



YKGI LIMITED
(Company Registration No. 202227645Z)
(Incorporated in Singapore)

TERMINATION OF JOINT VENTURE AGREEMENT AND TRANSFER OF SHARES IN THE JV COMPANY

1. Introduction

- 1.1 The Board of Directors (“**Board**”) of YKGI Limited (“**Company**”, and together with its subsidiaries, “**Group**”) refers to the Company’s announcement dated 15 August 2023 (the “**JVA Announcement**”) in respect of the joint venture agreement entered into by the Company’s wholly owned subsidiary, YKGI Ventures Pte. Ltd. (“**YKGI Ventures**”) and Oriental Coffee International Sdn. Bhd. (“**Oriental Kopi**”).
- 1.2 Unless otherwise defined herein, all capitalised terms used and not defined herein shall bear the same meanings ascribed to them in the JVA Announcement.

2. Termination of the Joint Venture Agreement

- 2.1 The Company would like to update shareholders that YKGI Ventures and Oriental Kopi have mutually decided to terminate the JVA due to divergence in Oriental Kopi Brand’s expansion plan in Singapore. Accordingly, YKGI Ventures has, on 26 January 2024, entered into a deed of termination (the “**Deed of Termination**”) with Oriental Kopi (the “**Termination**”).
- 2.2 Pursuant to the Deed of Termination, neither YKGI Ventures nor Oriental Kopi shall have any claim or right of action of any kind, arising in any capacity or in any jurisdiction, against each other arising from the JVA.
- 2.3 As at the date of this Announcement, the issued and paid-up share capital of the JV Company is S\$10,000 comprising 10,000 ordinary shares of which 3,000 ordinary shares are held by Oriental Kopi and 7,000 ordinary shares are held by YKGI Ventures.
- 2.4 There had been no further developments in the joint venture since 15 August 2023 and, as the date of execution of the JVA, the JV Company had not commenced operations. In view of the foregoing, the Termination is not expected to have any impact on the Company. Based on the unaudited financial statements of the JV Company for the financial period ended 31 December 2023, the JV Company has a net loss of approximately S\$3,000, mainly due to the provision for corporate secretarial expenses.
- 2.5 Immediately following the Termination, Oriental Kopi shall procure the resignation of Dato’ Chan Jian Chern as director of the JV Company and transfer all 3,000 ordinary shares (the “**Sale Shares**”) held by Oriental Kopi in the JV Company to YKGI Ventures for a consideration of S\$1 (the “**Transfer of Shares**”), in accordance with the Deed of Termination. Following the completion of the Transfer of Shares, the JV Company will become a wholly owned subsidiary of YKGI Ventures and will be managed entirely by the management of YKGI Ventures.
- 2.6 Pursuant to the Deed of Termination and in connection with the Termination, YKGI Ventures shall change the name of the JV Company within 2 months from the effective date of Deed of Termination. Additionally, Oriental Kopi shall refund in full to YKGI the security deposit of S\$50,000 paid by YKGI to Oriental Kopi pursuant to the JVA. Oriental Kopi shall also pay to YKGI an amount of approximately S\$22,000 for all legal, accounting, corporate secretarial and other professional fees and disbursements incurred by YKGI in connection with the JVA and the Deed of Termination.



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3. Consideration for the Transfer of Shares

- 3.1 The consideration for the Transfer of Shares pursuant to the Deed of Termination is a nominal consideration of S\$1.
- 3.2 The consideration is payable in cash upon completion of the transfer of the Sale Shares from Oriental Kopi to YKGI Ventures and shall be funded by internal resources of the Group. The net asset value attributable to the Sale Shares as at 26 January 2024 is approximately S\$2,000. The Termination and Transfer of Shares are not expected to have any material financial impact on the consolidated earnings per share and consolidated net tangible assets per share of the Group for the current financial year ending 31 December 2023.

4. Future Plans for the JV Company

Going forward, the Company intends to use the JV Company as a vehicle for future joint venture projects. The Transfer of Shares will allow YKGI Ventures to have full business ownership and control of the JV Company to facilitate, among others, the potential injection of new business(es) into the JV Company and implementation of future business plan(s) which may potentially enhance the value of the JV Company.

5. Relative figures under Chapter 10 of the Catalyst Rules

- 5.1 As the relative figures computed pursuant to Rule 1006 of the Listing Manual Section B: Rules of Catalyst (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited amounts to 5% or less, the Transfer of Shares is deemed to be a non-discloseable transaction under Rule 1008(1) of the Catalyst Rules.
- 5.2 Under Rule 1007(1) of the Catalyst Rules, if any of the relative figures computed pursuant to Rule 1006 involves a negative figure, Chapter 10 of the Catalyst Rules may still be applicable to the transaction in accordance with the applicable circumstances in Practice Note 10A (Acquisitions and Realisations) of the Catalyst Rules (“**Practice Note 10A**”). In respect of the Transfer of Shares, as the transaction involves the acquisition of a loss-making asset by the Group, the relative figure computed pursuant to Rule 1006(b) involves negative figures.
- 5.3 Having regard to the above:
- (a) as the absolute relative figure computed on the basis of Rule 1006(c) amounts to 5% or less; and
 - (b) the net loss attributable to the asset to be acquired amounts to 5% or less of the consolidated net profit of the Company (taking into account only the absolute values) (i.e. absolute relative figure computed pursuant to Rule 1006(b) amounts to 5% or less),

the Transfer of Shares falls within the situation of paragraph 4.3(a) of Practice Note 10A and no announcement and shareholders’ approval of the transaction is required. However, the Company is making this announcement pursuant to Rule 703 and has therefore included the information required under Rule 1008(2) in accordance with paragraph 4.3 of Practice Note 10A.

6. Interests of Directors, Controlling Shareholders and Substantial Shareholders

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



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7. Documents available for inspection

Copies of the Deed of Termination are available for inspection by the Shareholders at the registered office of the Company at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712 during normal office hours for three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Seah Qin Quan
Chief Executive Officer and Executive Director
26 January 2023

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd., ("**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Mah How Soon - Registered Professional, 36 Robinson Road, #10-06, Singapore 068877, sponsor@rhtgoc.com.