Securities Investors Association (Singapore)
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Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: Koufu Group Limited

Stock code: VL6

Meeting details:
Date: 5 June 2020
Time: 10.00 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

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Q1. As noted in the company's business update dated 22 May 2020, the group has temporarily suspended the operations of 10 food courts, 3 quick-service restaurants and 2 full-service restaurants during the circuit breaker period in order to reduce operating costs due to low footfalls at these outlets. All but one tea kiosks suspended their operations from 22 April 2020. In the Outlet & mall management segment, the gross turnover component will be affected and the group will be passing on rebates and incentives to the stallholders.

(i) **Has the board/management had the opportunity to reassess the group's business model and growth trajectory? As a result of the pandemic, would stricter government regulations and changes to consumption patterns necessitate a different approach to the group's operations?**

Q2. The group has leveraged technology to increase its productivity and to reduce workload for staff. Initiatives include the implementation of a NETS unified payment system across outlets, mobile ordering application and smart tray return robots.

(i) **How successful is management at getting users to use these new services? For instance, how much of the orders/payments go through the NETS payment system or mobile ordering application? What percentage of diners make use of the smart tray return robots?**

(ii) **Can management share more on the plans to leverage third-party food delivery service providers to reach a larger customer base and to capture additional sales?** It has been widely reported in the media that third-party food delivery service providers impose a hefty mark-up to provide convenience to consumers. **How does management ensure that its partnership with third-party food delivery service providers will be fair to the stallholders/restaurants and consumers and sustainable for the long run?**

Q3. As noted in the overview of the group's regional network (pages 12 and 13), the group manages a hawker centre at Jurong West. The two-storey hawker centre and market in Jurong West Street 61 first opened in October 2017.

It was reported the group would not renew the lease when the three-year term expires in August 2020.

(i) **What are the lessons gleaned from running the hawker centre for nearly 3 years?**

(ii) **Would the group still be considering other hawker centres under its "Outlet & Mall management" segment?**

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^Amid the global COVID-19 outbreak, issuers who choose to proceed with the AGM before 30 April 2020 must provide opportunities for shareholders to ask questions. Shareholders are encouraged to read the annual report and submit any questions they might have to the companies in advance. Issuers would then publicly address the questions at the general meeting via the issuer's website, through "live" webcast and on SGXNet.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

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^ Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation dated 31 Mar 2020 (https://www.sgx.com/media-centre/20200331-acra-mas-and-sgx-regco-update-guidance-general-meetings)