

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)

ENHANCEMENT OF INTERNAL CONTROL

References are made to the announcements of K2 F&B Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 7 March 2025 and 5 August 2025 in relation to the discloseable transaction concerning the disposal of property (the “**Announcements**”). Unless otherwise stated, the capitalised terms used herein shall have the same meanings as those defined in the Announcements.

The Board would like to provide shareholders with an update on the implementation and enhancement of the Group’s internal control measures as previously disclosed in the Announcements. The Company has conducted a comprehensive review of its internal control policies and procedures, with particular focus on the identification, assessment, approval and reporting of notifiable and connected transactions under the Listing Rules. Following such review, the Company has revised and enhanced its internal control policy (the “**Revised Manual**”), which took effect on 26 January 2026.

The Revised Manual introduces enhanced procedures and control mechanisms in relation to the identification, assessment, escalation and approval of notifiable and connected transactions under Chapters 14 and 14A of the Listing Rules, together with strengthened oversight and monitoring arrangements. The Revised Manual has been reviewed by the Internal Control Compliance Committee, approved by the Board and implemented across the Group. Relevant personnel have been instructed to comply with the enhanced procedures set out therein.

The enhancements under the Revised Manual are summarised as follows:

1. GOVERNANCE FRAMEWORK — THREE LINES OF DEFENCE

The Revised Manual formalises a three-tier governance structure to ensure clear segregation of duties, independent regulatory assessment and defined escalation to the Board:

First Line — Business Units/Deal Owners

Business units and deal owners are responsible for identifying potential transactions at the earliest stage, including upon commencement of negotiations, issuance or receipt of a term sheet or memorandum of understanding.

The preliminary assessment procedures apply to all proposed transactions, irrespective of size or whether a connected person is involved. Business units are required to conduct preliminary due diligence, including:

- verification of the counterparty's corporate identity and ownership;
- identification of any actual or potential relationships between the counterparty and the Company's directors, substantial shareholders or their associates for connected person screening purposes, including verification against the connected persons register maintained by the Company Secretary; and
- preparation of initial size test calculations using standardised templates.

For transactions where all applicable percentage ratios are below 3% and no connected person is involved, the preliminary assessment and size test calculations must nonetheless be submitted to the Financial Controller for review and validation. This ensures independent oversight of all transactions, including those below formal escalation thresholds.

Transactions meeting the applicable escalation thresholds, or involving a connected person, will be subject to further review and escalation in accordance with the structured protocol set out in Section 2 below.

Second Line — Listing Rules Compliance Working Group (the "CWG")

The CWG is a specialised committee comprising:

- (i) the Financial Controller — responsible for validation of size test calculations and financial inputs;
- (ii) the Company Secretary — responsible for governance oversight, maintaining and updating the connected persons register, conducting connected person screening and liaising with the regulatory authorities; and
- (iii) Legal Counsel — responsible for interpretation of the Listing Rules and advising on regulatory classification.

Upon referral in accordance with the escalation thresholds set out in Section 2 below, the CWG independently:

- validates size test calculations under Rule 14.07 of the Listing Rules;
- assesses aggregation requirements under Rules 14.22 and 14.23;
- determines whether the transaction constitutes a notifiable transaction under Chapter 14 and/or a connected transaction under Chapter 14A; and
- identifies the applicable compliance and escalation requirements.

The CWG's determination of classification and regulatory implications forms the basis for the mandatory escalation and approval procedures set out in Section 2 below.

Third Line — Audit Committee and Internal Control Compliance Committee

The Audit Committee provides independent oversight of the effectiveness of the Group's internal control framework, including reviewing quarterly compliance reports submitted by the CWG and monitoring adherence to the escalation protocol. The Internal Control Compliance Committee conducts annual reviews of internal control effectiveness, identifies deficiencies and oversees implementation of remedial measures.

This third line of defence ensures independent and ongoing monitoring of the First and Second Lines and that the escalation and approval procedures are consistently applied across the Group.

2. STRUCTURED ESCALATION AND APPROVAL PROTOCOL

Escalation to executive management and the Board is determined strictly by reference to the applicable percentage ratios and connected transaction status under a mandatory escalation protocol which applies irrespective of commercial urgency.

Under this protocol:

- **Transactions where any percentage ratio is 3% or above** — Business units and deal owners shall formally report the transaction to the Financial Controller and Company Secretary, together with all relevant information and supporting documentation, for validation and connected person screening.
- **Connected Transactions (irrespective of percentage ratio)** — all transactions involving a connected person must be referred to the CWG for regulatory assessment, including determination of whether the transaction constitutes a connected transaction, assessment of exemption applicability and aggregation requirements.

Following the CWG's assessment, such transactions shall be subject to the applicable reporting, announcement, annual review and independent shareholders' approval requirements. Where required, the transaction shall be submitted to the Board (including independent non-executive Directors) for approval prior to execution.

- **Transactions where any percentage ratio is 5% or above** — must be reviewed by the CWG and documented in a written "Further Assessment Note".

The Further Assessment Note is a formal internal regulatory assessment document setting out key transaction terms, confirmed size test calculations, regulatory classification (including aggregation analysis), connected person assessment, required compliance actions and the recommended escalation level.

CWG sign-off constitutes formal internal confirmation that the transaction has been properly classified and that the applicable Listing Rules requirements have been identified, and does not constitute approval of the transaction itself. Such

transactions shall be reported to the Board and, where applicable under Rule 14.34 of the Listing Rules, draft announcement materials shall be submitted to the Board for approval prior to publication.

- **Transactions where any percentage ratio is 25% or above** — must be submitted to the Board for approval and, where required, shareholders' approval, with formal engagement of financial advisers and valuers.
- **Transactions where any percentage ratio is 75% or above** — trigger early-stage consultation with the Stock Exchange and engagement of reporting accountants for pro forma financial information.
- **Transactions where any percentage ratio is 100% or above** — require activation of reverse takeover assessment protocols and pre-vetting submissions to the Stock Exchange.

3. ABSOLUTE EXECUTION CONTROL

Where Board approval is required under the Listing Rules or the escalation protocol set out above, such approval must be obtained prior to execution of any binding agreement.

No agreement, option, term sheet or binding commitment may be executed unless:

- the transaction has been properly classified;
- all applicable regulatory actions have been identified;
- the required level of Board approval (if any) has been obtained; and
- written confirmation of compliance has been provided by the CWG.

Any breach of this requirement constitutes a material internal control failure and must be reported to the Audit Committee.

4. CONTROL TOOLS AND MONITORING

To support implementation, the Company has adopted:

- a standardised size test calculation workbook with version control;
- a connected persons register maintained by the Company Secretary and updated on a half-yearly basis and as and when changes are identified;
- a pre-signing verification checklist to reconfirm classification prior to execution; and
- quarterly compliance reporting by the Listing Rules Compliance Working Group to the Audit Committee.

The Internal Control Compliance Committee conducts annual reviews of the effectiveness of the enhanced measures.

5. TRAINING

The Company has arranged training for directors, senior management, finance personnel and operational staff, including specialised training on the identification, classification and escalation of notifiable and connected transactions under Chapters 14 and 14A of the Listing Rules.

The training covered:

- the governance framework and escalation protocol introduced under the Revised Manual;
- classification of notifiable and connected transactions;
- size test calculations and aggregation;
- identification of connected persons;
- mandatory escalation procedures; and
- execution clearance requirements.

The Company will continue to provide regular compliance training to directors and relevant personnel on an annual basis commencing in 2026, and additional training as appropriate in light of regulatory developments or material revisions to internal policies.

The Board considers that the adoption and implementation of the Revised Manual, together with the enhanced training and monitoring measures, have strengthened the Group's internal control framework, improved transaction oversight and compliance awareness, and reduced the risk of recurrence of similar non-compliance incidents. The Company will continue to monitor the effectiveness of its internal control measures and review them from time to time as appropriate.

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

Singapore, 21 April 2026

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

Executive Directors:

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

Independent non-executive Directors:

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