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Kafelaku Coffee Holding Limited
猫屎咖啡控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1869)

SECOND SUPPLEMENTAL ANNOUNCEMENT UPDATE ON IMPLEMENTATION OF INTERNAL CONTROL MEASURES

References are made to the announcement of Kafelaku Coffee Holding Limited (the "**Company**") dated 31 March 2025 (the "**Announcement**") and the supplemental announcement of the Company dated 12 September 2025 (the "**Supplemental Announcement**"). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcement and the Supplemental Announcement.

The Board announces that the recommendations for improvement as stated in the section headed "Key Findings on the Internal Control Review" in the Supplemental Announcement have been fully implemented as of the date of this announcement. For further details of the recommendations for improvement, please refer to the Supplemental Announcement.

The key remedial measures regarding the findings by the IC Consultant are summarised as follows:

1. Loan Involving the Executive Director

Findings	**Remedial measures**
Deficiencies in the conflict of interest management mechanism.	The Company has revised its policies on notifiable transaction and connected transaction management ("**Revised Policies on Notifiable Transaction and Connected Transaction**"). The Revised Policies on Notifiable Transaction and Connected Transaction set out and clarified the procedures for managing potential conflict of interest, the relevant procedures include: **1. Identification** Business units of the Company and its subsidiaries that conduct transactions should collect and verify information regarding transaction counterparties and submit the relevant information to the respective accounting and finance team. Any transaction meeting the monetary reporting threshold ("**Reporting Threshold**"), as determine and review by the Company from time to time, must be submitted immediately to managerial staff at the subsidiary level, such as general manager, head of finance and accounting team, and any personnel performing equivalent functions in such roles ("**Subsidiary Managerial Staff**"), for concurrent review. **2. Screening and assessment** The responsible accounting and finance team shall perform size tests based on the percentage ratios under the Listing Rules and cross-reference the Company's connected party lists, which are maintained and updated timely by the Company. For transaction meeting the Reporting Threshold, the Subsidiary Managerial Staff shall concurrently assess whether the transaction constitutes a connected transaction or a disclosable transaction.

3. Escalation and approval

Transactions identified as notifiable or connected, or those where the classification is undetermined, must be submitted to managerial staff at the group level, such as financial controller, company secretary, and any other personnel performing equivalent functions in such roles, for review and assessment. The Board of Directors shall be responsible for final assessment and approval. In cases of uncertainty, the Directors should seek advice from external professional advisers and/or consult the Stock Exchange.

4. Disclosure

Upon approval by the Directors, the company secretary shall determine the requisite compliance actions pursuant to the requirements of the Listing Rules, including publication of announcements, dispatch of circulars, and obtaining of shareholder approval.

5. Record keeping and ongoing review

The Company shall maintain a register of notifiable transactions and connected transactions to record all such transactions and Board decisions.

The Company shall periodically review these procedures to ensure continued alignment with the latest amendments to the Listing Rules.

The Company has also updated and refined its policy on declaration of interest by Directors and senior management of the Company ("**Revised Policy on DI**"). The Revised Policy on DI has set out the procedures and requirements for current and newly appointed Directors and senior managements to timely submit written declarations of interest to the Board for assessment. Furthermore, if any such individual becomes aware of a potential conflict regarding a specific contract or arrangement entered into or to be entered into by the Company, they must promptly notify the Board for assessment and decision-making.

In addition, in November 2025, training sessions on (i) conflict of interest management, (ii) management of notifiable and connected transactions, and (iii) treasury management have been provided to Director, CEO and senior management.

2. Compliance Review of the Relevant Listing Rules

Findings	Remedial measures
Ambiguous wording in written policies and procedures for (i) notifiable and connected transaction management, (ii) transaction required to be disclosed under Chapter 13 of the Listing Rules.	The Revised Policies on Notifiable Transaction and Connected Transaction and Revised Policy on DI have clarified and refined the polices and procedures on notifiable transaction management and connected transaction management.

3. Treasury Management

Findings	Remedial measures
Incomprehensive written policy and procedures for treasury management	The Company has revised and updated its treasury and fund management policy ("**Revised Policy on Treasury and Fund Management**"). The Revised Policy on Treasury and Fund Management establishes protocols for bank account management, including procedures for the opening, modification, and closure of accounts and bank reconciliation. It further defines approval mechanisms for payments and fund transfers, subjecting all authorizations to tiered limits and delegated authorities. In addition, no payment, fund transfer, or commitment of Company resources regarding any investment project shall be incurred prior to obtaining written approval from the appropriate authority. The Revised Policy on Treasury and Fund Management also set out procedures for stamp management, under which specific custodians are appointed for different categories of Company stamps. All custodians must exercise due care and maintain strict custody of the stamps. The administration department shall be responsible for the engraving of stamps, which requires a formal application subject to approval by general manager of the Company.

	Furthermore, any inter-departmental borrowing of stamps requires a prior written application submitted to the responsible management.
Fund payments lack a tiered authorisation and approval mechanism	The Revised Policy on Treasury and Fund Management set out and revised the tiered authorisation and approval mechanism for fund payments. Any payment, fund transfer, or commitment of the Company's resources in excess of the delegated authority thresholds is prohibited.

VIEWS OF THE BOARD AND THE IC CONSULTANT

The Company confirms and the IC Consultant, which conducted a further follow-up review in November 2025, concurs that enhanced internal control policies are effective and adequate. The Board reaffirms its commitment to maintaining robust internal controls and corporate governance practices. The Company will continue to execute ongoing measures to ensure the Group's compliance with the Listing Rules.

By order of the Board
Kafelaku Coffee Holding Limited
Cui Zhiqiang
Chairman

Hong Kong, 13 January 2026

As at the date of this announcement, the executive Directors are Mr. Cui Zhiqiang, Mr. Cui Zifeng, Mr. Ma Xiaoping and Ms. Leung Ka Wai; the non-executive Director is Ms. Fung Wai Sim; and the independent non-executive Directors are Mr. Chan Yan Kin Philip, Mr. Huang San and Mr. Yang Chao.