,842</b>	<hr/> 180,828

	<i>Notes</i>	<b>2025</b> <i>S\$'000</i>	2024 <i>S\$'000</i>
<b>Non-current liabilities</b>			
Borrowings		<b>65,109</b>	85,777
Lease liabilities		<b>3,056</b>	4,794
Provision for reinstatement costs		<b>484</b>	484
Other payables and deposits received		<b>418</b>	565
		<u><b>69,067</b></u>	<u>91,620</u>
<b>Net assets</b>		<u><b>98,775</b></u>	<u>89,208</u>
<b>Capital and reserves</b>			
Share capital		<b>1,381</b>	1,381
Reserves		<b>97,412</b>	87,846
		<u><b>98,793</b></u>	<u>89,227</u>
Equity attributable to owners of the Company		<b>98,793</b>	89,227
Non-controlling interests		<u><b>(18)</b></u>	<u>(19)</u>
<b>Total equity</b>		<u><b>98,775</b></u>	<u>89,208</u>

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*For the year ended 31 December 2025*

### **1. GENERAL INFORMATION**

K2 F&B Holdings Limited was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 13 March 2018. Its parent company is Strong Oriental Limited which was incorporated in the British Virgin Islands and the ultimate controlling shareholder of the Company is Mr. Chu Chee Keong (Zhu Zhiqiang), who is also an executive Director. The shares of the Company were listed and traded on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 6 March 2019 by way of share offer. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The headquarters and principal place of business of the Company in Singapore is located at 51 Ubi Avenue 1, #02-17, Paya Ubi Industrial Park, Singapore 408933 and the principal place of business of the Company in Hong Kong is located at Room 1601, 16th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries are leasing, outlet and stall management of food establishment premises and operation of food and beverage stalls. The consolidated financial statements for FY2025 are presented in Singapore dollars (“**S\$**”), which is the functional currency of the Company. All values are rounded to the nearest thousand (“**S\$’000**”), except when otherwise indicated.

### **2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS**

The consolidated financial statements have been prepared in accordance with all applicable IFRS Accounting Standards issued by the International Accounting Standards Board (the “**IASB**”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

#### **Amendments to IFRS Accounting Standards that are mandatorily effective for FY2025**

In the current year, the Group has applied amendments to IAS 21, The effects of changes in foreign exchange rates — Lack of exchangeability issued by the IASB that are first effective for the current accounting period of the Group. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

## New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective in these consolidated financial statements.

	<b>Effective for accounting periods beginning on or after</b>
• Amendments to IFRS 9 and IFRS 7, <i>Contracts referencing nature-dependent electricity</i>	1 January 2026
• Amendments to IFRS 9 and IFRS 7, <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
• Amendments to IFRS 10 and IAS 28, <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined
• Amendments to IAS 21, <i>Translation to a Hyperinflationary Presentation Currency</i>	1 January 2027
• Amendments to IFRS Accounting Standards, <i>Annual Improvements to IFRS Accounting Standards — Volume 11</i>	1 January 2026
• IFRS 18, <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
• IFRS 19, <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027

The Group has already commenced an assessment of the impact of these new and amendments to IFRS Accounting Standards but is not yet in a position to state whether these new and amendments to IFRS Accounting Standards would have a material impact on its results of operations and financial position.

### 3. OPERATING SEGMENT INFORMATION

For management's purpose, the Group is organised into two business segments, namely:

#### (a) Rental and outlet management

The business segment of rental and outlet management operation is involved in the leasing of food establishment premises to tenants and the provision of outlet management services and cleaning and utilities services to tenants (the “**Rental and Outlet Management**”).

#### (b) Food and beverage stalls

The business segment of food and beverage stalls operation is primarily involved in the retailing of beverage, tobacco products, and cooked food directly to consumers such as mixed vegetable rice, zi char, roasted meat and chicken rice located in food establishments operated and managed by the Group (the “**Food and Beverage Stalls**”).

The two business segments described above are identified as the operating and reportable segments of the Group for financial reporting purposes. Inter-segment revenue from service income and rental income are priced with reference to prices charged to external parties for similar services and premises, and inter-segment management fee revenue included in service income is charged at the actual costs including staff costs and property rental and related expenses incurred by the segment being charged with the service fee as stated in “Other segment information” section of the segment information disclosure note below.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects is measured differently from operating profit or loss in the consolidated financial statements.

The material accounting policy information of the operating segments are the same as the Group's material accounting policy information. Segment profit represents the profit earned by each segment without allocation of central administration costs, directors' emoluments, bank interest income and finance cost on general working capital borrowings.

**For the year ended 31 December 2025:**

	<b>Rental and Outlet Management S\$'000</b>	<b>Food and Beverage Stalls S\$'000</b>	<b>Unallocated S\$'000</b>	<b>Total S\$'000</b>
<b>Segment revenue</b>				
External revenue from contracts with customers within the scope of IFRS 15	5,729	35,557	–	41,286
External rental income	10,220	–	–	10,220
	<u>15,949</u>	<u>35,557</u>	<u>–</u>	<u>51,506</u>
<b>Inter-segment revenue</b>				
— Rental and service income	19,003	–	–	19,003
Elimination	(19,003)	–	–	(19,003)
	<u>15,949</u>	<u>35,557</u>	<u>–</u>	<u>51,506</u>
<b>Segment profit/(loss)</b>	<u><u>11,301</u></u>	<u><u>4,624</u></u>	<u><u>(6,027)</u></u>	<u><u>9,898</u></u>
	<b>Rental and Outlet Management S\$'000</b>	<b>Food and Beverage Stalls S\$'000</b>	<b>Unallocated S\$'000</b>	<b>Total S\$'000</b>
<b>Other segment information</b>				
Included in the measures of segment profit/(loss) and segment assets:				
Fair value gain of investment properties	8,400	–	–	8,400
Finance costs	(2,560)	–	(706)	(3,266)
Addition to non-current assets ( <i>Note</i> )	1,844	219	64	2,127
Depreciation of property, plant and equipment	(736)	(323)	(700)	(1,759)
Depreciation of right-of-use assets	(3,269)	(233)	–	(3,502)
Staff costs	(3,150)	(7,023)	(4,310)	(14,483)
Property rentals and related expenses	(2,875)	(2,008)	–	(4,883)

*Note:* Non-current assets included plant and equipment and right-of-use assets.

	Rental and Outlet Management S\$'000	Food and Beverage Stalls S\$'000	Unallocated S\$'000	Total S\$'000
<b>Reportable segment assets</b>	<b>137,856</b>	<b>6,238</b>	<b>249</b>	<b>144,343</b>
Financial assets at fair value through profit or loss	–	–	1,201	1,201
Pledged bank deposits	–	–	1,015	1,015
Deferred tax assets	–	–	44	44
Assets classified as held for sale	<b>28,000</b>	–	–	<b>28,000</b>
Unallocated property, plant and equipment	–	–	<b>29,987</b>	<b>29,987</b>
<b>Consolidated total assets</b>	<b>165,856</b>	<b>6,238</b>	<b>32,496</b>	<b>204,590</b>
<b>Reportable segment liabilities</b>	<b>77,824</b>	<b>4,493</b>	<b>21,223</b>	<b>103,540</b>
Tax payable	–	–	450	450
Other unallocated liabilities: — Accruals and other payables	–	–	<b>1,825</b>	<b>1,825</b>
<b>Consolidated total liabilities</b>	<b>77,824</b>	<b>4,493</b>	<b>23,498</b>	<b>105,815</b>

**For the year ended 31 December 2024:**

	Rental and Outlet Management S\$'000	Food and Beverage Stalls S\$'000	Unallocated S\$'000	Total S\$'000
<b>Segment revenue</b>				
External revenue from contracts with customers within the scope of IFRS 15	4,679	43,282	–	47,961
External rental income	9,211	–	–	9,211
	13,890	43,282	–	57,172
<b>Inter-segment revenue</b>				
— Rental and service income	23,161	–	–	23,161
Elimination	(23,161)	–	–	(23,161)
	13,890	43,282	–	57,172
<b>Segment profit/(loss)</b>	<b>4,017</b>	<b>2,474</b>	<b>(3,414)</b>	<b>3,077</b>

	Rental and Outlet Management S\$'000	Food and Beverage Stalls S\$'000	Unallocated S\$'000	Total S\$'000
<b>Other segment information</b>				
Included in the measures of segment profit/(loss) and segment assets:				
Fair value gain of investment properties	1,546	–	–	1,546
Finance costs	(3,316)	–	(300)	(3,616)
Addition to non-current assets ( <i>Note</i> )	11,682	901	7,824	20,407
Depreciation of property, plant and equipment	(905)	(506)	(327)	(1,738)
Depreciation of right-of-use assets	(3,395)	(184)	–	(3,579)
Staff costs	(3,324)	(10,354)	(3,739)	(17,417)
Property rentals and related expenses	(2,285)	(2,287)	–	(4,572)

*Note:* Non-current assets included investment properties, property, plant and equipment and right-of-use assets.

	Rental and Outlet Management S\$'000	Food and Beverage Stalls S\$'000	Unallocated S\$'000	Total S\$'000
<b>Reportable segment assets</b>	162,090	9,421	10	171,521
Financial assets at fair value through profit or loss	–	–	835	835
Pledged bank deposits	–	–	1,015	1,015
Deferred tax assets	–	–	28	28
Unallocated property, plant and equipment	–	–	30,646	30,646
<b>Consolidated total assets</b>	<u>162,090</u>	<u>9,421</u>	<u>32,534</u>	<u>204,045</u>
<b>Reportable segment liabilities</b>	88,100	5,472	18,925	112,497
Tax payable	–	–	346	346
Unallocated accruals and other payables	–	–	1,994	1,994
<b>Consolidated total liabilities</b>	<u>88,100</u>	<u>5,472</u>	<u>21,265</u>	<u>114,837</u>

#### ***Information about major customers***

No single major customer contributed more than 10% of the Group's total revenue. The revenue is spread over a broad base of customers.

#### ***Geographical information***

The Group operates mainly in Singapore with revenue generated in, and non-current assets situated in, Singapore. Accordingly, an analysis of revenue and non-current assets of the Group by geographical distribution has not been presented.

#### 4. REVENUE

	2025 <i>S\$'000</i>	2024 <i>S\$'000</i>
<b>Revenue from contracts with customers within the scope of IFRS 15</b>		
Sales of goods, recognised on point in time basis		
— Sales of cooked food, beverage and tobacco products*	35,557	43,282
Services income, recognised on over time basis		
— Provision of cleaning and utilities services to tenants	5,729	4,679
	<u>41,286</u>	<u>47,961</u>
<b>Revenue from other sources</b>		
Rent from leases of premises to tenants	10,220	9,211
	<u>51,506</u>	<u>57,172</u>

\* It comprises mainly the sales of cooked food and beverage products.

#### 5. OTHER INCOME, GAINS AND LOSSES, NET

	2025 <i>S\$'000</i>	2024 <i>S\$'000</i>
(Loss)/gain on disposal of an investment property	(250)	450
(Loss)/gain on disposal of property, plant and equipment, net	(22)	235
Loss on modification of lease contracts	(45)	–
Exchange (loss)/gain	(68)	28
Interest income	43	43
Dividend income from financial assets at FVTPL <sup>#</sup>	3	3
Fair value gain on financial assets at FVTPL <sup>#</sup>	37	22
Sundry income	388	280
	<u>86</u>	<u>1,061</u>

<sup>#</sup> FVTPL: Fair Value Through Profit or Loss.

#### 6. FINANCE COSTS

	2025 <i>S\$'000</i>	2024 <i>S\$'000</i>
Interest on borrowings	2,968	3,753
Interest on lease liabilities	298	362
	<u>3,266</u>	<u>4,115</u>
Capitalised interest in relation to acquisition of land and development cost	–	(499)
	<u>3,266</u>	<u>3,616</u>

## 7. PROFIT BEFORE TAX

Profit before tax is arrived at after charging the following items:

	2025 S\$'000	2024 S\$'000
<b>(a) Staff costs (including directors' emoluments)</b>		
Salaries, other allowances and benefits in kind ( <i>note (i)</i> )	12,627	15,628
Discretionary bonuses	1,123	978
Contribution to defined contribution plans	733	811
	<u>14,483</u>	<u>17,417</u>
<b>(b) Other items</b>		
Cost of inventories consumed ( <i>Note (ii)</i> )	15,233	18,527
Auditor's remuneration		
— annual audit services	103	115
— non-audit services	–	34
Expenses relating to short-term leases	4,883	4,572
Written off on property, plant and equipment	80	–
Direct operating expenses arising from investment properties that generated rental income during the year	495	387
	<u>495</u>	<u>387</u>

*Notes:*

- (i) For the year ended 31 December 2025, manpower related government grants or assistance amounted to S\$619,000 (2024: S\$379,000) have been offset against staff costs. There were no unfulfilled conditions for receiving such government grants or assistance.
- (ii) Cost of inventories consumed mainly includes food and beverages and tobacco products purchase costs of S\$15,233,000 (2024: S\$18,527,000).

## 8. TAXATION

The Group's subsidiary incorporated in Hong Kong is not liable for income tax as it did not have any assessable income arising in Hong Kong during the year ended 31 December 2025 (2024: Nil).

The Singapore Corporate Income tax ("CIT") rate was 17% (2024: 17%) during FY2025. Income tax expense for the Group relates wholly to the profits of the subsidiaries, which were taxed at 17% in Singapore. Major components of income tax expense for the year are:

	2025 S\$'000	2024 S\$'000
Current tax:		
— Singapore CIT	415	299
— Over provision in respect of prior years	(61)	(38)
	<u>354</u>	<u>261</u>
Deferred tax	(16)	23
	<u>338</u>	<u>284</u>

## **9. DIVIDENDS**

Subsequent to the end of the reporting period, a final dividend in respect of FY2025 of 0.3125 Singapore cents (FY2024: Nil) per ordinary share, in an aggregate amount of S\$2.5 million (2024: Nil), has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting. No interim dividend was declared during the financial years ended 31 December 2025 and 31 December 2024.

## **10. EARNINGS PER SHARE**

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the Company of approximately S\$9,560,000 (2024: approximately S\$2,811,000) and the weighted average number of ordinary shares of the Company in issue during FY2025 of 800,000,000 shares (2024: 800,000,000 shares).

No adjustment is made in arriving at dilutive earnings per share as there was no potential ordinary shares in issue for both years.

## **11. INVESTMENT PROPERTIES**

During FY2025, the Group divested an investment property located at 83 Genting Lane, #08-00 Genting Building, Singapore 349568, to an independent third party for a consideration of S\$1,950,000. This transaction was conducted as part of the Group's ongoing commitment to optimising its business portfolio and enhancing financial performance.

In December 2025, the Directors of the Company resolved to dispose of the Group's investment properties located at 101 Upper Cross Street, #01-02/A/B/C/E, #01-04A, and #01-05A/B/C/P, People's Park Centre, Singapore 058357. As the disposal is highly probable and expected to be completed within twelve months from the reporting date, these investment properties have been reclassified as non-current assets held for sale as at 31 December 2025, in accordance with the relevant accounting standards.

As at 31 December 2025, investment properties with carrying value of approximately S\$102,200,000 (2024: S\$124,400,000) and an investment property classified as held for sale with a carrying amount of S\$28,000,000 have been pledged to secure borrowings of the Group.

## **12. PROPERTY, PLANT AND EQUIPMENT**

During FY2025, the Group acquired property, plant and equipment at a consideration of approximately S\$628,000 (2024: S\$8,652,000), which included approximately S\$Nil (2024: S\$7,732,000) for property construction-in-progress.

As at 31 December 2025, property, plant and equipment with net carrying amount of approximately S\$43,290,000 (2024: approximately S\$44,069,000), comprising freehold land and leasehold land and buildings, were pledged as security under mortgage loans.

### 13. TRADE AND OTHER RECEIVABLES

	2025 S\$'000	2024 S\$'000
Trade receivables	361	187
Other receivables	313	425
	<u>674</u>	<u>612</u>

Ageing analysis of the Group's trade receivables based on invoice date as at the end of the reporting period is as follows:

	2025 S\$'000	2024 S\$'000
0 to 30 days	302	184
31 to 90 days	44	3
91 to 180 days	15	–
	<u>361</u>	<u>187</u>

The Group allows an average credit period of 7 days to its customers.

### 14. NON-CURRENT ASSETS HELD FOR SALE

In December 2025, the directors of the Company resolved to dispose of the Group's investment properties located at 101 Upper Cross Street, #01-02/A/B/C/E, #01-04A, and #01-05A/B/C/P, People's Park Centre, Singapore 058357 (collectively, the "**Property**"). As the Property is available for immediate sale in its present condition and the disposal is highly probable to be completed within twelve months from the reporting date, the Property has been classified as non-current assets held for sale as at 31 December 2025. This classification is supported by the Group's commitment to a formal disposal plan and the initiation of an active marketing program to locate a buyer at a price that is reasonable in relation to its current fair value.

The properties held for sale are accounted for using the fair value model. As at 31 December 2025, the fair value of these properties, as determined by independent professional valuers, amounted to S\$28,000,000.

The Property is pledged as security for certain bank borrowings. In line with the classification of the underlying assets, the related outstanding bank balance of approximately S\$16.4 million has been presented as current liabilities in the consolidated statement of financial position of the Group as at 31 December 2025.

## 15. TRADE PAYABLES

	<b>2025</b>	2024
	<b><i>S\$'000</i></b>	<i>S\$'000</i>
Trade payables	<b><u>2,409</u></b>	<u>2,628</u>

Trade payables are non-interest bearing. They are generally settled within 15 days to 90 days credit terms.

As at 31 December 2025 and 2024, trade payables were mainly denominated in Singapore dollars.

Ageing analysis of trade payables based on invoice date as at the end of the reporting period is as follows:

	<b>2025</b>	2024
	<b><i>S\$'000</i></b>	<i>S\$'000</i>
0 to 30 days	<b>2,406</b>	2,623
31 to 90 days	<b>2</b>	1
91 to 180 days	<b><u>1</u></b>	<u>4</u>
	<b><u>2,409</u></b>	<u>2,628</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Overview and Prospect

The core business and revenue structure of the Group remain unchanged. The Group owns and operates food centres in Singapore since 2004. The revenue of the Group is primarily derived from the Group's two main operating business segments, being (i) the rental and outlet management operation which involves the leasing of food establishment premises to tenants and the provision of cleaning and utilities services to tenants (the “**Rental and Outlet Management**”), and (ii) the food and beverage stalls operation which comprises the retailing of beverage, tobacco products, and cooked food directly to consumers such as mixed vegetable rice, zi char, roasted meat and chicken rice located in food establishments operated and managed by the Group (the “**Food and Beverage Stalls**”).

As at 31 December 2025, the Group owned and managed 23 food centres as follows:

	<b>FY2025</b>	FY2024
Food centres owned and/or managed by the Group	<u><b>23</b></u>	<u>24</u>

The following sets forth the changes in the number of food centres owned and/or managed by the Group under the Outlet Management and Leasing Business for the year stated below:

Number of food centres as at 1 January 2025	24
Number of food centres opened during 2025	1
Number of food centres closed during 2025	(2)
Number of food centres as at 31 December 2025	23

The Group operated 45 food and beverage stalls as at 31 December 2025 as follows:

	<b>FY2025</b>	FY2024
In owned properties	<b>10</b>	14
In leased properties	<b>16</b>	19
In food centres managed by independent third parties	<u><b>19</b></u>	<u>15</u>
Total	<u><b>45</b></u>	<u>48</u>

The following sets forth the changes in the number of food and beverage stalls under the F&B Retail Business for FY2025 stated below:

Number of food and beverage stalls as at 1 January 2025	48
Number of food and beverage stalls opened during 2025	5
Number of food and beverage stalls closed during 2025	(8)
Number of food and beverage stalls as at 31 December 2025	45

The operating environment for the food and beverage industry in Singapore is becoming increasingly challenging. Rising manpower costs and persistent labor shortages continue to exert pressure on operational expenses, while inflationary trends contribute to rising overall costs. Despite these headwinds, the Group has demonstrated resilience, adaptability, and financial discipline, enabling us to navigate market volatility while sustaining business stability. Moving forward, our strategic development initiatives will focus on the following key areas:

- Divesting lower-performing assets to reallocate capital towards higher-value growth opportunities and strengthen the Group's financial position.
- Expanding our network of food outlets with a focus on high-demand locations that offer strong business potential and scalability.
- Continuing to fortify our market leadership in Singapore through the targeted opening of new food and beverage establishments.
- Upgrading existing food centers to create distinctive and engaging dining experiences, aimed at increasing footfall and improving overall customer satisfaction.

By executing these strategic initiatives, the Group aims to drive sustainable growth, optimise operational efficiency, and enhance long-term value for our stakeholders.

## **FINANCIAL REVIEW**

### **Revenue**

The Group recorded a decrease in revenue of approximately S\$5.7 million, or 10.0%, from approximately S\$57.2 million in FY2024 to S\$51.5 million in FY2025. This decline was primarily driven by the closure of underperforming food and beverage stalls initiated in the latter quarter of the previous financial year. The impact of these closures was partially offset by an increase in rental income and revenue from the provision of cleaning and utilities services.

The revenue generated from sale of cooked food, beverages and tobacco products decreased by approximately S\$7.7 million, or 17.8%, from S\$43.3 million in FY2024 to S\$35.6 million in FY2025. The decrease was mainly attributed to the strategic closure of underperforming stalls during the year as part of the Group's ongoing operational optimisation strategy to improve overall margins.

The revenue generated from rental income from lease of premises to tenants and provision of cleaning and utilities services increased by approximately S\$2.0 million, or 14.4%, from S\$13.9 million in FY2024 to S\$15.9 million in FY2025. This growth was primarily driven by a higher occupancy rate across our properties and improved leasing terms achieved during the financial period compared to FY2024.

The following table sets forth the breakdown of revenue by the three categories:

	2025		2024	
	S\$'000	%	S\$'000	%
<b>Revenue from contracts with customers within the scope of IFRS 15</b>				
Sales of goods, recognised on point in time basis				
— Sales of cooked food, beverage and tobacco products	35,557	69.1%	43,282	75.7%
Services income, recognised on over time basis				
— Provision of cleaning and utilities services to tenants	5,729	11.1%	4,679	8.2%
	<u>41,286</u>	<u>80.2%</u>	<u>47,961</u>	<u>83.9%</u>
<b>Revenue from other sources</b>				
Rent from leases of premises to tenants	10,220	19.8%	9,211	16.1%
	<u>51,506</u>	<u>100.0%</u>	<u>57,172</u>	<u>100.0%</u>

Both revenue streams from lease of premises and provision of cleaning and utilities services were under the Group's Rental and Outlet Management business segment, while sales of cooked food, beverage and tobacco products was under the Group's Food and Beverage Stalls business segment.

## **Fair Value Gain of Investment Properties**

The fair value gains of the Group's investment properties and non-current assets held for sale are dependent on prevailing economic conditions, property market sentiment, and other external factors. The fair values were determined using the comparable sales method, which involves analysing recent transactions of similar properties in the market.

The assessment of these fair values was carried out by Knight Frank Pte. Ltd. and GB Global Pte. Ltd., both of which are established, independent, and qualified professional valuers in Singapore. These firms have no connection with the Group and possess the appropriate professional qualifications and extensive experience required to value the specific investment properties and non-current assets held for sale within the Group's portfolio.

## **Other income, gains and losses, net**

Other income, gains and losses, net decreased by approximately S\$1.0 million, or 90.9%, from approximately S\$1.1 million for FY2024 to approximately S\$0.1 million for FY2025. This decline was primarily attributable to a S\$0.8 million net negative variance in investment property transactions, shifting from a one-time gain of S\$0.5 million in FY2024 to a one-time loss of S\$0.3 million in FY2025. Additionally, the Group recorded a S\$0.2 million decrease in gains from the disposal of property, plant, and equipment compared to the previous financial year.

## **Cost of Inventories Consumed**

The cost of inventories consumed decreased by approximately 17.8%, mirroring the decline in revenue from the sale of cooked food, beverages, and tobacco products. This proportional decrease indicates that the Group successfully maintained its gross margin levels despite prevailing inflationary pressures on the procurement of consumable inventories. The cost of inventories consumed primarily represents the purchase of food ingredients for the Group's food and beverage retail business, including fresh and frozen meat, seafood, vegetables, eggs, dried and canned food, seasonings, beverages, coffee powder, and tobacco products.

## **Staff Costs**

Staff costs were the second largest component of the operating expenses and amounted to approximately S\$17.4 million and S\$14.5 million for FY2024 and FY2025, respectively, which accounted for approximately 30.5% and 28.1% of the revenue of the respective periods. The decrease of approximately S\$2.9 million or 16.7% was due to the decrease in headcount during FY2025.

## Property Rentals and Related Expenses

The property rentals and related expenses primarily represent the rental expenses paid for leasing of properties from independent third parties for the operation of short-term food and beverage stalls and food centres. The property rentals and related expenses increased by approximately S\$0.3 million or 6.5% from approximately S\$4.6 million for FY2024 to approximately S\$4.9 million for FY2025, which was mainly due to the higher rental rate in FY2025 compared to FY2024.

## Management, Cleaning and Utilities Expenses

The management, cleaning and utilities expenses increased by approximately S\$0.6 million or 18.2% from approximately S\$3.3 million for FY2024 to approximately S\$3.9 million for FY2025. The increase was mainly attributable to the increase in utility expenses for the new opened food centres, which was partially offset by the closure of underperforming food and beverage stalls during FY2025.

## Other Operating Expenses

Other operating expenses decreased by approximately S\$0.8 million, or 20.5%, from approximately S\$3.9 million in FY2024 to approximately S\$3.1 million in FY2025. The decline was primarily attributable to (i) significantly lower advertisement and promotion fees paid to food delivery platforms, following a decrease in sales volume generated through such platforms; and (ii) a reduction in charitable donations compared to the previous financial year. This decrease was partially offset by an increase in legal and professional fees, as the Group adopted a more proactive and flexible strategy to optimise operating profit and navigate the challenging business environment.

	2025 S\$'000	2024 S\$'000
Administrative fee	343	1,016
Advertisement and promotion	68	71
Insurance	47	48
Property tax and related costs	696	625
Repairs and maintenance	668	802
Legal and professional fee	823	554
Telephone and communication	45	58
Donation	76	521
Others	351	233
	<u>3,117</u>	<u>3,928</u>

## **Finance Costs**

The finance costs decreased by approximately S\$0.3 million or 8.3% from approximately S\$3.6 million for FY2024 to approximately S\$3.3 million for FY2025, which was mainly attributable to lower interest rates on outstanding loans.

## **Taxation**

The income tax expense remained relatively stable compared to the previous financial year.

## **Profit for the Year**

The increase in the profit after tax was primarily attributable to (i) increase in fair value changes of investment properties of approximately S\$6.9 million; (ii) lower cost of inventories consumed of S\$3.3 million; (iii) decrease in staff costs of approximately S\$2.9 million; (iv) decrease in other operating expenses of approximately S\$0.8 million; and partially offset by (v) lower revenue of approximately S\$5.7 million; (vi) lower other income, gains and losses of approximately S\$1.0 million; and (vii) increase in management, cleaning and utilities expenses of approximately S\$0.6 million.

## **Capital Commitment**

As at 31 December 2025, the Group had no material capital commitment.

## **Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures**

The Group had no material acquisition or disposals of subsidiaries, associates and joint ventures.

## **Foreign Exchange Exposure**

As majority of the operations of the Group were located in Singapore, all revenue from customers of the Group were derived from activities in Singapore.

During FY2025, the Group did not experience any significant difficulty or impact on its operations or liquidity due to fluctuations in currency exchange rates. The management will continue to monitor the foreign exchange exposure and take prudent measures to reduce foreign exchange risks.

## Treasury Policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout FY2025. The finance department of the Group was responsible for treasury management functions, which include, amongst others, researching and evaluating investment options for further consideration by the management and the Board, and monitoring the investments on a continuous basis.

## Significant Investment Held

During FY2025, the Group held no significant investment.

## Liquidity and Financial Resources

As at 31 December 2025 and 2024, the Group's key financial position indicators as follows:

	<b>2025</b>	2024
	<b>S\$'000</b>	S\$'000
Current Assets	<b>7,431</b>	9,779
Non-current assets held for sale	<b>28,000</b>	–
Current Liabilities	<b>36,748</b>	23,217
Net current liabilities	<b>(1,317)</b>	(13,438)
Bank borrowings	<b>89,531</b>	95,668
Equity	<b>98,775</b>	89,208

As at 31 December 2025, the Group had aggregate outstanding bank borrowings of approximately S\$89.5 million, including liabilities directly associated with non-current assets held for sale amounting to approximately S\$16.4 million. This represents a decrease of approximately S\$6.2 million, or 6.5%, from approximately S\$95.7 million as at 31 December 2024. The decrease was primarily attributable to the scheduled repayment of bank loans and the full redemption of loans following the completion of the disposal of the investment property located at 83 Genting Lane, #08-00 Genting Building, Singapore 349568.

These bank borrowings consisted of term loans, secured mortgage loans and working capital loan. The working capital loan, term loans and secured mortgage loans related to financing for the purchase of property, plant and equipment and investment properties were secured by the respective assets, corporate guarantee provided by the Company and its subsidiaries.

The Group had unutilised banking facilities of approximately S\$8.9 million. The Group aims at maintaining flexibility in funding by keeping sufficient bank balances and committed credit lines available to manage its business in a manner consistent with the short-term and long-term financial strategies of the Group.

### **Gearing Ratio**

The gearing ratio is calculated by dividing total interest-bearing liabilities by total equity as at the end of the respective year, multiplied by 100%. The Group's interest-bearing liabilities primarily consist of bank borrowings obtained for property acquisitions. As at 31 December 2025, the Group's gearing ratio improved to approximately 90.6%, representing a significant decrease from approximately 107.2% as at 31 December 2024. This improvement was primarily driven by the reduction in outstanding bank loans following scheduled repayments and property disposals, an increase in the fair value of investment properties and properties classified as held of sale.

### **Employees and Remuneration Policies**

As at 31 December 2025, the Group had a total of 341 employees (2024: 381). The Group's remuneration policies were in line with the prevailing market practice and were determined on the basis of performance, qualification and experience of each individual employee. The Group recognised the importance of a good relationship with its employees. The remuneration payable to its employees included salaries, allowances and performance bonuses.

### **Annual General Meeting**

The forthcoming annual general meeting of the Company (the "**Annual General Meeting**") will be held on Friday, 26 June 2026. Notice of the Annual General Meeting and all other relevant documents will be published and despatched to shareholders of the Company (the "**Shareholders**") in due course.

### **Final Dividend**

The Board resolved to recommend the payment of a final tax-exempt (one-tier) dividend of 0.3125 Singapore cents per share for FY2025 (the "**Final Dividend**"), totaling approximately S\$2.5 million. Subject to the approval of the Shareholders at the Annual General Meeting, the Final Dividend will be payable on or around Friday, 24 July 2026 to the Shareholders whose names appear on the register of members of the Company on Friday, 10 July 2026.

## **Closure of Register of Members**

For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Tuesday, 23 June 2026 to Friday, 26 June 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. The record date for determining the entitlement of the Shareholders to attend and vote at the Annual General Meeting will be Friday, 26 June 2026. To be eligible to attend and vote at the Annual General Meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Boardroom Share Registrars (HK) Limited of 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 p.m. on Monday, 22 June 2026.

For determining the entitlement to the Final Dividend for FY2025, the register of members of the Company will be closed from Tuesday, 7 July 2026 to Friday, 10 July 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. The record date for determining the entitlement of the Shareholders to receive the Final Dividend will be Friday, 10 July 2026. In order to be qualified for the Final Dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Boardroom Share Registrars (HK) Limited of 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 p.m. on Monday, 6 July 2026.

## **Model Code for Securities Transactions by Directors**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Rules Governing the Listing of securities on the Stock Exchange (the "**Listing Rules**") as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries to all Directors, all Directors confirmed that they had fully complied with the relevant requirements set out in its own code of conduct for FY2025.

## **Compliance with Corporate Governance Code**

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules as its own code of corporate governance. Under the code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and performed by different individuals. Under the current organisation structure of the Company, Mr. Chu Chee Keong (Zhu Zhiqiang) is the chairman of the Board and the chief executive officer of the Company. With extensive experience in the food and beverage industry, the Board considers that vesting the roles of chairman and chief executive officer in the same

person is beneficial to the business prospects and management of the Group. The balance of power and authority is ensured by the operation of the senior management and the Board, which comprised experienced and high calibre individuals. The Board currently comprises three executive Directors and three independent non-executive Directors and therefore has a strong independence element and diversity in its composition. Save as disclosed herein, the Company has complied with the code provisions as set out in the CG Code throughout FY2025. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

### **Purchase, Sale or Redemption of the Listed Securities**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during FY2025.

### **Events after the Reporting Date**

Reference is made to the announcement of the Company dated 6 February 2026. An indirect wholly-owned subsidiary of the Company (the “**Vendor**”) and an independent third party (the “**Purchaser**”) entered into a disposal agreement pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the properties located at 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 (the “**Property**”) for a total consideration of S\$28,000,000.

Concurrently, the Vendor as the tenant and the Purchaser as the landlord entered into a tenancy agreement, whereby the Purchaser has agreed to lease the Property back to the Vendor upon completion of the disposal of the Property. The lease features an initial term of three years commencing immediately following the completion date at a monthly rent of S\$75,000. The tenancy agreement includes an option to renew for a further three-year term at the prevailing market rate, provided that any rent increase upon renewal shall not exceed 10% of the rent payable during the initial term.

Save as disclosed, there was no material event in relation to the Group occurred after the financial year end and up to the date of this announcement.

### **Audit Committee**

As at the date of this announcement, the Audit Committee comprised three independent non-executive Directors, namely Mr. Mah Seong Kung (Chairman), Mr. Ng Yong Hwee and Mr. Wong Loke Tan.

The Audit Committee has discussed with management and reviewed the consolidated financial statements of the Group for FY2025.

## **Scope of work of Fan, Chan & Co. Limited**

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for FY2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Fan, Chan & Co. Limited, to the amounts set out in the Group's audited consolidated financial statements for FY2025. The work performed by Fan, Chan & Co. Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Fan, Chan & Co. Limited on the preliminary announcement.

## **Publication of the Results Announcement and Annual Report**

This results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.fuchangroup.com](http://www.fuchangroup.com)), and the annual report of Company for FY2025 containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

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

Singapore, 24 March 2026

*As at the date of this announcement, the directors of the Company 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. Ng Yong Hwee  
Mr. Mah Seong Kung