



KOUFU GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 201732833D)

COMPLETION OF PROPOSED ACQUISITION OF DELI ASIA (S) PTE. LTD., DELISNACKS PTE. LTD., DOUGH CULTURE PTE. LTD. AND DOUGH HERITAGE PTE. LTD. BY KOUFU PTE. LTD.

1. INTRODUCTION

The Board of Directors (the "**Board**") of Koufu Group Limited (the "**Company**" and together with its subsidiaries and subsidiary entity, the "**Group**") refers to the announcement made by the Company on 1 July 2020 (the "**1 July Announcement**") in relation to the purchase and acquisition by Koufu Pte. Ltd., a wholly-owned subsidiary of the Company, from the Vendors of all the issued and fully-paid ordinary shares in the capital of each of the Target Companies.

Unless otherwise defined herein, all capitalised terms used in this announcement shall have the same meaning ascribed to them in the 1 July Announcement.

2. COMPLETION OF THE PROPOSED ACQUISITION

The Board is pleased to announce that following the satisfaction and/or waiver of the relevant conditions under the terms of the Sale and Purchase Agreement, Completion of the Proposed Acquisition has taken place today.

Pursuant to the Completion, an aggregate amount of S\$19,836,000 ("**Completion Payment**") was paid by the Purchaser to the Vendors. The Completion Payment was funded by internal resources of the Group, including the net proceeds from the Company's IPO.

The remaining amount of S\$2,204,000, being the Consideration less the Completion Payment (subject to adjustments, if any) ("**Retention Sum**") will be paid by the Purchaser to the Vendors in accordance with the terms of the Sale and Purchase Agreement. 50.0% of the Retention Sum will be paid after the end of the 9-month period following Completion, and the remaining 50.0% of the Retention Sum will be paid after the end of the 15-month period following Completion.

Following Completion, the Target Companies are now wholly-owned subsidiaries of the Company.

3. UPDATE ON USE OF IPO PROCEEDS

As at the date of this announcement, the status of the use of the net proceeds from the IPO as at the date of this announcement is as follows:

Use of Net Proceeds	Amount Allocated (S\$'000)	Amount Utilised (S\$'000)	Balance of Net Proceeds (as at the date of this announcement) (S\$'000)
Capital expenditure for integrated facility	30,000	(18,570) ⁽¹⁾	11,430
Refurbishment and renovation of new and existing F&B Outlets	8,000	(8,000) ⁽¹⁾	-
Acquisitions, joint ventures, strategic alliances or investments	5,000	(5,000) ⁽²⁾	-
Total	43,000	(31,570)	11,430

Notes:

- (1) Since the Company's last announcement dated 3 April 2020 on the use of proceeds from the IPO, S\$1,149,000 was utilised for payment relating to the construction of the integrated facility and S\$300,000 was utilised for refurbishment and renovation of new and existing F&B Outlets from 4 April 2020 to 30 June 2020.
- (2) net proceeds from the IPO in connection with the payment of the Completion Amount pursuant to the Completion of the Proposed Acquisition.

BY ORDER OF THE BOARD

Pang Lim
Executive Chairman and Chief Executive Officer
30 July 2020