



**KOUFU GROUP LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration Number 201732833D)

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## ENTRY INTO JOINT VENTURE AGREEMENT TO EXPAND THE BUSINESS IN INDONESIA

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### 1. INTRODUCTION

The Board of Directors of Koufu Group Limited (the “**Company**”) wishes to announce that its subsidiary, Super Tea (S) Pte. Ltd. (“**Super Tea**”) has on 4 July 2019 entered into a joint venture agreement (the “**Agreement**”) with A&O Assets Sdn Bhd. and Chan Bee Kiew (collectively referred to as the “**JV Partners**”), pursuant to which together with the JV Partners have agreed to establish a joint venture company (“**JV Co**”) to develop, establish, manage and operate the business of operating food and beverage outlets under the Proprietary Marks of Super Tea and to grant sub-licences to other parties to operate the same within the Republic of Indonesia, upon the terms and subject to the conditions set out in the respective franchise agreements.

### 2. INFORMATION ON THE JV CO

The JV Co is to be incorporated in the Republic of Indonesia with an initial issued paid-up share capital of S\$1.0 million. The agreed shareholdings of the respective parties in the JV Co are set out below:-

Name of JV Party	Country of Incorporation / Nationality	Shareholding percentage	Paid up capital
Super Tea (S) Pte. Ltd	Incorporated in Singapore	54%	S\$540,000
A&O Assets Sdn Bhd.	Incorporated in Malaysia	40%	S\$400,000
Chan Bee Kiew	Malaysian	6%	S\$60,000

Accordingly, Super Tea shall subscribe for 54% of the equity interest in the JV Co for a cash consideration of S\$540,000 (the “**Transaction**”).

### 3. INFORMATION ON JV PARTNERS

#### A&O Assets Sdn Bhd.

Investment holding company jointly-owned by Dato Seri Koey Hean Eng and his son, Mr Koey Wei Keong. Dato Seri Koey is also the Founder and Chief Executive of Kobay Technology Bhd. Group, a Malaysian Stock Exchange-listed property developer. Dato

Koay brings with him strong connections within the property sector and rich experience in overseas ventures.

#### Chan Bee Kiew

Formerly the General Manager of a reputable restaurant chain group in the Republic of Indonesia and with more than 10 years of F&B experience in the Republic of Indonesia, Bee Kiew brings with her a management team with a good track record in the F&B business. She will be tasked with the responsibility of starting up the JV Co's business in Indonesia, and day to day operations for the company.

## **4. SALIENT TERMS OF THE AGREEMENT**

### Constitution of Board

Under the Agreement, it was agreed that the board of directors of the JV Co shall comprise 4 directors, and any shareholder holding majority shares shall be entitled to appoint the Chairman of the Board. The Chairman of the Board shall be entitled to a casting vote.

### Transfer of Shares

JV Partners shall be entitled to acquire further shares from Super Tea constituting up to 14% of the total share capital of the JV Co subject to the agreed milestones as set out in the JV Agreement. JV Partners are entitled to exercise their right to acquire shares within 3 years when the respective milestones are first achieved.

## **5. RATIONALE FOR THE JOINT VENTURE**

The joint venture presents the Group with an opportunity and an effective platform to expand its business of operating food and beverage outlets in the Republic of Indonesia. In addition, the joint venture is in line with the Group's long term objectives of delivering growth and enhancing its revenue stream. The Group is of the view that this strategic addition will be largely beneficial.

## **6. FINANCING AND FINANCIAL EFFECTS OF THE TRANSACTION**

The Transaction will be funded through internal sources and is not expected to have a material impact on the consolidated net tangible assets per share and consolidated earnings per share of the Group for the financial year ending 31 December 2019.

## **7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in the Transaction save for their shareholdings in the Company.

## **8. FURTHER ANNOUNCEMENTS**

The Company will update shareholders on material developments relating to the joint venture, if any.

**By Order of the Board**  
**Koufu Group Limited**

Pang Lim  
Executive Chairman and Chief Executive Officer

4 July 2019