



NEWS RELEASE

KOUFU COMPLETES ACQUISITION OF TRADITIONAL FRIED FOOD AND DOUGH PRODUCTS GROUP, DELI ASIA

- *Fast-tracks Koufu's revenue diversification and network expansion in complementary dim sum snacks, fried food and dough products*
- *Strengthens Koufu's supply chain with the broadening and consolidation of production and manufacturing capabilities*

Singapore, 30 July 2020 – Further to the announcement dated 1 July 2020, Mainboard-listed Koufu Group Limited (“**Koufu**”, 口福集团有限公司, or together with its subsidiaries, the “**Group**”), one of Singapore’s most established and largest operators and managers of food courts and coffee shops, announced today the completion of the acquisition of Deli Asia (S) Pte. Ltd., Delisnacks Pte. Ltd., Dough Culture Pte. Ltd. and Dough Heritage Pte. Ltd. (collectively, the “**Target Group**” and each, a “**Target Company**”) for an aggregate cash consideration of S\$22,040,000.

Mr Pang Lim (庞琳), Koufu’s Executive Chairman and Chief Executive Officer, said, “We are extremely pleased to welcome the Target Group under the Koufu umbrella. This accretive acquisition is very much in line with our business strategy to leverage on our partners’ specialist expertise to fast-track Koufu’s diversification of business network and brands in complementary products both locally and abroad, thereby strengthening our income stream resiliency.”



Better Food, Better People, Better Life.

精致美食，
优质生活，
圆满人生。

The Target Group is one of Singapore's largest and most established manufacturer and producer of fried food and dough products, supplying frozen and partial fried food products to third party businesses, namely, food & beverage ("F&B") operators, restaurants and F&B stalls at food courts, coffee shops and hawker centres. The Target Group has approximately 60 franchised F&B stalls at hawker centres and coffee shops under its *Delisnacks* (德利食) brand. In addition, the Target Group retails fried food and dough products directly to consumers in various locations across Singapore, including suburban malls, under its *Dough Culture* (小麦家) brand.

The Target Group has existing production and warehouse facilities in Singapore, where it utilises modern technology, equipment and production processes in the manufacturing and storage of fried and partially fried food and dough products.

Mr Pang added: "The synergistic effect of Deli Asia's complementary business enables Koufu to develop our supply chain of well-loved traditional fried food and dough products for retailing at our food courts, coffee shops and quick-service restaurants, thus adding a greater variety of quality choices to our dim sum, bakery and confectionery items for all our consumers.

"Through this acquisition, we have gained immediate access to the Target Group's production facilities of these high quality, halal and vegetarian fried food and dough products. Moving ahead, Koufu looks forward to enhancing our supply chain security with the consolidation of Deli Asia's manufacturing capabilities at our new integrated facility upon its completion, optimising economies of scale and reaping operating synergies."

With the well-acceptance of the *Dough Culture* brand and its products in the domestic and export markets, there are plans in the pipeline to expand the current network of retail kiosks under the brand from the current seven to at least 20 in the next five years.





None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction, other than through their respective directorships and shareholdings in the Company.

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ABOUT KOUFU GROUP LIMITED

Established in 2002, Koufu is one of the most established and largest operators and managers of food courts and coffee shops in Singapore, with a presence in Macau. Since its inception, Koufu's philosophy has been to integrate modern management discipline into its business while retaining the traditional coffee shop culture, with particular emphasis on providing patrons with value for money dining options in a comfortable environment – congruent with its core values in its vision towards “Better Food”, “Better People” and “Better Life”.

Koufu's business comprises two business segments – outlet & mall management and F&B retail. Under the outlet & mall management business segment, Koufu operates and/or manages food courts, coffee shops, a hawker centre and a commercial mall. Under the F&B retail business segment, it operates self-operated F&B stalls located within its food courts and coffee shops or within third party food courts as well as F&B kiosks, quick-service restaurants and full-service restaurants, amongst others.

In less than two decades, Koufu's outlet & mall management business segment has grown to a sizeable islandwide network. Koufu's multi-brand business model and network of F&B outlets currently comprises a portfolio of unique and distinct brands, each focusing on different types of cuisine and dining experiences at various price points to its consumers with varying tastes, preferences, budgets and occasions.



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For more information, please visit <http://www.koufu.com.sg/>.

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