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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

**If you have sold or transferred** all your shares in K2 F&B Holdings Limited, you should at once forward this circular to the purchaser(s) or the transferee(s) or to the bank, stockbroker or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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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 THE DISPOSAL OF  
THE PROPERTY**

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Unless the context otherwise requires, all capitalised terms in this cover page shall have the same meanings as those defined the section headed “Definitions” in this circular.

A letter from the Board is set out on pages 3 to 14 of this circular.

The Company has obtained Written Shareholders’ Approval for the Disposal Agreement and the Disposal in accordance with Rule 14.44 of the Listing Rules from a Shareholder who hold more than 50% of the entire issued capital of the Company. Accordingly, no extraordinary general meeting will be convened for the purpose of approving the Disposal Agreement and the Disposal as permitted under Rule 14.44 of the Listing Rules.

This circular is being despatched to the Shareholders for information only.

23 April 2026

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## DEFINITIONS

*In this circular, unless the context otherwise requires, the following terms or expressions used shall have the following meanings:*

“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 Services 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
“Latest Practicable Date”	21 April 2026
“Leaseback Arrangement”	the leaseback of the Property by the Vendor from the Purchaser pursuant to the terms of the Tenancy Agreement

## DEFINITIONS

“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
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong
“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: For the purposes of this circular, unless otherwise stated, the figures in “S\$” are converted into HK\$ at the rate of S\$1.00: HK\$6.13 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.*

**LETTER FROM THE BOARD**

**K2 F&B HOLDINGS LIMITED**

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

**(Stock Code: 2108)**

*Executive Directors:*

Mr. Chu Chee Keong (Zhu Zhiqiang)  
*(Chairman and Chief Executive Officer)*  
Ms. Leow Poh Hoon (Liao Baoyun)  
Mr. Chu Pok Chong, Ivan  
*(Assistant Chief Executive officer)*

*Registered Office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Independent Non-executive Directors:*

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

*Principal Place of Business in Hong Kong:*

Room 1601, 16th Floor  
Wing On Centre  
111 Connaught Road Central  
Hong Kong

*Headquarters and principal place  
of business in Singapore:*

51 Ubi Avenue 1  
#02-17 Paya Ubi Industrial Park  
Singapore 408933

23 April 2026

*To the Shareholders*

Dear Sir or Madam

**MAJOR TRANSACTION  
IN RELATION TO THE DISPOSAL OF  
THE PROPERTY**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 6 February 2026. On 6 February 2026, 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, exclusive of applicable GST.

The purpose of this circular is to provide the Shareholders with further details of the Disposal Agreement, and such other information as required under the Listing Rules.

## LETTER FROM THE BOARD

### THE DISPOSAL AGREEMENT

On 6 February 2026, 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
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 primarily the following factors:

- (i) the preliminary valuation of the Property indicated by an independent valuer:

In conducting the preliminary valuation, the valuer adopted the direct comparison method and the cases selected were highly comparable to the Property in terms of location, size, tenure, use, condition, and date of transaction, with reasonable and appropriate adjustments made for relevant differences.

## LETTER FROM THE BOARD

The result of the preliminary valuation falls within the range of the comparable transaction prices and was consistent with the reasonable value appreciation of the Property since the Group's acquisition in 2020 at the price of S\$22,200,000 (equivalent to approximately HK\$136,086,000), representing an approximate 26.13% total increase in the Property's value and a compound annual growth rate of approximately 3.93% during the six-year holding period, which was considered to be in line with the rising trend of the property market in Singapore.

- (ii) the location attributes and prevailing market conditions of the Property:

The Property comprises nine commercial units on Level 1 of People's Park Centre in the prime Chinatown commercial hub of Singapore, with efficient connectivity to major transport networks and mature commercial amenities in the vicinity. Eight of the units form an integrated food centre layout with a stable operational track record under the management of the Group.

In the past year, the market for prime ground-floor commercial properties in the precinct remained resilient with steady pricing and active transaction activity. Recent arm's length transactions in the same or adjacent building complexes had also been reviewed and considered by the Group.

The Group believes that the commercial value of the Property and active commercial property market in the area formed the fundamental support for the Property's market value.

Based on the above factors, the Board is of the view that the Consideration (i) aligns with the preliminary assessment of market value conducted by the independent valuer, (ii) is consistent with the prevailing market transaction level for comparable nearby properties, (iii) represents a reasonable appreciation in the Property's value over the six-year holding period, and (iv) reflects the commercial value of the Property with reference to its prime location, stable revenue stream and active market, and is therefore fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## LETTER FROM THE BOARD

- 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 being fulfilled before the Completion Date:
- (i) the Vendor having obtained all requisite corporate, shareholders' and regulatory approvals and requirements for the Disposal;
  - (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;

## LETTER FROM THE BOARD

- (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;
- (ix) the Properties not being subject to any acquisition or notice of intended acquisition issued by the Singapore Government or any other competent authority; and
- (x) that all other conditions and procedures required to be satisfied or performed by the Vendor and the Purchaser under the Disposal Agreement or the Tenancy Agreement prior to Completion having been duly satisfied or performed.

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.

As at the Latest Practicable Date, all the conditions precedent under the Disposal Agreement had been satisfied.

### THE TENANCY AGREEMENT

Following the execution of the Disposal Agreement, on 6 February 2026, 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
- Parties : (i) Aik Chuan Construction Pte Ltd as the landlord  
(ii) CK Chu Holdings Pte Ltd as the tenant

**LETTER FROM THE BOARD**

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. In the event that the Vendor exercises the option to renew the Tenancy Agreement, the Company will re-comply with all applicable requirements under the Listing Rules at the time of renewal.

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.

In assessing the rental payable under the Tenancy Agreement, the Group has considered recent rental transactions based on the following criteria: (i) strata-titled commercial units located within People's Park Centre or neighbouring developments in similar districts; (ii) commercial units of similar size; and (iii) occurring during the last quarter immediately preceding the Tenancy Agreement. The market rental data published by the Urban Redevelopment Authority of Singapore relating to commercial properties located in Postal District 01 for the fourth quarter in 2025 which comprises Raffles Place, Cecil, Marina and People's Park are set out below:

<b>Floor level</b>	<b>Floor Area</b>	<b>Median</b> <i>(S\$ Per Square Metre</i> <i>("PSM"))</i>	<b>75th</b> <b>Percentile</b> <i>(S\$ PSM)</i>
Level 1	More than 300	130.25	176.12

## LETTER FROM THE BOARD

Based on an aggregate floor area of approximately 530 square metres of the Property, the monthly rent of S\$75,000 payable under the Tenancy Agreement translates to approximately S\$141.5 PSM per month, approximately 8.6% above the median rental rate and falls within the observed range of market rental rates for comparable properties.

Based on the above factors, the Board is of the view that the rental payable under the Tenancy Agreement falls within the prevailing market range for comparable nearby properties, is consistent with current market transaction levels, and is therefore fair and reasonable and in the interests of the Company and its Shareholders as a whole.

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.

As at 31 December 2025, the book value of the Property was approximately S\$23.5 million (equivalent to approximately HK\$144.1 million).

Following the execution of the Disposal Agreement, on 6 February 2026, the Vendor and the Purchaser entered into the Tenancy Agreement in relation to the Leaseback Arrangement. For further details, please refer to the announcement of the Company dated 6 February 2026.

## LETTER FROM THE BOARD

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
	(S\$)	(S\$)
	(approximately)	(approximately)
Revenue <sup>(1)</sup>	925,000	732,000
Net profit before tax	(36,000)	1,036,000 <sup>(2)</sup>
Net profit after tax	(36,000)	1,011,000 <sup>(2)</sup>

*Notes:*

1. 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.
2. 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

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

## LETTER FROM THE BOARD

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.

As at the 28 February 2026, the Group had aggregate outstanding bank borrowings of approximately S\$89.4 million, comprising term loans, secured mortgage loans and other banking facilities bearing interest rates ranging from approximately 1.7% to 3.9%. The Group incurred total finance costs of approximately S\$3.3 million for the financial year ended 31 December 2025. For more information of indebtedness, please refer to the Section headed “Indebtedness” in Appendix I to this circular.

The Group’s liquidity needs primarily arise from (i) scheduled loan amortisation and interest payments under its existing bank facilities; (ii) ongoing working capital requirements for its food centre and operations; and (iii) capital expenditure and rental obligations relating to its operating outlets.

The Disposal will provide the Group with net proceeds of approximately S\$26,900,000, which will further strengthen the Group’s cash position, reduce reliance on external borrowings and improve the Group’s overall gearing. Following the repayment of the bank loan relating to the Property, the Group will also reduce its recurring finance costs associated with such loan. The loan currently carries an interest rate of approximately 1.7% per annum, resulting in an interest expense of approximately S\$42,000 per month (or approximately S\$0.5 million per annum). Upon repayment, these interest payments will be saved, thereby improving the Group’s cash flows and enhancing its financial flexibility.

The Board has also assessed the impact of the Disposal on the Group’s existing business operations and its future business plan. 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. In the event that the Vendor is unable to renew the Tenancy Agreement upon expiry of the initial three-year term, the Board considers that the Group would be able to safeguard the continuity of its business operations through a combination of alternative arrangements. These may involve relocating the Group’s existing food centre operations to other food centres managed or operated by the Group, identifying suitable alternative premises within the surrounding districts, and implementing transitional measures to minimise operational disruption including relocating stalls in phases so that operations can continue during the transition and securing short-term interim premises within nearby commercial developments to bridge any gap before long-term premises are finalised. The Group currently operates multiple food centres across Singapore, thereby providing flexibility for operational redeployment where necessary. As such, the Company considered that the Disposal would not have material adverse impact on the operation of the Group as a whole.

Having considered (i) the Group’s existing indebtedness position and finance costs, as well as the intended use of net proceeds to reduce bank borrowings; (ii) liquidity improvements, interest-cost savings and enhancement of financial flexibility expected to arise

## LETTER FROM THE BOARD

following the repayment of the Property-related loan, (iii) the Disposal, together with the Leaseback Arrangement, will not result in any material disruption to the Group's current operations, (iv) the availability of alternative premises and operational flexibility in the event the Tenancy Agreement is not renewed, and (v) the Disposal and the Leaseback Arrangement would allow the Group to preserve existing revenue streams while enhancing the Group's ability to allocate resources towards higher-return opportunities and long-term strategic initiatives, the Board is of the view that the Disposal represents a commercially sound decision, is aligned with the Group's long-term strategy of strengthening its financial position and focusing on future growth opportunities, and is in the best interests of the Company and Shareholders as a whole.

### 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 has recognised 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, approximately S\$1,100,000 (equivalent to approximately HK\$6,743,000) arising from the related transaction incurred costs and expenses 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).

As at the Latest Practicable Date, the existing bank loans relating to the Property comprised a secured mortgage loan with an outstanding principal amount of approximately S\$16.4 million, bearing an interest rate of 1.7% per annum and with a maturity date of 24 March 2045. The other short-term banking facilities comprised facilities with an aggregate outstanding amount of approximately S\$73.0 million, bearing interest rates ranging from 2.0% to 3.9%, and with maturity dates falling between 12 May 2026 and 10 November 2029. The

## **LETTER FROM THE BOARD**

Company intends to apply approximately S\$16,400,000 of the net proceeds towards repayment of the bank loan relating to the Property and approximately S\$4,500,000 towards repayment of its other short-term banking facilities.

The remaining net proceeds of approximately S\$6,000,000 are intended to be applied as general working capital of the Group. Such general working capital is expected to be utilized for (i) rental and occupancy-related payments of approximately S\$4,000,000; and (ii) corporate and administrative expenditures of approximately S\$2,000,000.

### **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 exceeds 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 Latest Practicable Date, 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 Latest Practicable Date, 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 disclosable 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.

### **RECOMMENDATIONS**

Although no general meeting of the Company will be convened for the approval of the Disposal Agreement and the Disposal, the Board (including the independent non-executive Directors) considers that the terms of the Disposal Agreement are on normal commercial terms, are fair and reasonable and are in the interest of the Company and the Shareholders as a whole. Accordingly, if a general meeting of the Company was convened for the approval of the Disposal Agreement and the Disposal, the Board would have recommended that all Shareholders vote in favour of the resolutions to approve the Disposal Agreement and the Disposal.

## LETTER FROM THE BOARD

### ADDITIONAL INFORMATION

Your attention is drawn to the financial information of the Group, the valuation report of the Property and general information set out in the appendices to this circular.

For and on behalf of  
By order of the Board of  
**K2 F&B Holdings Limited**  
**Chu Chee Keong (Zhu Zhiqiang)**  
*Chairman*

## 1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the financial years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 are disclosed in the following documents which have been published both on the websites of the Stock Exchange at <https://www.hkexnews.hk> and the Company at [www.fuchangroup.com](http://www.fuchangroup.com):

- Annual report of the Company for the year ended 31 December 2022 published on 27 April 2023 (pages 122 to 244)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042701401.pdf>

- Annual report of the Company for the year ended 31 December 2023 published on 29 April 2024 (pages 122 to 228)

[www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042901963.pdf](http://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042901963.pdf)

- Annual report of the Company for the year ended 31 December 2024 published on 29 April 2025 (pages 124 to 232):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0429/2025042901800.pdf>

- Interim report of the Company for the six months ended 30 June 2025 published on 29 September 2025 (pages 2 to 17):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0929/2025092900920.pdf>

## 2. INDEBTEDNESS

As at the close of business on 28 February 2026, being the latest practicable date for the purpose of this indebtedness statement, the Group had the following indebtedness:

### **Bank borrowings**

As at the close of business on 28 February 2026, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had aggregate outstanding bank borrowings of approximately S\$89.4 million (equivalent to approximately HK\$545.4 million).

These bank borrowings consist of term loans, secured mortgage loans and working capital loan. The working capital loans, term loans and secured mortgage loans relate to the financing of the purchase of property, plant and equipment and investment properties, are secured by the Property, property, plant and equipment, investment properties, fixed deposits, future rental income, and corporate guarantees provided by the Company and its subsidiaries.

As at 28 February 2026, our Group had unutilised banking facilities of approximately S\$8.2 million (equivalent to approximately HK\$50.2 million).

Our Directors confirmed that the agreements under our bank borrowings do not contain any covenant that will have a material adverse effect on our ability to make additional borrowings or issue debt or equity securities in the future. Our Directors further confirmed that we had no material defaults in payment of trade and non-trade payables and bank borrowings, nor did we breach any financial covenants during the year ended 31 December 2025 and up to 28 February 2026. Our Directors further confirmed that during the year ended 31 December 2025 and up to 28 February 2026, we did not experience any difficulty in obtaining credit facilities, or withdrawal of facilities, request for early repayment, default in payments or breach of financial covenants of bank borrowings.

### **Contingent Liabilities**

As at 28 February 2026, we did not have any contingent liabilities. Our Directors confirmed that there was no material adverse change in our Group's indebtedness and contingent liabilities as at 28 February 2026, being the latest practicable date for the purpose of this statement of indebtedness.

### **Lease Liabilities**

As at 28 February 2026, being the latest practicable date for the purpose of this statement of indebtedness, the Group had current lease liabilities of approximately S\$3.6 million (equivalent to approximately HK\$22.0 million) and non-current lease liabilities of S\$3.2 million (equivalent to approximately HK\$19.5 million). Save as aforesaid and apart from intra-group liabilities and normal trade payables, at the 28 February 2026, the Group did not have any loan capital issued or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade payables) or acceptance credits, debentures, mortgages, charges, financial lease, hire purchases commitments, guarantees or other material contingent liabilities.

Save as disclosed above, and apart from intra-group liabilities and normal accounts payables in the ordinary course of business of the Group, as at 28 February 2026, being the latest practicable date for the purpose of preparing this statement of indebtedness, the Group did not have any debt securities of the Group issued and outstanding, or authorised or otherwise created but unissued, any other term loans, which are either guaranteed, unguaranteed, secured or unsecured, any other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills), acceptance credits, finance lease or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, any mortgages and charges of the Group or any contingent liabilities or guarantees.

### 3. WORKING CAPITAL SUFFICIENCY

The Directors are of the opinion that, after taking into account the Group's internal resources, cash flow from operations, external borrowings, currently available banking and other facilities, and the effects of the Completion, the Group will have sufficient working capital to meet its present requirements and for the period up to twelve months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12).

### 4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there has been no material adverse change in the financial or trading position of the Company since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Company were made up.

### 5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

As at the Latest Practicable Date, the Group operated 45 food and beverage stalls in Singapore, and there were 23 food centres owned and/or managed by the Group. 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 management, 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 and third parties (the "**Food and Beverage Stalls**").

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.

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. 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.

The Board views this Disposal as a key component of the Company's overall business strategy, demonstrating a successful execution of its plan to enhance value through strategic asset management. The Disposal Agreement was entered into on standard commercial terms, with the consideration reflecting the market value of the Property and comparable assets in similar locations.

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.

For the current financial year, the Board expects the Group's operations to remain stable across its two principal business segments. In the Rental and Outlet Management, revenue is expected to continue to be supported by leasing of food establishment premises to tenants and the provision of management, cleaning and utilities services to tenants, with occupancy and service fee income remaining broadly steady. The Leaseback Arrangement for the Property is expected to allow the Group to continue generating revenue from the food and beverage stalls operation during the lease term.

The Board expects the Group's strategic development to focus on strengthening operational efficiency, improving financial flexibility and supporting sustainable growth. In line with its plans, the Group will continue to adopt an asset-light model, leveraging strategic partnerships, allocating capital to high-performing assets and divesting underperforming assets. The Group plans to expand its network of food outlets in high-demand locations with strong business potential, reinforce its market presence in Singapore through the targeted opening of new food and beverage establishments, and upgrade existing food centres to create more distinctive and engaging dining experiences aimed at increasing footfall and customer satisfaction.

As at the Latest Practicable Date, the Board confirms that the Group does not have any plans to dispose of or downsize its existing business operations or assets, other than the Disposal as disclosed in this circular.

**1. EXECUTIVE SUMMARY**

<b>Date of Valuation</b>	3 March 2026
<b>Purpose of Valuation</b>	Intended purchase and public circular only
<b>Property Address</b>	101 Upper Cross Street #01-02A/B/C/E, #01-04A, #01-05A/B/C/P People's Park Centre Singapore 058357



<b>Brief Description</b>	9 strata units located on the 1st floor of People's Park Centre
<b>Floor Area</b>	#01-02A: 19 sqm #01-02B: 19 sqm #01-02C: 23 sqm #01-02E: 44 sqm #01-04A: 60 sqm #01-05A: 18 sqm #01-05B: 23 sqm #01-05C: 23 sqm #01-05P: 301 sqm Aggregate Floor Area: 530 sqm
<b>Tenure</b>	Leasehold 99 years commencing from 2 June 1970
<b>Date of Property Inspection</b>	23 February 2026
<b>Valuation Methodology</b>	Direct Comparison Method
<b>Aggregate Market Value</b>	S\$28,000,000/- (S\$4,908 psf)

## 2. INTRODUCTION

### 2.1. Instructions

GB Global Pte Ltd (“**GB Global**”) has been appointed by Fu Chan F&B Group Pte Ltd (the “**Client**”), a wholly-owned subsidiary of the Company, to provide an independent valuation as at 03 March 2026 in relation to the acquisition of 101 Upper Cross Street #01-02A/B/C/E, #01-04A, #01-05A/B/C/P People’s Park Centre Singapore 058357 (the “**Property**”) for intended purchase and public circular purpose.

This report is provided subject to the assumptions, disclaimers, limitations, qualifications detailed throughout and the Limiting Conditions herein.

### 2.2. Basis of Value

As stated by the Singapore Institute of Surveyors and Valuers (SISV) in the updated Valuation Standards and Practice Guidelines (2022 Edition),

**Market Value** is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

The valuation has been prepared in accordance with Singapore Institute of Surveyors and Valuers (SISV) Valuation Standards and Practice Guidelines (2022 Edition), which is in compliance with the International Valuation Standards (IVSC) on the definition of Market Value.

It is also in compliance with Hong Kong Institute of Surveyors (HKIS) Valuation Standards (2024 edition), which provides an unified framework for property and asset management in Hong Kong, incorporating International Valuation Standards (IVS).

### 2.3. Assumptions

Our valuation is made without any special instructions.

We have made no special assumptions.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property or for any expenses or taxation which may be incurred in effecting a sale or lease. Unless otherwise stated, it is assumed that the property is free from and clear of any and all charges, liens, encumbrances, restrictions and outgoings of an onerous nature which could affect value.

We have assumed that all the leases are legally valid and enforceable, and the Property has a proper legal title that can be freely transferable, leased and sub-leased in the market.

We have assumed that all information, estimates and opinions furnished to us and contained in this report have obtained from sources considered reliable and believed to be true and correct, but we can assume no responsibility for their accuracy.

We have assumed that the Property and any works thereto has been constructed, occupied and used in full compliance with and without contravention of, all relevant laws, ordinances and statutory requirements except where otherwise stated.

Unless otherwise stated, all money amounts are in Singapore Dollars.

#### **2.4. GST Assumptions**

Our valuation has been undertaken on a Goods & Services Tax (“**GST**”) exclusive basis. Any incomes and expenses adopted in the valuation are exclusive of GST.

#### **2.5. Extension of Liability and Confidentiality**

This report may be only relied upon by the Client for the specific purpose to which it refers. Our valuation is confidential to the Client, for their sole use and for the specific purpose stated. GB Global Pte Ltd (“**GB Global**”) is not liable for any unauthorised use or reliance. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this report. GB Global will only attend to queries and provide clarifications raised by the Client in relation to our valuation. This report should not be produced without our prior written consent.

#### **2.6. Qualifications of Valuer**

The valuer(s) who have undertaken this report are Licensed Appraisers under the Inland Revenue Authority of Singapore (IRAS) and members with the Singapore Institute of Surveyors & Valuers (SISV) with over 10 years of experience. They are suitably qualified to carry out such valuation work and have the necessary expertise and experience in valuing properties of this type and in the relevant area.

#### **2.7. Valuer’s Interest**

Neither the valuers nor GB Global Pte Ltd are aware of any pecuniary interest that could reasonably be regarded as being capable of affecting their ability to give an independent and professional opinion or that could conflict with a proper evaluation of the Property.

### **2.8. Inspection And Investigations**

We have carried out an inspection of the subject property and made independent investigations as necessary for conducting this valuation.

All information used have been verified as far as reasonable and has included information and data provided by you, your marketing agents, from government departments, in the public domain, and our own internal database.

In the absence of readily available and verifiable information from other sources for valuation purposes, and as agreed, we have relied on the information provided by you/ your agent for the purposes of valuation. We have assumed all such information provided to be true and accurate.

No structural survey, soil test or environmental survey of the Property has been carried out.

### **2.9. Limitations of Liability**

This report is subject to our Limiting Conditions as set out in Appendix I at the end of this report, as well as our agreed terms of our engagement.

## **3. SITE DETAILS**

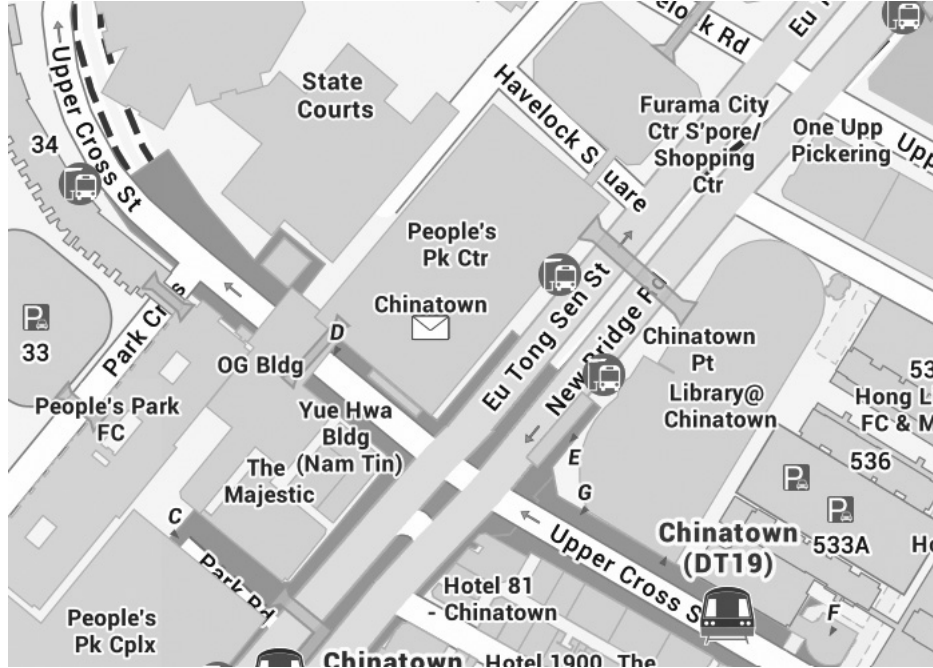
### **3.1. Location**

The Property is situated along Upper Cross Street, near its intersection with Eu Tong Sen Street. It is approximately 1.6 km from the city centre at Collyer Quay.

The immediate locality is predominantly commercial in nature, comprising shopping centres, office blocks and shophouses. Prominent developments in the area include State Courts, People's Park Complex, Chinatown Point and Parkroyal Collection Pickering Singapore, among others.

The Property is well served by major roads like Eu Tong Seng Street and New Bridge Road East and expressways like East Coast Parkway (ECP) and Central Expressway (CTE), which provide efficient connectivity to other parts of Singapore. Public bus transportation is available along the main roads. The Chinatown MRT station is located a short walk away.

*Location Map*



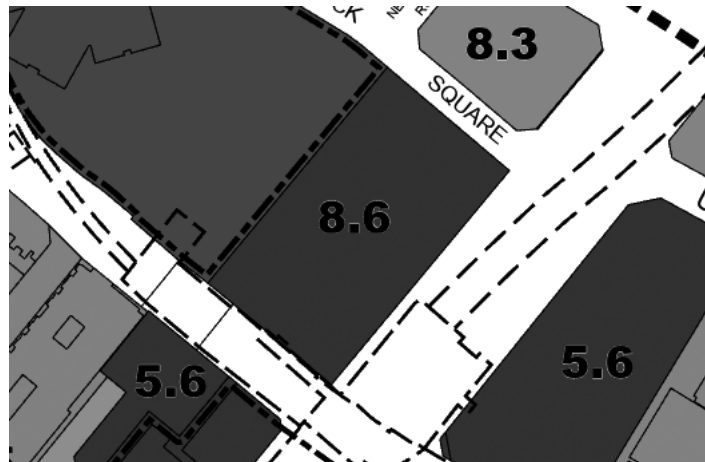
*Source: onemap.gov.sg*

**3.2. Town Planning**

**Master Plan Zoning (2025 Edition)** Commercial

**Permissible Gross Plot Ratio** Maximum 8.6

*Master Plan 2025*



*Source: ura.gov.sg/maps*

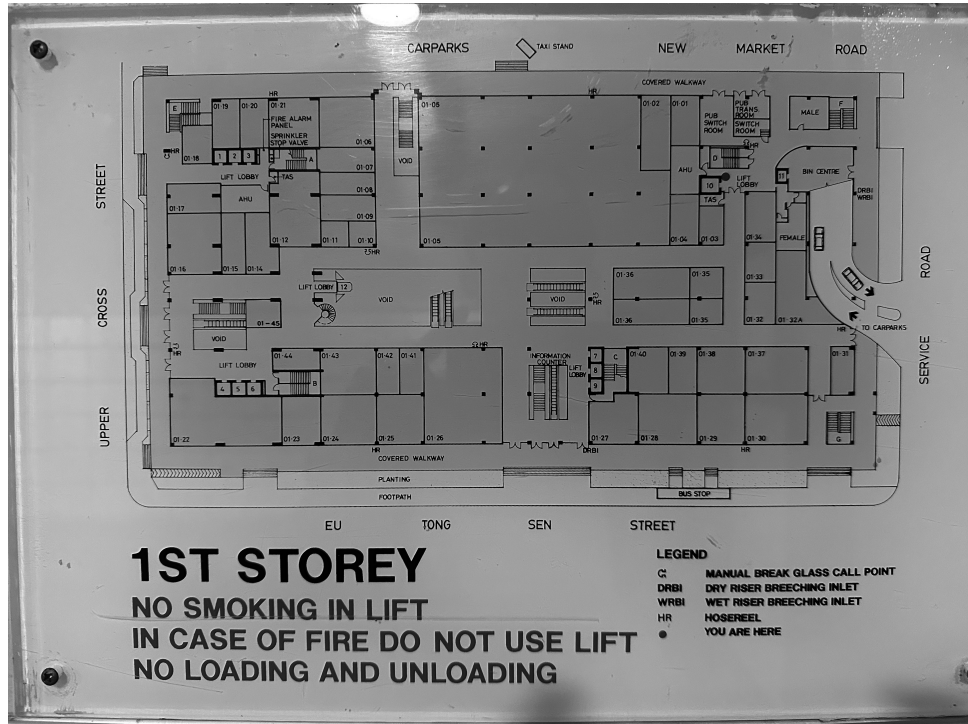


## 4. PROPERTY DETAILS

### 4.1. Accommodation

#### Accommodation

5 Stalls and 1 Wash Area serving Refreshment Area A/  
6 Stalls and 1 Wash Area serving Refreshment Area B/Shop



### 4.2. Condition and Repair

The Property is in an average state of repairs and maintenance as at the date of our inspection on 23 February 2026.

Our inspection was an external survey and not a structure survey of the building or a testing of its service installations.

The Property is in an average state of repairs and maintenance as at the date of our inspection on 23 February 2026. The building and its components are considered to be in a serviceable and operational condition, having been subject to routine maintenance and upkeep, with only minor wear and tear typically expected of a property of similar vintage. Such condition does not exhibit any unusual deterioration, structural issues, or material disrepair that would warrant substantial immediate capital expenditure, although periodic repairs and replacements consistent with prudent property management practices may be required over time. There is no known issue or defects relating to the property that would materially affect its functionality, safety or value.

Name of Valuer: Ko Sheng Jie Jansen

Qualifications: 14 years in the professional property valuation industry. Currently in the employment of GB Global Pte Ltd as a consultant.

#### 4.3. Occupancy

The Property is tenanted at the time of our inspection.

#01-02A/02B/02C/02E/04A/05A/05B/05P is tenanted to Fu Chan F&B Group Pte Ltd for a term of 2 years and 4 months from 1 Jan 2025 to 30 Apr 2027 at a monthly rent of \$55,000.

#01-05C is tenanted to Japan Home (Retail) Pte Ltd for a term of 6 months from 1 Jan 2026 to 30 Jun 2026 at a monthly rent of \$13,500.

The Property is held for owner-occupation for their own Foodcity brand.

#### 4.4. Property Tax

The annual values of the various property tax accounts within the Property assessed by IRAS for the period 1 January 2026 to 31 December 2026 are provided below.

<b>Property Tax Account</b>	<b>Annual Value (2026)</b>
#01-02A/02B/02C/02E	\$122,000
#01-04A	\$69,800
#01-05A/05P	\$433,000
#01-05B	\$130,000
#01-05C	<u>\$159,000</u>
Total	<u><u>\$913,800</u></u>

Property tax is payable at the current rate of 10% per annum.

Photographs

Subject Development



The Property



The Property



Refreshment Area



Refreshment Area



Typical Stall



Refreshment Area



Refreshment Area



Typical Stall



Corridor



Typical Shop Unit



Interior of Shop Unit



## 5. VALUATION METHODOLOGY

We have conducted our valuation using the most appropriate valuation method based on our professional judgement.

### **Direct Comparison Method**

A comparison is made with transactions of similar properties in the subject or comparable localities. Adjustments are made for differences in location, size, tenure, age/condition, standard of finishes, use, facilities provided, date of transaction etc and the prevailing economic conditions affecting the property market, to arrive at the value of the Property.

According to Singapore Institute of Surveyors and Valuers (SISV) Valuation Standards and Practice Guidelines (2022 Edition), under Rev 2.4 Approaches and Methods of Valuation Paragraph 2.3, it is stated that “the Valuer is not required to use more than one method, particularly when the Valuer has high confidence in the accuracy and reliability of a single method”. It is further stated in Paragraph 2.5 that “while there is no single universal method for all types and purposes of valuation, the Valuer should use his professional judgement to determine the appropriate method when carrying out the valuation under particular circumstances”.

The Direct Comparison Method has been adopted as the sole valuation approach in this instance, as there exists a substantial volume of recent and relevant market transactions involving comparable properties. These transactions provide a robust body of empirical evidence, allowing for meaningful analysis and reliable benchmarking against the subject property. Given the active nature of the market and the consistency of observed pricing trends, it is reasonable to conclude that the market value of the subject property bears a close and direct relationship to the transacted values of similar assets.

**Working Matrix — Direct Comparison Method**

Section	Item	The Property	Comparable 1	Comparable 2	Comparable 3	
<b>PROPERTY INFORMATION</b>	Address	People's Park Centre #01-02A/B/C/E, #01-04A, #01-05A/B/C/P	People's Park Centre #B1-17	People's Park Complex #01-80	People's Park Centre #02-65	
	Brief Description	Food Court/Shop	Shop	Shop	Shop	
	Tenure	99 years from 1970	99 years from 1970	99 years from 1968	99 years from 1970	
	Floor Area	530 sq.m.	42 sq.m.	30 sq.m.	40 sq.m.	
	Difference in Floor Area	—	-488 sq.m.	-500 sq.m.	-490 sq.m.	
	Date of Transaction	—	9-Feb-26	13-Aug-25	15-Jul-25	
	Contract Price	—	\$2,200,000	\$1,625,000	\$1,950,000	
	Contract Price (psf on GFA)	—	\$4,866	\$5,032	\$4,529	
	<b>ADJUSTMENT FACTORS</b>	Value based on Comparable	—	\$27,761,905	\$28,708,333	\$25,837,500
	Location	—	15%	0%	15%	
Frontage	—	0%	0%	0%		
Floor Area	—	-10%	-10%	-10%		
Tenure	—	0%	1%	0%		
Time Factor	—	0%	0%	0%		
Condition/Age	—	0%	0%	0%		
Total Adjustments	—	\$1,388,095	-\$2,583,750	\$1,291,875		
Total Percentage Adjustments	—	5%	-9%	5%		
Adjusted Value	—	\$29,150,000	\$26,124,583	\$27,129,375		

**General Comments**

Adjustments have been made for location, frontage, floor area, tenure, time factor and condition/age to account for differences in characteristics between the Property and the Comparables.

**Final Analysis**

In adopting the Comparable Sales Method, we have arrived at values ranging from \$26,124,583 to \$29,150,000. We have thus arrived at a figure of \$28,000,000, which is considered fair and reasonable for the Property.

**Note**

As we are unable to inspect the Comparables internally, we have assumed that their internal conditions are commensurate with their external appearances.

### Methodology and Calculation Basis

Under the Direct Comparison Method, the transaction prices of comparable strata retail units were first analysed on Contract Price (psf on GFA). These Contract Price (psf on GFA) were then applied to the subject Property's Floor Area (converted from square metres to square feet) to derive unadjusted indicative values. Adjustments were subsequently made to each comparable to reflect differences in location, floor area, tenure, time factor and condition/age. The adjustments were applied on a percentage basis and translated into monetary terms to arrive at adjusted values for each comparable. The final valuation was derived by reconciling the adjusted values within the resulting range to arrive at a fair and reasonable market value for the subject Property.

Based on our working matrix formed by the Direct Comparison Method, the 3 most comparable transactions were selected of which adjustments were then made. The criteria of the properties selected under the working matrix includes Address; Tenure; Floor Area; Difference in Floor Area; Date of Transaction; Contract Price; Contract Price (psf on GFA); as shown in the working matrix above. The selection criteria for these comparable properties are as follows: (i) all comparables are located within the same area, namely the People's Park/Chinatown precinct along Upper Cross Street and New Bridge Road, and are adjacent to one another; (ii) all comparables comprise strata-titled shop units; (iii) transactions of all comparables within one year; and (iv) all comparables have similar lease tenures of 99 years commencing between 1968 and 1970. Priority was given to units within the same development or immediately adjacent developments, as these share comparable catchment, accessibility and pedestrian flow. They were comparable in terms of location to the subject Property, where it is located on the prime first floor which enjoys high visibility and high traffic, broadly consistent with the subject Property's prime positioning and F&B use, thereby minimising the extent of adjustments required. Transactions involving properties sited on higher floors with low visibility and low traffic were excluded as they are not similar in attributes.

The list of sales transactions is exhaustive. It is derived from caveats lodged with the Singapore Land Authority and captured on the Urban Redevelopment Authority (URA) REALIS transaction database. A thorough review of that list was undertaken to select the most appropriate comparables for use in comparison against the subject property.

In the working matrix provided, an overall 5% upward, 9% downwards and 5% upwards adjustments were made respectively to Comparables 1, 2 and 3. Adjustments were made for each comparable transaction to reflect the differences in location, frontage, floor area, tenure, time factor and condition/age. The adjusted values worked out to be S\$29,150,000, S\$26,124,583 and S\$27,129,375 respectively. For Comparable 1, upwards adjustment of 15% was made to location and downwards adjustment of 10% was made to floor area. It resulted in a net upward adjustment of 5%. For Comparable 2, downwards adjustment of 10% was made to floor area and upwards adjustment of 1% was made to tenure. It resulted in a net downward adjustment of 9%. For Comparable 3, upwards adjustment of 15% was made to location and downwards adjustment of 10% was made to floor area. It resulted in a net upward adjustment of 5%.

In adopting the Comparable Sales Method, we have arrived at adjusted values ranging from S\$26,124,583 to S\$29,150,000. We thus arrived at a figure of \$28,000,000 (\$4,908 psf), which is considered fair and reasonable for the Property. The aggregate market value of S\$4,908 psf was derived by dividing the adjusted value of S\$28,000,000 by the total gross floor area of the Property of approximately 5,706 sf.

## 6. VALUATION

In view of the aforementioned and having taken into consideration prevailing market conditions, we are of the opinion that the Market Value of the Property, with vacant possession and free from all encumbrances, is as follows:

<b>Valuation as at</b>	3 March 2026	
<b>Market Value</b>	<b>Property</b>	<b>Market Value</b>
	#01-02A	S\$1,000,000/-
	#01-02B	S\$1,000,000/-
	#01-02C	S\$1,200,000/-
	#01-02E	S\$2,300,000/-
	#01-04A	S\$3,200,000/-
	#01-05A	S\$1,000,000/-
	#01-05B	S\$1,200,000/-
	#01-05C	S\$1,200,000/-
	#01-05P	S\$15,900,000/-
	<b>Aggregate</b>	<b>S\$28,000,000/-</b>
		<b>Singapore Dollars Twenty Eight Million Only</b>
<b>Aggregate Market Value on Floor Area</b>	S\$4,908 psf	

For and on behalf of  
**GB Global Pte Ltd**  
 60 Paya Lebar Road  
 #07-55 Paya Lebar Square  
 Singapore 409051

**Yick E-Ling**  
*Director*  
*BSc (Real Estate)(Hons), MSISV*  
 Appraiser's Licence No. AD041-2009922C

**APPENDIX LIMITING CONDITIONS**

These are the general principles upon which our Valuations and Reports are normally prepared; they apply unless we have specifically mentioned otherwise in the body of the report.

**1. VALUATION STANDARDS**

All valuations and appraisals works are carried out in accordance with the Singapore Institute of Surveyors and Valuers (SISV) Valuation Standards and Guideline and consistent with the International Valuation Standards (IVS), and all codes, standards and requirements of professionalism have been met.

**2. USE AND PURPOSE**

This valuation report is restricted to the use of our client or person(s) to whom this valuation report is specifically addressed to and for the specific purpose stated therein and to be used within a reasonable time. We disclaim any liability should it be used by other person(s) or for any other purpose(s) or beyond a reasonable time.

**3. CONFIDENTIALITY**

Neither the whole or any part of this valuation report or any reference to it may be included in any document, circular or statement or be published in any way without our prior written consent to the form and context in which it may appear. We shall bear no responsibility for any unauthorized inclusion or publication.

**4. VALIDITY PERIOD**

This valuation represents our opinion of value as at the date of valuation. GB Global disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or earlier if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not make known such information to GB Global.

**5. LIMITATION OF LIABILITY**

The liability of GB Global and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted. Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with the engagement shall be limited to the fees received by GB Global under this engagement. GB Global do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).

**6. SOURCE OF INFORMATION**

Where it is stated in the Report that information has been supplied to the Valuer by another party or obtained by the Valuer from any enquiries, searches or investigations made from any government or statutory bodies, this information is believed to be reliable. The Valuer accepts no responsibility if this should prove not to be so.

**7. TITLE AND LEASES**

We do not normally read leases or document of title and, where appropriate, we recommend that lawyer's advice on these aspects should be obtained. We assume, unless informed to the contrary, that all documentation is satisfactorily drawn and that good title can be shown and there are no encumbrances, restrictions, easements or other outgoings of an onerous nature which would have an effect on the value of the interest under consideration.

**8. TOWN PLANNING AND OTHER STATUTORY REGULATIONS**

Unless otherwise instructed, we do not normally carry out requisitions with the various public authorities to confirm that the property is not adversely affected by any public schemes. No requisition on road or drainage proposals has been made.

**9. STRUCTURAL SURVEYS**

We do not normally carry out structural survey, nor do we test the building services, nor have we inspected those parts of the property which are inaccessible. We cannot express an opinion about or advise upon the condition of uninspected parts and this Report should not be taken as making any implied representation or statement about such parts. We will not be able to report that the building is free from rot, infestations or other hidden defects.

**10. SITE CONDITIONS**

We do not normally carry out investigations on site in order to determine the suitability of the ground conditions and services for the existing and new development, nor have we undertaken any archaeological, ecological or environmental surveys. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that, where development is proposed, no extraordinary expenses or delays will be incurred during the construction period.

**11. PLANS AND MAPS**

Any sketch, plan or map in this report is for identification purposes only and should not be treated as certified copies of areas or other particulars contained therein.

**12. MARKET PROJECTIONS**

Any market projections incorporated within our valuation including, but not limited to, income, expenditure, associated growth rates, interest rates, incentives, yields and costs are projections only and base on information currently available to us and not representative of what actual values of the property will be as at future date. Accordingly, such market projections should be interpreted as an indicative assessment of potentialities only, as opposed to certainties.

Market projections require the dependence upon a host of variables that are highly sensitive to varying conditions. Accordingly, variation in any of these conditions may significantly affect these market projections. We draw your attention to the fact that there will be a number of variables within acceptable market parameters that could be pertinent to our valuation and the projections adopted are representative of only one of these acceptable parameters.

All statements of fact in the valuation report that are used as the basis of our analyses, opinions and conclusions will be true and correct to the best of our knowledge and belief. We do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to us by you.

### **13. INSURANCE VALUE**

Our opinion of the insurance value is our assessment of the reinstatement cost for insurance purposes and it comprises the total cost of completely rebuilding the property to be insured, together with allowances for inflation, demolition and debris removal, professional fees, the prevailing G.S.T (goods and services tax) and, if applicable, compliance with the current regulations and by-laws.

### **14. COURT OR TRIBUNAL APPEARANCE**

The report was prepared on the basis that we are not required to give testimony or appear in court or any other tribunal or to any government agency by reason of this valuation report or with reference to the property in question unless prior arrangements have been made and we be properly reimbursed.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### **Directors' and chief executive's interests and/or short positions in Shares, underlying Shares and debentures of the Company or its associated corporations**

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company or their respective associates in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (ii) to be recorded in the register required to be kept by the Company under section 352 of the SFO; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (the “**Model Code**”), were as follows:

#### *Long positions in the Shares and underlying Shares of the Company*

Name of Director	Capacity in which interests in Shares are held	Number of Shares held <i>(Note 1)</i>	Approximate percentage of Shares in issue as at the Latest Practicable Date <i>(Note 2)</i>
Mr. Chu Chee Keong (Zhu Zhiqiang) (“ <b>Mr. Chu</b> ”)	Interest in a controlled corporation <i>(Note 3)</i>	600,000,000 (L)	75.00%
Ms. Leow Poh Hoon (Liao Baoyun) (“ <b>Ms. Leow</b> ”)	Interest of spouse <i>(Note 4)</i>	600,000,000 (L)	75.00%

*Notes:*

1. The letter “L” denotes the person’s long position in the relevant Shares.
2. As at the Latest Practicable Date, the total issued share capital of the Company was 800,000,000 Shares.
3. The entire issued share capital of Strong Oriental is legally and beneficially owned by Mr. Chu. Accordingly, Mr. Chu is deemed to be interested in 600,000,000 Shares held by Strong Oriental by virtue of the SFO.
4. Ms. Leow is the spouse of Mr. Chu. She is deemed to be interested in all the Shares in which Mr. Chu is interested or deemed to be interested by virtue of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company or their respective associates had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (ii) to be recorded in the register maintained by the Company under section 352 of the SFO; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code.

***Directors’ rights to acquire Shares or debentures***

Apart from the share option scheme adopted by the Company on 1 February 2019, as at the Latest Practicable Date, none of the Company or any of its subsidiaries, holding companies or fellow subsidiaries was a party to any arrangements which enable the Directors or the chief executives of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. Save for the disclosed, as at the Latest Practicable Date, none of the Directors or chief executives of the Company or their spouses or children under the age of 18, was granted any right to subscribe for the equity or debt securities of the Company or any other body corporate nor had exercised any such right.

### Substantial Shareholders' and other person' interests and short positions in the Shares and underlying Shares of the Company

As at the Latest Practicable Date, to the best of the Directors' knowledge, the following, not being a Director or the chief executives of the Company, have an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and are recorded in the register kept by the Company under section 336 of the SFO:

Name of Shareholder	Capacity in which interests in the Shares are held	Number of Shares held (Note 1)	Approximate percentage of Shares in issue as at the Latest Practicable Date (Note 2)
Strong Oriental	Beneficial owner (Note 3)	600,000,000 (L)	75.00%
U3 Capital Pte. Ltd.	Beneficial owner	56,000,000 (L)	7.00%
Tan Hwee Tong	Beneficial owner and interest in a controlled corporation (Note 4)	56,920,000 (L)	7.12%

Notes:

1. The letter "L" denotes the person's long position in the relevant Shares.
2. As at the Latest Practicable Date, the total issued share capital of the Company was 800,000,000 Shares.
3. Strong Oriental is wholly owned by Mr. Chu, an executive Director and the Chairman of the Company.
4. U3 Capital Pte. Ltd. is wholly owned by Mr. Tan Hwee Tong. Accordingly, Mr. Tan is deemed to be interested in the 56,000,000 Shares held by U3 Capital Pte. Ltd. under the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified of any interests or short positions in the Shares or underlying Shares of the Company which were required to be recorded in the register kept by the Company under section 336 of the SFO.

### 3. DIRECTORS' SERVICE CONTRACT

As at the Latest Practicable Date, none of the Directors had entered into any service agreement with any member of the Group nor were there any proposed service agreements which would not expire or be determinable by the member of the Group within one year without payment of compensation (other than statutory compensation).

**4. DIRECTOR'S INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS****(a) Interests in assets**

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2025 (the date up to which the latest published audited consolidated financial statements of the Group was made), acquired or disposed of by, or lease to any member of the Group, or which were proposed to be acquired or disposed of by, or leased to any member of the Group.

**(b) Interests in contracts of significance**

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting and which was significant in relation to the business of the Group.

**(c) Interests in competing business**

As at the Latest Practicable Date, none of the Directors nor their respective close associates had any interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

**5. LITIGATION**

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance and, insofar as the Directors were aware, no litigation or claims of material importance was pending or threatened against any member of the Group.

**6. MATERIAL CONTRACTS**

The following material contract, not being contracts entered into in the ordinary course of business of the Group, have been entered into by members of the Group within two years immediately preceding the date of this circular:

- (a) the share sale and purchase agreement dated 10 May 2024 in relation to acquisition of a company at a total consideration of S\$9,500,000;
- (b) the option agreement dated 30 April 2024 in relation to the disposal of a property at a consideration of S\$8,800,000;
- (c) the option agreement dated 22 August 2024 in relation to disposal of a property at a total consideration of S\$1,995,000;
- (d) the option agreement dated 11 June 2025 in relation to the disposal of a property at a consideration of S\$1,950,000;
- (e) the Disposal Agreement; and
- (f) the Tenancy Agreement.

## 7. EXPERTS AND CONSENTS

The following are the qualifications of the experts who have been named in this circular or have given opinion or advice which is contained in this circular:

<b>Name</b>	<b>Qualifications</b>
GB Global Pte Ltd	Independent property valuer

As at the Latest Practicable Date, each of the experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter(s), report(s), opinion and/or references to its name in the form and context in which they appear.

As at the Latest Practicable Date, none of the experts had any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, none of the experts had any direct or indirect interest in any assets which have been, since 31 December 2025 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

## 8. MATERIAL LOAN CONFIRMATION

To the best of the directors' knowledge, information and belief having made all reasonable enquiry, there is, and in the past twelve months, there has been, no material loan arrangement between (a) the Purchaser, any of its directors and legal representatives and/or any ultimate beneficial owner(s) of the Purchaser who can exert influence on the Disposal and (b) the Company, any connected person at the Company's level and/or any connected person at the subsidiary level (to the extent that such subsidiary/subsidiaries is/are involved in the Disposal).

## 9. DOCUMENTS ON DISPLAY

Copies of the following documents are available on the website of the Stock Exchange (<http://www.hkexnews.hk>) and on the website of the Company (<http://www.fuchangroup.com/>) for a period of 14 days from the date of this circular:

- (a) the valuation report issued by GB Global Pte Ltd, the text of which is set out in Appendix II to this circular;
- (b) the written consents referred to in the paragraph headed "7. Experts and Consents" in this appendix;
- (c) the material contracts referred to in the paragraph headed "6. Material Contract" in this appendix;
- (d) the Disposal Agreement; and

- (e) this circular.

#### 10. MISCELLANEOUS

- (a) The company secretary of the Company is Ms. Lam Wing Chi. She is an associate member of both The Chartered Governance Institute and The Hong Kong Chartered Governance Institute.
- (b) The registered office of the Company is 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 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 at Room 1601, 16th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong.
- (c) The Hong Kong branch share registrar of the Company is Boardroom Share Registrars (HK) Limited at 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong.
- (d) The English text of this circular shall prevail over the Chinese text.