K2 F&B HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2108)

PROFIT WARNING

This announcement is made by K2 F&B HOLDINGS LIMITED (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong).

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform shareholders of the Company (the "**Shareholders**") and potential investors that, based on currently available information, the Group is expected to record a consolidated profit attributable to the Shareholders for the year ended 31 December 2020 of approximately S$2.2 million, representing an expected decrease of approximately 56.0% as compared to the corresponding period of 2019.

The decrease in the consolidated profit attributable to Shareholders for the year ended 31 December 2020 was mainly attributable to:

a. a decrease in the Group's revenue from approximately S$42.0 million for year ended 31 December 2019 to approximately S$34.9 million for year ended 31 December 2020 due to the adverse economic impact brought about by the COVID-19 pandemic[1]; and

b. expected fair value losses of approximately S$0.8 million from investment properties as at 31 December 2020 as compared to fair value gain of approximately S$5.1 million as at 31 December 2019.

The decrease in the consolidated profit attributable to the Shareholders for the year ended 31 December 2020 was partially offset by:

a. a corresponding decrease in operating expenses as a result of the decrease in the Group's business;

b. the receipt of grants from the Singapore Government to mitigate the adverse economic impact brought about by the COVID-19 pandemic; and

c. no listing expenses for the year ended 31 December 2020.

[1] Further to the voluntary announcement made on 22 June 2020 to update on the COVID-19 situation, Singapore entered the third phase of lifting of the Circuit Breaker on 28 December 2020, with further relaxation of measures including increasing the group size for dine-in from 5 to 8 persons.

The core operating profit for the year ended 31 December 2020, excluding the one-off initial public offering expenses incurred in 2019 and changes in fair values of investment properties as at 31 December 2019 and 31 December 2020, is generally on par compared with the core operating profit for the year ended 31 December 2019.

As at the date of this announcement, the Company is in the process of finalising the consolidated annual results of the Group for the year ended 31 December 2020. The information contained in this announcement is based on a preliminary assessment by the management of the Company according to the unaudited consolidated management accounts of the Group for the year ended 31 December 2020, which have not been confirmed, audited nor reviewed by the Company's auditor and/or the audit committee of the Company, and is subject to finalisation and necessary adjustments. The final results announcement of the Company for the year ended 31 December 2020 is expected to be published by the end of March 2021.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Singapore, 9 February 2021

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

Executive Directors:
Mr. Chu Chee Keong (Zhu Zhiqiang)
Ms. Leow Poh Hoon (Liao Baoyun)
Ms. Chu Pek Si (Zhu Peishi)

Independent non-executive Directors:
Mr. Wong Loke Tan
Mr. Loh Eu Tse Derek
Mr. Mah Seong Kung