



NEWS RELEASE

KOUFU'S 1Q 2019 NET PROFIT GROWS 12.3% TO S\$7.0 MILLION; OUTPACES 4.9% REVENUE GROWTH TO S\$57.8 MILLION

- **Overall stronger revenue contributions from both outlet & mall management and F&B retail segments with new outlet openings**
- **Cash generative abilities remain strong with S\$25.8 million in net cash generated from operating activities and net cash of S\$61.9 million**
- **Singapore – Expected to have at least 20 R&B Tea and Supertea locations, and four full-service Elemen-branded restaurants by end-FY2019**
- **Macau – Second R&B Tea outlet opened; Third food court expected to open in 2H 2019**
- **Negotiating terms with potential partners to operate R&B Tea and Elemen brands abroad**

(S\$'m)	1Q 2019	1Q 2018	Change (%)
Revenue	57.8	55.1	4.9
Net Profit After Tax (“NPAT”) attributable to Owners of the Company	7.0	6.2	12.3
NPAT Margin (%)	12.0	11.3	0.7 ppt
Basic and Fully Diluted EPS ¹ (SGD Cents)	1.25	1.28	(2.3)
	31 March 2019		31 December 2018
NAV/Share (SGD Cents)	0.17		0.16
Net Cash	61.9		56.2

¹ Calculated based on 483,000,000 weighted average number of shares in 1Q 2018 compared to 555,163,000 weighted average number of shares in 1Q 2019



Singapore, 6 May 2019 – One of Singapore’s most established and largest operators and managers of food courts and coffee shops, Mainboard-listed Koufu Group Limited (“**Koufu**”, 口福集团有限公司, or together with its subsidiaries, the “**Group**”), today announced a 12.3% growth in net profit for the three-month financial quarter ended 31 March 2019 (“**1Q 2019**”) to S\$7.0 million on higher contributions across its business segments.

This compares to S\$6.2 million reported in net profit for the corresponding period a year ago (“**1Q 2018**”). The growth in net profit outpaced the 4.9% growth in 1Q 2019 revenue to S\$57.8 million compared to S\$55.1 million in 1Q 2018.

Mr Pang Lim (庞琳), Koufu’s Executive Chairman and Chief Executive Officer, said, “We are pleased to have achieved a strong start for the year. We remain firmly focused on the expansion of our market share in food courts and coffee shops, growing our F&B concept stores, and bringing new food options and varieties to consumers both locally and in the region, leveraging on our distinct portfolio of brands.”

“We are encouraged by the strong reception of our *R&B Tea* beverage brand and will continue to nurture this fast-growing brand in Singapore and in the region. Overseas, we have opened our second tea beverage kiosk at Macau University this quarter and are currently negotiating terms with potential partners to operate both the *R&B Tea* and *Elemen* brands abroad. In Singapore, we will continue to seek and secure new premises to expand the number of F&B outlets in pursuit of sustainable growth.”



Financial Highlights

Koufu's synergistic business segments – outlet and mall management as well as F&B retail – both registered increased contributions during the period. The outlet and mall management segment, which contributed 51.4% of the Group's revenue, achieved a 9.2% rise in segment revenue to S\$29.7 million in 1Q 2019 compared to S\$27.2 million a year ago. F&B Retail, which contributed 48.6% of the Group's revenue, saw a 0.7% growth to S\$28.1 million from S\$27.9 million across the same comparative periods. The improved performance from both segments was due to new openings and overall robust revenue growth from all outlets that outweighed store closures during the quarter.

Koufu's cash generation remained strong with S\$25.8 million in net cash generated from operating activities. Similarly, its robust balance sheet reported cash and cash equivalents of S\$66.6 million and net cash of S\$61.9 million as at 31 March 2019, indicating headroom for further growth. The Group's shareholders' equity stood at S\$94.1 million as at 31 March 2019.

Earnings per share on a fully-diluted basis slid to 1.25 Singapore cents in 1Q 2019 compared to 1.28 Singapore cents in 1Q 2018, mainly due to an increase in weighted average number of shares in 1Q 2018. Net asset value per share rose to 0.17 Singapore cent as at 31 March 2019 compared to 0.16 Singapore cent as at 31 December 2018.

Pursuing Visible Organic Growth

The Group's extensive islandwide network remains relatively steady with a total count of 49 food courts, 15 coffee shops, a hawker centre and a commercial mall under the outlet & mall management segment, while the F&B retail segment constitutes 73 self-operated F&B stalls, 16 F&B kiosks, 8 Quick-Service Restaurants ("QSR") and 3 full-service restaurants.



During the quarter, the Group opened two new food courts at The Woodgrove and Buangkok Square, which contributed to the higher revenue reported for both the outlet and mall management and the F&B retail segment. Koufu intends to expand its network of food courts and coffee shops in Singapore, focusing on new housing estates, hospitals, commercial malls and tertiary educational institutions.

On the F&B retail front, five new *R&B Tea* kiosks opened during the quarter in several locations including 100 AM mall in Tanjong Pagar. This momentum rides on the back of the successful Marina Bay Sands flagship store that opened in August 2018.

Taking into consideration pipeline locations, Koufu expects to have a total of at least 20 *R&B Tea* and *Supertea* locations in Singapore by the end of this financial year. Similarly, to ride on increasing consumer preference for healthy and sustainable food, the Group expects to open one full-service *Elemen*-branded restaurant at Paya Lebar Quarters, and relocating the restaurant at Thomson Plaza to Great World City this year, bringing the total to four restaurants.

On its overseas expansion, Koufu has made further headway with the opening of an *R&B Tea* outlet in Macau University, bringing the total tea beverage outlets in Macau to two. Its second food court in Macau, also located at Macau University, has opened in April 2019. The Group is in the final stage of finalising the lease of its third food court in Macau, which is targeted to open in 2H 2019.

Koufu has set its sights to expand the *R&B Tea* and *Elemen* brands and proven business model to Indonesia, the Philippines, Malaysia, the PRC and Australia. It is in the midst of active negotiations with partners to bring *R&B Tea* to Indonesia, Malaysia, Australia and the Philippines, and *Elemen* to Indonesia.



Meanwhile, the Group’s integrated facility in Woodlands Avenue 12 has commenced construction and is expected to complete by 1H 2020. The Group continues to actively explore opportunities with potential partners, seeking to develop the integrated facility into a collaborative platform for Koufu to grow alongside its tenants and partners.

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ABOUT KOUFU GROUP LIMITED

Established in 2002, Koufu is one of the most established and largest operators and managers of food courts and coffee shops in Singapore, with a presence in Macau. Since its inception, Koufu’s philosophy has been to integrate modern management discipline into its business while retaining the traditional coffee shop culture, with particular emphasis on providing patrons with value for money dining options in a comfortable environment – congruent with its core values in its vision towards “Better Food”, “Better People” and “Better Life”.

Koufu’s business comprises two business segments – outlet & mall management and F&B retail. Under the outlet & mall management business segment, Koufu operates and/or manages food courts, coffee shops, a hawker centre and a commercial mall. Under the F&B retail business segment, it operates self-operated F&B stalls located within its food courts and coffee shops or within third party food courts as well as F&B kiosks, quick-service restaurants and full-service restaurants, amongst others.

In less than two decades, Koufu’s outlet & mall management business segment has grown to a sizeable islandwide network. Koufu’s multi-brand business model and network of F&B outlets currently comprises a portfolio of unique and distinct brands, each focusing on different types of cuisine and dining experiences at various price points to its consumers with varying tastes, preferences, budgets and occasions.



精致美食，
优质生活，
圆满人生。

Better Food, Better People, Better Life.

For more information, please visit <http://www.koufu.com.sg/>.

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