

FOR IMMEDIATE RELEASE

Kimly achieves net attributable profit of S\$21.4 million in FY2017

- *Proposes a final dividend of 0.68 Singapore cents per ordinary share, bringing total dividend in FY2017 to 0.96 Singapore cents*

Financial Highlights for period ended 30 September

S\$ million	4Q FY2017	4Q FY2016	+ / (-) %	FY2017	FY2016	+ / (-) %
Revenue	50.0	45.8	9	192.1	172.2	12
Gross Profit	9.3	9.5	(2)	38.4	37.2	3
Profit before tax	5.7	5.3	6	24.5	25.6	(4)
Profit Attributable to Owners of the Company	5.0	5.1 ¹	(2)	21.4	24.2 ¹	(12)

SINGAPORE, 24 November 2017– Kimly Limited (“金味有限公司”) (“Kimly” or the “Company” and together with its subsidiaries, the “Group”), the largest traditional coffee shop operator in Singapore, closed the financial year ended 30 September 2017 (“FY2017”) with net attributable profit of S\$21.4 million. In the same period last year (“FY2016”), the Group’s net attributable profit was S\$24.2 million¹.

Driven by broad-based growth in both its business divisions, the Group’s revenue rose 12% to S\$192.1 million, from S\$172.2 million in FY2016. The Outlet Management Division reported an increase in sales by S\$13.6 million due mainly to an increase in rental income from the sub-leasing of stalls in the coffee shops that it manages, and the provision of cleaning and utilities services. The sales of beverages and tobacco products also rose due to increase in number of Coffee Shops and drink stalls in FY2017. The Group’s food outlets under management rose to 68 in FY2017, from 63 in FY2016.

The Food Retail Division saw revenue rising by S\$6.3 million with higher sales of cooked food attributable to increased contributions largely due to increase in number of food stalls in FY2017. The number of food stalls rose to 129 in FY2017, from 115 in FY2016.

¹ Assumed that the Restructuring Exercise for the IPO has been completed on 1 October 2015, there would be no profit attributable to non-controlling interest in FY2016.

The business continued to generate strong cash flow, with cash generated from operations rising to S\$30.1 million in FY2017, from S\$29.6 million in FY2016. The Group's total cash and cash equivalents as at 30 September 2017 was S\$85.1 million, including net proceeds of S\$40.3 million from the Group's IPO in March 2017.

Dividend

In line with its healthy financial performance, the board of directors of Kimly is pleased to propose a final dividend of 0.68 Singapore cents per share to be paid, subject to shareholder's approval at the upcoming annual general meeting. Together with the interim dividend of 0.28 Singapore cents per share paid in June 2017, total dividend declared in FY2017 would be 0.96 Singapore cents per share.

Business Outlook and Future Plans

Kimly anticipates the F&B industry to remain challenging and will remain vigilant about controlling cost, lowering operating expenses and increasing productivity.

Mr Vincent Chia (谢书强), Executive Director of Kimly said, "We are aware of the intense competition and tight labour situation within the F&B industry, and therefore we are adopting technology to improve work processes and maximise our manpower resources to boost productivity and operation efficiency."

The Group recently purchased an Enterprise Resource Planning (ERP) software system to manage the business by automating back office functions. Its implementation, potentially by the fourth quarter of FY2018, is expected to lower operating costs in the long term.

The construction of the Group's four-storey annex and central kitchen at its corporate headquarters has been completed in September 2017. The final phase of upgrading works has also commenced and is expected to complete in the third quarter of FY2018. Currently, the Group is sourcing for new equipment and development software to increase the operational efficiency of its central kitchen.

"Once the alteration works are completed and technology equipment in place, we will be able to perform more processes within the central kitchen and further reduce manpower reliance at our food retail outlets. Apart from being able to double our production output, we can also ensure quality consistency of our food offerings and lower cost through bulk purchases." added Mr Chia.

With online food delivery services gaining popularity in Singapore, the Group has extended its food products for online order and delivery since November 2016. To cater to this increasing market demand, Kimly intends to make available more product offerings through the online platform. There are also plans to refurbish existing outlets on top of exploring opportunities to expand its network of food outlets and food stalls.

Barring unforeseen circumstances, the Group expects to continue growing its business and remain profitable for FY2018.

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About Kimly Limited

Kimly Limited (“金味有限公司”) is the largest traditional coffee shop operator in Singapore with more than 25 years of experience. The Group operates and manages an extensive network of 68 food outlets and 129 food stalls across the heartlands of Singapore. It also operates a Central Kitchen that supplies sauces, marinades and semi-finished food products to its food stalls, which enables it to have better control over its business processes and generate cost savings.

For its Outlet Management Division, the Group operates and manages 64 coffee shops and four industrial canteens under the Kimly and third party brands and four food courts, located mainly in tertiary institutions, are managed and operated under the “foodclique” brand. Its Food Retail Division comprises Mixed Vegetable Rice, Teochew Porridge, Dim Sum, Seafood “Zi Char” food stalls and a Live Seafood Restaurant, catering to a broad and varied customer base.

In tandem with the growing demand for online food ordering and delivery services due to changing consumer trends, Kimly Group started availing its Dim Sum products for online ordering through Deliveroo and Food Panda.

Issued for and on behalf of Kimly Limited

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IMPORTANT NOTICE

Kimly Limited (the “Company”) was listed on Catalist of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 20 March 2017. The initial public offering of the Company (the “IPO”) was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor” or “PPCF”). This press release has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this press release. This press release has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this press release including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this press release. The contact person for the Sponsor is Mr Joseph Au, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and Email: sponsorship@ppcf.com.sg).