

PROPOSED ACQUISITION OF REMAINING SHARES IN FINE FOOD F&B PTE. LTD. AND FINE FOOD (NANYANG) PTE. LTD.

1. INTRODUCTION

The Board of Directors (“**Board**”) of YKGI Limited (“**Company**”, and together with its subsidiaries, “**Group**”) wishes to announce that Yew Kee Collective Pte Ltd (a wholly-owned subsidiary of the Company) (“**Yew Kee Collective**”) has, on 18 September 2023, acquired from Mr. Tan Hwee Meng (“**THM**”) the remaining 100,000 shares of Fine Food F&B Pte. Ltd. (“**FFF&B**”) and 40,000 shares of Fine Food (Nanyang) Pte. Ltd. (“**FFNY**”) (the “**Sale Shares**”), representing 50% and 20% of the total issued and paid-up share capital of FFF&B and FFNY respectively (the “**Proposed Acquisition**”). Consequent to the completion of the Proposed Acquisition, FFF&B and FFNY will be wholly-owned subsidiaries of the Group.

2. CERTAIN FINANCIAL INFORMATION OF FFF&B AND FFNY

Based on FFF&B and FFNY’s unaudited financial statements for the 6 months ended 30 June 2023, FFF&B and FFNY’s net profit after tax was S\$293,000, and its net book value and net tangible assets was S\$782,000, as at 30 June 2023. Based on FFF&B and FFNY’s unaudited financial statements for the financial year ended 31 December 2022, FFF&B and FFNY’s net profit after tax was S\$441,000.

The net book value and net tangible assets attributable to the Sales Shares as at 30 June 2023 based on the unaudited financial statements of FFF&B and FFNY was S\$287,000.

3. RATIONALE OF THE PROPOSED ACQUISITION

The Proposed Acquisition will give the Company full control over FFF&B and FFNY which is in line with the Group’s business strategies and future plans. The Proposed Acquisition will also allow the Group to account for the full profit contribution from FFF&B and FFNY and the benefits of managing its resources efficiently. Accordingly, the Board is of the view that the Proposed Acquisition will bring value to shareholders of the Company (“**Shareholders**”), and is in the best interest of the Company and its Shareholders.

4. CONSIDERATION

- (a) The consideration (“**Consideration**”) for the Proposed Acquisition is S\$330,000, which was arrived at on a willing buyer and willing sell basis after arm’s length negotiations between the Company and THM taking into consideration net book value and net tangible assets attributable to the Sale Shares and a reasonable premium.
- (b) The Consideration will be satisfied by the Company fully in cash to THM within one week from the date of completion of the Proposed Acquisition.
- (c) The cash Consideration will be funded by internal resources of the Group. The Proposed Acquisition is not expected to have any material impact on the consolidated net tangible assets or earnings per share of the Group for the financial year ending 31 December 2023.

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

The Proposed Acquisition is a non-discloseable transaction under Chapter 10 of the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited, as all of the relative figures do not exceed 5% and this announcement is made voluntarily in advance of the timeline required for announcement under Rule 706A of the Catalist Rules.

BY ORDER OF THE BOARD

Seah Qin Quan
Chief Executive Officer and Executive Director
18 September 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.

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