



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

TERMINATION OF JOINT VENTURE AGREEMENT

Unless otherwise defined herein, all capitalised terms and references used herein shall bear the same meanings as used in the announcement of the Company dated 4 July 2019 relating to the entry into joint venture agreement to expand the business in Indonesia (the "Previous Announcement").

1. Introduction

The Board of Directors (the "Board") of Koufu Group Limited (the "Company") wishes to announce that the JV Partners have mutually agreed to terminate the JV Agreement with immediate effect, and each party shall release the other party of all the obligations and duties under the JV Agreement (save for confidentiality obligations which survive the termination).

2. Rationale

Following the execution of the JV Agreement on 4 July 2019, the JV Partners had undertaken further market research on the Indonesian food and beverage market, including the regulatory framework. Having regard to the foregoing, the JV Partners were in agreement that it would be more beneficial for the Company to pursue its expansion into Indonesia with a local partner.

Indonesia remains an attractive and sizeable market for the Company's *Supertea* and *R&B Tea* brands, with a population in excess of 100 million in the target age group of between 15 and 39 years old. The Company continues to actively look for strategic local partner(s) in Indonesia for the expansion of its bubble tea business in this market.

3. Interests of Directors and Controlling Shareholders

None of the Directors and controlling shareholders of the Company have any interest, direct or indirect, in the termination of the JV Agreement other than through their respective shareholdings interests in the Company.

4. Financial Impact

The termination of JV Agreement is not expected to have any material adverse impact on the net tangible assets per share and earning per share of the Group for the financial year ending 31 December 2019.

By Order of the Board
Koufu Group Limited

Pang Lim
Executive Chairman and Chief Executive Officer

12 November 2019

DBS Bank Ltd. is the sole issue manager, global coordinator, bookrunner and underwriter (the “**Sole Issue Manager, Global Coordinator, Bookrunner and Underwriter**”) for the initial public offering of shares in, and listing of, Koufu Group Limited on the Main Board of the Singapore Exchange Securities Trading Limited. The Sole Issue Manager, Global Coordinator, Bookrunner and Underwriter assumes no responsibility for the contents of this announcement.