



F&B HOLDINGS LIMITED

HKEX : 2108

Incorporated in the Cayman Islands with Limited Liability



INTERIM REPORT 2025

COMPANY INFORMATION

REGISTERED OFFICE

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1601, 16th Floor
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COMPANY'S WEBSITE

www.fuchangroup.com

COMPANY SECRETARY

Man Yun Wah ACG, HKACG

AUTHORISED REPRESENTATIVES

Chu Chee Keong (Zhu Zhiqiang)
Man Yun Wah ACG, HKACG

COMPLIANCE OFFICER

Chu Chee Keong (Zhu Zhiqiang)

AUDIT COMMITTEE

Mah Seong Kung (*Chairman*)
Ng Yong Hwee
Wong Loke Tan

REMUNERATION COMMITTEE

Ng Yong Hwee (*Chairman*)
Wong Loke Tan
Mah Seong Kung
Chu Chee Keong (Zhu Zhiqiang)

NOMINATION COMMITTEE

Wong Loke Tan (*Chairman*)
Mah Seong Kung
Ng Yong Hwee
Chu Chee Keong (Zhu Zhiqiang)

INTERNAL CONTROL COMPLIANCE COMMITTEE

Ng Yong Hwee (*Chairman*)
Chu Chee Keong (Zhu Zhiqiang)
Yin Hongzhi

The board (the “**Board**”) of directors (the “**Directors**”) of K2 F&B Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2025 (the “**Reporting Period**” or “**1H2025**”) together with the comparative figures for the six months ended 30 June 2024 (“**1H2024**”), which have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Note	Six months ended 30 June	
		2025 S\$'000 (Unaudited)	2024 S\$'000 (Unaudited)
Revenue	5	26,065	28,619
Other income, gains and losses, net		206	135
Cost of inventories consumed		(7,776)	(9,446)
Staff costs		(7,380)	(8,979)
Property rentals and related expenses		(2,404)	(2,165)
Management, cleaning and utilities expenses		(1,953)	(1,573)
Depreciation on property, plant and equipment		(938)	(876)
Depreciation on right-of-use assets		(1,723)	(1,810)
Other operating expenses		(1,888)	(2,065)
Finance costs	6	(1,821)	(1,715)
Profit Before Tax		388	125
Taxation		(141)	(255)
Profit/(loss) for the period		247	(130)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Note	Six months ended 30 June	
		2025 S\$'000 (Unaudited)	2024 S\$'000 (Unaudited)
Other comprehensive income			
Item that will be reclassified to profit or loss:			
<i>Exchange differences on translating foreign operations</i>		11	—*
Total comprehensive income/(loss) for the period		258	(130)
Profit/(loss) for the period attributable to:			
Owners of the Company		253	(114)
Non-controlling interests		(6)	(16)
		247	(130)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		263	(114)
Non-controlling interests		(5)	(16)
		258	(130)
Earnings/(loss) per share			
Basic and diluted (Singapore cents)	10	0.03	(0.01)

* Less than S\$1,000.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Note	30 June 2025 S\$'000 (Unaudited)	31 December 2024 S\$'000 (Audited)
Non-current assets			
Investment properties		135,600	135,600
Property, plant and equipment	11	47,769	48,621
Right-of-use assets		5,939	7,681
Deferred tax assets		28	28
Deposits paid		1,449	1,544
Investment in an associate		4	4
Financial assets at fair value through profit or loss		752	788
		191,541	194,266
Current assets			
Inventories		106	159
Trade and other receivables	12	714	612
Prepayments and deposits paid		1,065	788
Financial assets at fair value through profit or loss		47	47
Pledged bank deposit		1,015	1,015
Cash and cash equivalents		3,801	7,158
		6,748	9,779
Current liabilities			
Trade payables	13	2,473	2,628
Accruals, other payables and deposit received		6,218	6,828
Borrowings	14	8,108	9,891
Lease liabilities		3,390	3,524
Tax payables		266	346
		20,455	23,217
Net current liabilities		(13,707)	(13,438)
Total assets less current liabilities		177,834	180,828

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Note	30 June 2025 S\$'000 (Unaudited)	31 December 2024 S\$'000 (Audited)
Non-current liabilities			
Borrowings	14	83,974	85,777
Lease liabilities		3,201	4,794
Provision for reinstatement costs		484	484
Other payables and deposits received		709	565
		88,368	91,620
Net assets		89,466	89,208
Capital and reserves			
Share capital	15	1,381	1,381
Reserves		88,109	87,846
		89,490	89,227
Non-controlling interests		(24)	(19)
		89,466	89,208

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 S\$'000 (Unaudited)	2024 S\$'000 (Unaudited)
Net cash generated from operating activities	4,048	4,165
Net cash used in investing activities	(288)	(5,408)
Net cash (used in)/generated from financing activities	(7,135)	338
Cash and cash equivalents at the beginning of the period	7,158	7,386
Exchange differences on translating foreign operations	18	—*
Cash and cash equivalents at the end of the period	3,801	6,481

* Less than S\$1,000.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Share capital S\$'000	Share premium S\$'000	Other reserves (Note) S\$'000	Properties revaluation reserve S\$'000	Retained earnings S\$'000	Translation reserve S\$'000	Attributable to the owners of the Company S\$'000	Non- controlling interests S\$'000	Total S\$'000
As at 1 January 2025 (Audited)	1,381	21,708	2,790	1,534	61,816	(2)	89,227	(19)	89,208
Profit/(loss) for the period	-	-	-	-	253	-	253	(6)	247
Other comprehensive income	-	-	-	-	-	10	10	1	11
Total comprehensive profit/ (loss) for the period	-	-	-	-	253	10	263	(5)	258
As at 30 June 2025 (Unaudited)	1,381	21,708	2,790	1,534	62,069	8	89,490	(24)	89,466
As at 1 January 2024 (Audited)	1,381	21,708	2,790	1,534	59,005	-	86,418	-	86,418
Loss for the period	-	-	-	-	(114)	-	(114)	(16)	(130)
Other comprehensive income	-	-	-	-	-	-*	-*	-*	-*
Total comprehensive loss for the period	-	-	-	-	(114)	-*	(114)	(16)	(130)
As at 30 June 2024 (Unaudited)	1,381	21,708	2,790	1,534	58,891	-*	86,304	(16)	86,288

Note: The other reserves of the Group represent the reserves arising from restructuring of the Group on initial public offering which are non-distributable.

* Less than S\$1,000.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 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 is incorporated in the British Virgin Islands and the ultimate controlling shareholder of the Company is Mr. Chu Chee Keong, who is also an executive director of the Company. The shares of the Company have been listed and traded on the Main Board (the “**Main Board**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 6 March 2019. 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. Its subsidiaries are principally engaged in leasing, outlet and stall management of food establishment premises and operation of food and beverage stalls. This unaudited condensed consolidated financial statements of the Group for the Reporting Period are presented in Singapore dollar (“**S\$**”), which is the functional currency of the Company. All values are rounded to the nearest thousand (“**S\$’000**”), except when otherwise indicated.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the Reporting Period (the “**Interim Financial Statements**”) have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and International Accounting Standard (“**IAS**”) 34 “Interim Financial Reporting” issued by the International Accounting Standard Board (“**IASB**”). The Interim Financial Statements have been prepared under the historical basis, except for investment properties which are measured at fair value and certain financial assets measured at fair value through profit or loss.

The interim report does not include all the notes of the type normally included in an annual report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2024.

The accounting policies and methods of computation used in the preparation of the Interim Financial Statements are consistent with those used in the annual financial statements for the year ended 31 December 2024, except for the application of new and revised International Financial Reporting Standards as described below.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

Application of new and amendments to IFRSs

In the Reporting Period, the Group has applied a number of amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025 for the preparation of the Group's unaudited condensed consolidated financial statements:

- Amendments to IAS 21, *Lack of Exchangeability*

The application of the amendments to IFRSs in the Reporting Period had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated financial statements.

4. OPERATING SEGMENT INFORMATION

For management's purpose, the Group is organised into two operating 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 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 and third parties (the "**Food and Beverage Stalls**").

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 a mark up percentage over staff costs.

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 Interim Financial Statements. Segment profit represents the profit earned by each segment without allocation of central administration costs, directors' emoluments, exchange gain/(loss), bank interest income and finance cost on general working capital borrowings.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

For the six months ended 30 June 2025

	Rental and outlet management S\$'000 (Unaudited)	Food and beverage stalls S\$'000 (Unaudited)	Unallocated S\$'000 (Unaudited)	Total S\$'000 (Unaudited)
Segment revenue				
External revenue from contracts with customers	2,843	18,088	–	20,931
External rental income	5,134	–	–	5,134
	7,977	18,088	–	26,065
Inter-segment revenue:				
Rental and service income	9,204	–	–	9,204
	17,181	18,088	–	35,269
Adjustment and elimination	(9,204)	–	–	(9,204)
Total revenue	7,977	18,088	–	26,065
Segment profit/(loss)	1,227	1,901	(2,740)	388
Other segment information:				
Exchange gains	–	–	20	20
Finance costs	(1,433)	–	(388)	(1,821)
Depreciation of property, plant and equipment	(405)	(189)	(344)	(938)
Depreciation of right-of-use assets	(1,606)	(117)	–	(1,723)
Staff costs	(1,752)	(3,971)	(1,657)	(7,380)
Property rentals and related expenses	(1,401)	(1,003)	–	(2,404)
Interest income	–	–	–*	–*
Assets and liabilities:				
Segment assets	159,822	6,198	32,269	198,289
Segment liabilities	80,532	4,898	23,393	108,823

* Less than S\$1,000.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

For the six months ended 30 June 2024

	Rental and outlet management S\$'000 (Unaudited)	Food and beverage stalls S\$'000 (Unaudited)	Unallocated S\$'000 (Unaudited)	Total S\$'000 (Unaudited)
Segment revenue				
External revenue from contracts				
with customers	2,134	22,062	–	24,196
External rental income	4,423	–	–	4,423
	6,557	22,062	–	28,619
Inter-segment revenue:				
Rental and service income	10,955	–	–	10,955
	17,512	22,062	–	39,574
Adjustment and elimination	(10,955)	–	–	(10,955)
Total revenue	6,557	22,062	–	28,619
Segment profit/(loss)	(301)	2,371	(1,945)	125
Other segment information:				
Exchange gains	–	–	1	1
Finance costs	(1,582)	–	(133)	(1,715)
Depreciation of property, plant and equipment	(459)	(258)	(159)	(876)
Depreciation of right-of-use assets	(1,755)	(55)	–	(1,810)
Staff costs	(1,635)	(5,501)	(1,843)	(8,979)
Property rentals and related expenses	(994)	(1,171)	–	(2,165)
Interest income	–	–	–*	–*
Assets and liabilities:				
Segment assets	158,826	8,620	32,441	200,887
Segment liabilities	85,937	7,507	21,155	114,599

* Less than S\$1,000.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

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 assets of the Group by geographical distribution has not been presented.

5. REVENUE

	Six months ended 30 June	
	2025 S\$'000 (unaudited)	2024 S\$'000 (unaudited)
Revenue from contract with customers within the scope of IFRS 15		
Sales of goods, recognised at point in time basis		
— Sales of cooked food, beverage and tobacco products	18,088	22,062
Service income, recognised on over time basis		
— Provision of management, cleaning and utilities services	2,843	2,134
	20,931	24,196
Revenue from other sources		
Rental from leases of premises to tenants	5,134	4,423
	26,065	28,619

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

6. FINANCE COSTS

	Six months ended 30 June	
	2025 S\$'000 (unaudited)	2024 S\$'000 (unaudited)
Interest on:		
Bank borrowings	1,667	1,785
Lease liabilities	154	176
	1,821	1,961
Capitalised interest in relation to acquisition of land and development cost	–	(246)
	1,821	1,715

7. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

	Six months ended 30 June	
	2025 S\$'000 (unaudited)	2024 S\$'000 (unaudited)
Staff costs (including directors' emoluments)		
Salaries and benefits	7,045	8,560
Contributions to defined contribution retirement plans	335	419
	7,380	8,979

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

8. TAXATION

No provision of taxation in Hong Kong has been made as the Group's income neither arose in nor derived from Hong Kong.

The Singapore Corporate Income Tax ("CIT") rate was 17% (1H2024: 17%) during the Reporting Period. Income tax expense for the Group relates wholly to the profits of the subsidiaries of the Company, which were taxed at 17% in Singapore. Major components of income tax expense for the Reporting Period and 1H2024 are as follows:

	Six months ended 30 June	
	2025 S\$'000 (unaudited)	2024 S\$'000 (unaudited)
Singapore CIT	207	254
(Over)/under provision in respect of prior years	(66)	1
	141	255

9. DIVIDENDS

The Board did not recommend the payment of an interim dividend for the Reporting Period (1H2024 interim dividend: Nil).

10. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings per share is based on the profit attributable to owners of the Company for the Reporting Period of approximately S\$253,000 (1H2024: the loss attributable to owners of the Company of S\$114,000) and the weighted average number of ordinary shares of the Company in issue during the Reporting Period is 800,000,000 (1H2024: 800,000,000) shares.

No adjustment is made in arriving at diluted earnings/(loss) per share as there were no potential ordinary shares in issue during both periods.

11. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT

During the Reporting Period, the Group acquired land property, plant and equipment at cost of approximately S\$104,000 (1H2024: approximately S\$6,054,000), which included the property construction-in-progress of approximately S\$Nil (1H2024: S\$ 5,364,000).

As at 30 June 2025, property, plant and equipment with carrying amount of approximately S\$43,680,000 (31 December 2024: S\$44,069,000) were secured under mortgage loan as below mentioned in Note 14 to this condensed consolidated financial statements for the six months ended 30 June 2025.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

12. TRADE AND OTHER RECEIVABLES

	30 June 2025 S\$'000 (Unaudited)	31 December 2024 S\$'000 (Audited)
Trade receivables (Note)	361	187
Other receivables	353	425
	714	612

Note: During the Reporting Period, no trade receivables were written off (1H2024: Nil).

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

	30 June 2025 S\$'000 (Unaudited)	31 December 2024 S\$'000 (Audited)
0 ~ 30 days	339	184
31 ~ 90 days	21	3
91 ~ 180 days	1	–
	361	187

An average credit period for customers is 7 days.

13. TRADE PAYABLES

	30 June 2025 S\$'000 (Unaudited)	31 December 2024 S\$'000 (Audited)
Trade payables	2,473	2,628

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

As at 30 June 2025 and 31 December 2024, trade payables were mainly denominated in Singapore dollars.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

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

	30 June 2025 S\$'000 (Unaudited)	31 December 2024 S\$'000 (Audited)
0 ~ 30 days	2,469	2,623
31 ~ 90 days	1	1
91 ~ 180 days	3	4
	2,473	2,628

14. BORROWINGS

	30 June 2025 S\$'000 (Unaudited)	31 December 2024 S\$'000 (Audited)
Secured loans	87,632	88,821
Working capital loans	4,450	6,847
	92,082	95,668

Notes:

- The bank borrowing was secured by the pledge of certain of the Group's property, plant and equipment, investment properties and bank deposits.
- The loan is from the Temporary Bridging Loan Programme ("TBLP"), which provides access to working capital for businesses as announced by the Singapore Government. The loan under the TBLP has a one year deferral in principal repayment.

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Effective interest rate	2.52% ~ 3.90%	2.00% ~ 4.70%

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

Analysis by payment term:

	30 June 2025 S\$'000 (Unaudited)	31 December 2024 S\$'000 (Audited)
Within one year or on demand	8,108	9,891
More than one year	83,974	85,777
	92,082	95,668

15. SHARE CAPITAL

The authorised and issued share capital of the Company is as follows:

	HK\$'000	S\$'000
Authorised share capital:		
10,000,000,000 Shares	100,000	17,668
	HK\$'000	S\$'000
Shares in issue and fully paid:		
800,000,000 Shares	8,000 ⁽ⁱ⁾	1,381

⁽ⁱ⁾ S\$1 = HK\$5.79 as at 6 March 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW AND PROSPECT

The core business and revenue structure of the Group remains 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 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 **"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"**).

The Group continues to execute its established development strategy, including the divestment of assets to reallocate capital towards higher-value growth opportunities, in response to inflationary pressures and rising labour costs within an increasingly challenging and dynamic operating environment. As part of this strategic realignment, the Group has further streamlined operations by closing underperforming stalls. While this resulted in a decline in overall revenue, net profit improved, underscoring the effectiveness of management's emphasis on profitability and efficiency. Through this disciplined approach, the Group remains agile, resilient, and well-positioned for sustainable growth. The Group is committed to driving long-term value creation and delivering sustainable returns for its stakeholders.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The following table sets forth the revenue breakdown by the three categories of the revenue for the Reporting Period and 1H2024 as indicated:

	For the six months ended 30 June			
	2025		2024	
	S\$'000	%	S\$'000	%
Sale of cooked food, beverages and tobacco products	18,088	69.4	22,062	77.1
Rental income from lease of premises to tenants	5,134	19.7	4,423	15.4
Provision of management, cleaning and utilities services	2,843	10.9	2,134	7.5
Total	26,065	100.0	28,619	100.0

For the Reporting Period and 1H2024, the sale of cooked food, beverages and tobacco products remains the largest revenue contributor, accounting for approximately 69.4% and 77.1% of the Group's total revenue respectively. Revenue generated from sale of cooked food, beverages and tobacco products decreased by approximately S\$4.0 million, or 18%, from approximately S\$22.1 million to approximately S\$18.1 million. This decline was primarily due to the closure of underperforming food and beverage stalls since the later quarter of the last financial year.

The revenue generated from rental income from lease of premises to tenants increased by approximately S\$0.7 million, or 16.1%, from approximately S\$4.4 million to approximately S\$5.1 million. This was driven by both an improved occupancy rate in 1H2025 compared to 1H2024 and revenues from the previously closed underperforming food and beverage stalls that have been leased to external parties.

The provision of management, cleaning and utilities services income increased by approximately S\$0.7 million or 33.2%, from approximately S\$2.1 million to approximately S\$2.8 million. The increase was mainly in line with the rise in rental income from lease of premises to tenants.

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of inventories consumed

The cost of inventories consumed decreased by approximately S\$1.6 million, or 17.0%, from approximately S\$9.4 million to approximately S\$7.8 million, which was in line with the decrease in revenue from sale of the cooked food, beverages and tobacco products. The cost of inventories consumed decreased at a slower rate than the decrease in sales revenue due to the upward adjustment of selling prices for cooked food, beverages, and tobacco products. This price adjustment was made to cover the increasing costs of inventories consumed and staff. The cost of inventories consumed primarily represents the cost of purchases of food ingredients for its food and beverage retail business, consisting of fresh and frozen meat, seafood, vegetables, eggs, dried food, canned food, seasonings, beverages, coffee powder and cigarettes.

Staff costs

Staff cost accounts for the second largest component under operating expenses which amounted to approximately S\$7.4 million and S\$9.0 million for the Reporting Period and 1H2024, respectively, representing approximately 28.3% and 31.4% of revenue for the respective periods.

Staff costs decreased by approximately S\$1.6 million or 17.8%. This decrease was primarily due to a reduction in headcount from the closure of underperforming food and beverage stalls during the Reporting Period, which was partially offset by an increase in salaries.

Property rentals and related expenses

The property rentals and related expenses primarily represent the rental expenses paid for the leasing of properties from independent third parties for the operation of short-term food and beverage stalls and food centers. The property rentals and related expenses increased by approximately S\$0.2 million, or 9.1%, from approximately S\$2.2 million to approximately S\$2.4 million. The increase was mainly attributable to the opening of several food centres since the last financial period.

Management, cleaning and utilities expenses

The management, cleaning and utilities expenses increased by approximately S\$0.4 million, or 25%, from approximately S\$1.6 million to approximately S\$2.0 million. 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.

MANAGEMENT DISCUSSION AND ANALYSIS

Other operating expenses

	Six months ended 30 June	
	2025 S\$'000	2024 S\$'000
Administrative fee	312	430
Advertisement and promotion	46	47
Insurance	7	7
Property tax and related costs	656	591
Repairs and maintenance	348	381
Legal and professional fee	306	157
Telephone and communication	23	25
Donation	32	319
Others	158	108
	1,888	2,065

The other operating expenses decreased by approximately S\$0.2 million or 9.5% from approximately S\$2.1 million to approximately S\$1.9 million. This decrease was primarily due to a reduction in administrative fees and donations as a result of a cost control strategy.

Finance costs

The finance costs increased by approximately S\$0.1 million, or 5.9%, from approximately S\$1.7 million to S\$1.8 million. This increase was primarily due to the cessation of capitalised interest related to the acquisition of land and development costs, which was partially offset by a lower effective interest rate compared to 1H2024.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2025 and 31 December 2024, the Group's key financial position indicators are as follows:

	30 June 2025 S\$'000	31 December 2024 S\$'000
Current assets	6,748	9,779
Current liabilities	20,455	23,217
Net current liabilities	(13,707)	(13,438)
Interest-bearing bank borrowings	92,082	95,668
Equity	89,466	89,208

The Group's net current liabilities increased by approximately S\$0.3 million. This was mainly attributable to lower cash and cash equivalents, which resulted from the repayment of working capital borrowings, as well as a higher current portion of secured loans.

As at 30 June 2025, the Group had aggregate outstanding bank borrowings of approximately S\$92.1 million, which was a slight decrease of S\$3.6 million or 3.7% from approximately S\$95.7 million as at 31 December 2024. The decrease was primarily due to repayments of bank borrowings during the Reporting Period.

All secured borrowings were secured by the pledge of certain of the Group's (i) property, plant and equipment; (ii) investment properties; (iii) future rental income; (iv) bank deposit; and (v) corporate guarantee of the Company and two subsidiaries of the Group, which carry a weighted average effective interest rate of approximately 3.14%.

The Group had unutilised banking facilities of at least S\$11.6 million as at 30 June 2025. The Group aims to have enough liquidity by keeping sufficient cash balances and having committed credit lines available, which would enable the Group to continue its business in a manner consistent with its short-term and long-term financial needs.

MANAGEMENT DISCUSSION AND ANALYSIS

Gearing ratio is calculated based on interest-bearing bank borrowings divided by total equity as at the respective period or year end and multiplied by 100%.

As at 30 June 2025, the gearing ratio is approximately 102.9%, compared to approximately 107.2% as at 31 December 2024. The decrease in gearing ratio was mainly attributable to repayments of bank borrowings during the Reporting Period.

Use of proceeds

The shares of the Company were listed on the Main Board of the Stock Exchange on 6 March 2019 for which the Company issued 200,000,000 new shares at HK\$0.75 per offer share on 6 March 2019, as set out in the announcement of the Company dated 5 March 2019. After deducting related listing expenses, the net proceeds of the Share Offer were approximately HK\$110.0 million (the “**Net Proceeds**”).

The Net Proceeds have been fully utilised by the year ended 31 December 2024.

Capital commitment and significant investments held

As at 30 June 2025, the Group had no material capital commitment (31 December 2024: Nil).

Foreign currency risks

Most of the Group’s revenues and operating costs were denominated in Singapore dollars. Except for the bank deposits denominated in Hong Kong dollars, the Group’s operating cash flow or liquidity is not directly subject to any significant exchange rate fluctuations. The management closely monitors foreign currency exposures and will consider hedging for significant foreign currency exposures if required.

Pledge of Assets

As at 30 June 2025, the Group pledged certain of its property, plant and equipment, investment properties and bank deposit amounting to approximately S\$169,095,000 (31 December 2024: approximately S\$165,377,000) to secure bank borrowings of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

CONNECTED TRANSACTIONS

The Group had no transactions which need to be disclosed as connected transactions in accordance with the requirements of the Listing Rules during the Reporting Period.

FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES

The Group had not provided any financial assistance and guarantee to affiliated companies during the Reporting Period.

HUMAN RESOURCE

As of 30 June 2025, the Group had 344 employees (31 December 2024: 381). The remuneration policy and package of the Group's employees are structured in accordance with market norms and statutory requirements where appropriate. On top of pension funds and insurances, the Group also provides staff benefits such as incentives and subsidized medical fees to motivate and reward employees at all levels, to achieve the Group's business performance targets.

OTHER INFORMATION

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code and the Corporate Governance Report (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 organisational structure of the Company, Mr. Chu Chee Keong is the chairman of the Board and the chief executive officer. With extensive experience in the food and beverage industry, the Board considers that the 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 comprise experienced and high caliber individuals. The Board currently comprises three executive Directors and three independent non-executive Directors and therefore has a fairly strong independence element in its composition. Save as otherwise disclosed herein, the Company has complied with the code provisions as set out in the CG Code for the Reporting Period. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES 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 Listing Rules as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiries to all Directors, all Directors confirm that they have fully complied with the relevant requirements set out in consistent with interim results announcement and its own code of conduct during the Reporting Period.

SHARE OPTION SCHEME

The Company has adopted the share option scheme (the “Share Option Scheme”) on 1 February 2019. During the Reporting Period, no share options were granted, exercised, lapsed nor cancelled under the Share Option Scheme. As at 30 June 2025, there was no share option outstanding under the Share Option Scheme. The number of options available for grant under the Share Option Scheme as of 1 January 2025 and 30 June 2025 was 80,000,000 respectively. The total number of share available for issue under the Share Option Scheme is 80,000,000, which represented 10% of the issued share capital of the Company (excluding treasury shares) as at the date of this report. The total number of Shares that may be issued in respect of share options granted under Share Option Scheme during the Reporting Period divided by the weighted average number of shares in issue for the Reporting Period was Nil.

OTHER INFORMATION

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 the Reporting Period.

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS

Pursuant to Rule 13.51B of the Listing Rules, up to the date of this report, there were no changes to the information which is required to be disclosed and which has been disclosed by the Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules.

DIRECTORS AND THE CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 June 2025, the interests or short positions of each Director and the chief executive of the Company in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO")), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, where as follows:

LONG POSITIONS IN THE SHARES OF THE COMPANY

Name of Director	Capacity/nature of interest	Number of shares held (Note 1)	Percentage of shareholding
Mr. Chu Chee Keong	Interest in a controlled corporation (Note 2)	600,000,000 (L)	75.00%
Ms. Leow Poh Hoon	Interest of spouse (Note 3)	600,000,000 (L)	75.00%

Notes:

1. The letter "L" denotes the long position in the relevant shares.
2. The entire issued share capital of Strong Oriental Limited ("**Strong Oriental**") is legally and beneficially owned by Mr. Chu Chee Keong ("**Mr. Chu**"). Accordingly, Mr. Chu is deemed to be interested in the 600,000,000 shares held by Strong Oriental by virtue of the SFO.
3. Ms. Leow Poh Hoon ("**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.

OTHER INFORMATION

Save as disclosed above, as at 30 June 2025, none of the Directors and the chief executive of the Company had any interest or short position in shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this report, at no time during the Reporting Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Directors or their respective spouse or children under 18 years of age, nor were any such rights exercised by them; nor was the Company or any of its subsidiaries a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, the following corporation (other than a Director or the chief executive of the Company) had interests or short positions in the Shares as recorded in the register required to be kept under section 336 of the SFO were as follows:

LONG POSITIONS IN ORDINARY SHARES OF THE COMPANY

Name of Shareholder	Capacity/nature of interest	Number of Shares held (Note)	Percentage of shareholding
Strong Oriental	Beneficial Owner	600,000,000 (L)	75.00%
Lee Kek Choo	Interest of spouse	56,536,000 (L)	7.07%
Toh Soon Huat	Beneficial owner	56,536,000 (L)	7.07%

Note:

The letter "L" denotes the long position in the Shares.

Save as disclosed above, as at 30 June 2025, no other corporation which/person (other than a Director or the chief executive of the Company) had any interest or short position in the Shares or underlying Shares as recorded in the register required to be kept under section 336 of the SFO.

OTHER INFORMATION

INTERIM DIVIDEND

The Board did not recommend to declare any interim dividend for the Reporting Period.

EVENTS AFTER THE REPORTING PERIOD

Reference is made to the announcement of the Company dated 11 June 2025. the Purchaser was granted the Option by the an indirect wholly-owned subsidiary of the Company, to purchase the Property pursuant to the Option Agreement. On 3 July 2025, the Purchaser exercised the Option pursuant to the Option Agreement to acquire the Property from the indirect wholly-owned subsidiary of the Company at a total consideration of S\$1,950,000. The disposal was expected to completed on 17 September 2025.

Saved as disclosed, there was no material event in relation to the Group occurred after the Reporting Period and up to the date of this report.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, the Company had maintained the prescribed percentage of public float under the Listing Rules.

AUDIT COMMITTEE

The Audit Committee, comprising all the independent non-executive Directors, namely Mr. Mah Seong Kung (Chairman), Mr. Ng Yong Hwee and Mr. Wong Loke Tan, has reviewed with the management the accounting principles and policies adopted by the Group and the unaudited interim results of the Group for the Reporting Period.

APPRECIATIONS

On behalf of the Board, I would like to extend our sincere thanks to the shareholders, business partners and customers for their continuous support to the Group. I would also extend my gratitude and appreciation to all the Directors, management and staff for their hard work and dedication throughout the Reporting Period.

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

Singapore, 29 August 2025