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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)

CLARIFICATION & SUPPLEMENTAL ANNOUNCEMENT

Reference is made to (i) the announcements (the "**Announcements**") of Kafelaku Coffee Holding Limited (the "**Company**") dated 16 June 2026, 14 July 2026, 24 July 2026, 12 August 2026, 20 August 2026, 26 August 2026, 2 September 2026, 23 September 2026, 30 September 2026, 2 October 2026 and 14 October 2026 in relation to, amongst other things, general mandate placing of new shares, disposal of shares by the former Chairman and executive director of the Company Mr. Cui Zhiqiang ("**Mr. Cui**"), the removal of Mr. Ma Xiaoping ("**Mr. Ma**") and Ms. Zhao Yuanyuan ("**Ms. Zhao**") from the board of directors (the "**Board**") of the Company and the 3rd extension of the general mandate placing of new shares announced by the Company on 12 August 2026 (the "**August Placing**"); and (ii) the interim report of the Company for the six months ended 30 June 2026 ("**2026 Interim Report**") published on 22 September 2026. Capitalized terms used herein shall have the same meanings as those defined in the Announcements unless otherwise defined.

JUNE 2026 GENERAL MANDATE PLACING OF NEW SHARES

The Company noted that certain inadvertent mistakes were made on the completion announcement of the Company dated 14 July 2026 and page 40 of the 2026 Interim Report relating to the amount of net proceeds of the general mandate placing of new shares completed on 14 July 2026 (the "**June Placing**"), and wishes to clarify that net proceeds (after deducting placing commission and other related expenses and professional fees) amounted to approximately HK$21.2 million rather than approximately HK$20.9 million.

As of the date hereof, the Company has applied and intends to apply the net proceeds from the June Placing in the following manner:

Used in	Payee	Amount (HK$)	Expected Timeline of Full Utilization
Reducing Liabilities to Improve the Group's Financial Position			
Repayment of assigned loans *(note 1)*	The assignee	13,852,145.00	Fully utilized
Repayment of a loan from Mr. Cui's related company *(note 2)*	Mr. Cui	231,339.00	Fully utilized
Repayment of a third-party loan	An independent third party	1,000,000.00	Fully utilized
General Working Capital			
Professional fees		1,487,335.23	Fully utilized
Staff costs and related welfare and benefits		851,500.00	Fully utilized
Office and other expenses *(note 3)*		2,240,515.27	Fully utilized
General office expenses, including staff costs *(note 4)*		139,108.90	Approximately within 2 months from the date of this announcement
Rental and building management fee *(note 4)*		72,091.20	Approximately within 2 months from the date of this announcement
Legal and professional fees *(note 4)*		789,807.50	Approximately within 2 months from the date of this announcement
Company secretarial matters and business registration *(note 4)*		293,550.00	Approximately within 2 months from the date of this announcement
Printer fees *(note 4)*		210,460.40	Approximately within 2 months from the date of this announcement
Total		**21,167,852.50**	

Notes:

1. The repaid assigned loans consisted of certain loans previously owed by the Group to Mr. Cui and his related companies in the aggregate amount of approximately HK$13,852,145.00. On 23 April 2026 these loans were assigned to JL Investment Capital Limited ("**JL Investment**"), a third party independent of the Company and its connected persons. These loans were extended and certain terms of which were amended on 8 July 2026 after arm's length negotiation between the Company and JL Investment.

2. Mr. Cui's related company 海南美浪灣實業控股有限公司 as lender and the Group's subsidiary 美能倍(廣州)運營管理有限公司 as borrower entered into an agreement for a loan of RMB200,000 (equivalent to approximately HK$231,339) on 18 June 2026 (the "**June 2026 Loan**"). The terms of the June 2026 Loan were amended and assigned to Mr. Cui on 8 July 2026.

3. The office and other expenses settled consisted of, amongst other things, reimbursements of approximately HK$448,962.00 and HK$700,000.00 of office expenses paid by Mr. Cui for and on behalf of the Group, which the Group had, acting upon payment instructions from Mr. Cui, paid the HK$700,000 reimbursement to JL Investment.

4. Portion of the net proceeds have been reserved for the stated purposes and have not been utilized as of the date of this announcement.

LOANS ASSIGNMENT AND AMENDMENT

The Company owed Mr. Cui and his related companies loans as well as other operating expenses in the approximate amount of HK$1,148,962 and HK$14,083,484, respectively. Out of which HK$13,852,145 (the "**Assigned Loans**") were assigned to JL Investment on 23 April 2026 and terms of the June 2026 Loan were amended and assigned to Mr. Cui on 8 July 2026.

At the material times as some of the Assigned Loans had matured or were soon reaching maturity, the Company and JL Investment negotiated the Assigned Loans as a bundle. Upon arm's length negotiation, the parties entered into supplemental agreements on 8 July 2026 to amend their terms such that they became due and payable by 17 July 2026, failing which interest of 5% per annum will be charged thereon together with professional and other fees incurred from debt collection. With respect to the June 2026 Loan, the lender, borrower and assignee entered into supplemental and assignment agreements on 8 July 2026 to amend the loan terms and to assign it to Mr. Cui.

In comparison, the other liabilities of the Company did not have a strict repayment deadline nor are they interest bearing. The Company negotiated with these other creditors and counterparties in good faith to secure further extension of repayment and/or to agree a revised repayment schedule. Most of these creditors have agreed to extend repayment to no later than 31 December 2026.

Against this backdrop, it is in the interest of the Company and its shareholders to avoid incurring further interests over the aforementioned loans in light of its financial position. It is the Company's strategy to replace debt financing with equity financing to improve and strength its capital base and long-term financial health when equity fund raising becomes feasible. The Company therefore completed the June Placing and settled the loans with the placing proceeds.

AUGUST 2026 GENERAL MANDATE PLACING OF NEW SHARES

The Board wishes to provide further information to shareholders and potential investors in relation to the general mandate placing of new shares announced by the Company on 12 August 2026 (as supplemented by the 3rd extension letter entered between the Company and the Placing Agent on 14 October 2026).

The Company had considered various fundraising methods prior to conducting the August Placing. Debt financing will create additional interest burden and result in a higher gearing ratio for the Group. It will be a further financial burden on the Group and will defeat the measures the Group is implementing to improve its financial position. In view of such, the Board has not considered debt financing.

Various equity fundraising methods such as general or specific mandate placing of new shares and rights issue were considered. Specific mandate placing and rights issue will take much longer to complete and will not address the fundraising need of the Company in a timely manner. General mandate placing, on the other hand, would promptly provide the much-needed funding to the Company to ease its financial burden and improve its financial position, whilst being relatively small scale with limited dilutive effect on shareholding.

The Company had also considered an interest free loan in the principal sum of HK$3 million offered by a director to cover operating expenses of the Group till the end of 2026 only. However, the Group not only had operating expenses but also had other debts to cover. The proposed loan therefore does not effectively address the Group's funding needs. Any fundraising to be conducted by the Company should also be an opportunity to replenish the working capital of the Group.

By comparison, approximately HK$10.77 million of the net proceeds of the August Placing and now approximately HK$11.31 million of the net proceeds following the entering into of the 3rd extension letter (assuming all the placing shares are fully placed and after deducting placing commission and other related expenses and professional fees) represented more than thrice the size of the proposed loan. The August Placing, whilst addressing the Company's immediate funding needs, will not impose further financial burden on the Company and broaden the Company's shareholder base.

In view of the totality of the foregoing, the Board considered the August Placing to be the appropriate fundraising method to address the financial needs of the Group and is fair and reasonable in the interest of the Company and its shareholders as a whole.

The Company considers that it may need to conduct further fundraising to settle debts and liabilities. It may consider conducting further equity or debt fundraising exercises to improve its financial position and replenish working capital as and when appropriate in view of factors including but not limited to its debts and liabilities that are repayable within one year, the market price of its shares and prevailing market conditions.

In view of the fundraising size of the August Placing (as amended by the 3rd extension letter), the Company intends to utilize the net proceeds in the following manner:

Intended Use	Amount (HK$)	Expected timeline of utilization
Business Operation		
Restaurants operations for payment of rental and building management fees, staff wages and salaries and various debts	3,000,000	Approximately within 3 months of completion
Purchase of stock for the coffee trading business	1,000,000	Approximately within 3 months of completion
Improve the Company's financial position by reducing liabilities		
Repayment of debenture & interest	2,100,000	Approximately within 3 months of completion
General Working Capital		
Professional fees	1,500,000	Approximately within 3 months of completion
Office and other expenses	910,000	Approximately within 3 months of completion
Staff costs and related welfare and benefits, and other general working capital	2,800,000	Approximately within 3 months of completion
Total	**11,310,000**	

DISPOSAL OF SHARES BY SUBSTANTIAL SHAREHOLDER

The Board wishes to provide further information to shareholders and potential investors in relation to the disposal of shares by Mr. Cui. The Board was informed by Mr. Cui that he and his spouse had engaged a placing agent to dispose of a total of 409,860,000 shares, representing approximately 24.2% of the issued shares of the Company, at a price of HK$0.1 per share through block trades which were effected through cross trades on the Central Clearing and Settlement System (CCASS) of The Stock Exchange of Hong Kong Limited on 24 July 2026. The placing agent which Mr. Cui and his spouse engaged never revealed the identities or other details of the placees to Mr. Cui and his spouse due to customers confidentiality. As such the identity and the principal business activities of the purchaser(s) where applicable were unknown to Mr. Cui and his spouse.

REMOVAL OF DIRECTORS

The Company noted that certain inadvertent mistake was made on page 2 of the announcement of the Company dated 30 September 2026 in relation to the removal of Mr. Ma and Ms. Zhao and wishes to clarify that Ms. Zhao has been removed from the Board pursuant to Article 105(h) of the Company's Articles of Association with the approval of not less than 3/4 in number of the Directors (including the Relevant Directors) then in office rather than her resignation.

The Company would like to provide further disclosure regarding the disagreement Mr. Ma and Ms. Zhao had with the Board. They filed complaints with the relevant regulator and the Company to raise concerns over matters including the June and August Placings, repayment of the Assigned Loans and related matters thereto. The Company has assessed the allegations raised and concluded that they are frivolous, factitious and unsubstantiated aimed at obstructing the Company's corporate activities and operations. In view of the foregoing, and having sought external legal advice, the Board has reservations and concerns over their ability to discharge their fiduciary duties as Directors of the Company and to act in the best interests of the Company and its shareholders. It was accordingly on this basis that they were removed from the Board.

Save as disclosed above, the Company considers there is no other material matter relating to their removal that needs to be brought to the attention of the shareholders of the Company and all other information disclosed in the Announcements and 2026 Interim Report remain the same.

By order of the Board
Kafelaku Coffee Holding Limited
Szeto Huen Sum Hannah
Chairlady

Hong Kong, 30 October 2026

As at the date of this announcement, the Board comprises Ms. Szeto Huen Sum Hannah (chairlady), Mr. Cui Zifeng (chief executive officer) and Ms. Ou Shu as executive Directors; Ms. Fung Wai Sim as non-executive Director; and Mr. Yang Chao and Mr. Huang Shan as independent non-executive Directors.