



NEWS RELEASE

KOUFU ACHIEVES CLOSE TO FOUR-TIME GROWTH IN NET PROFIT TO S\$9.9 MILLION ON 18.8% INCREASE IN REVENUE FOR 1H 2021

- ***Revenue growth largely driven by improvement in footfall of the food outlets and newly acquired snacks and dough products business***
- ***Defensive business evidenced by healthy balance sheet with improved net cash to S\$68.8 million, and strong cash generative abilities***
- ***Expects to commence production of bakery, dim sum snacks and dough products in Integrated Facility in 4Q 2021; achieved full tenancy for all the central kitchen units***
- ***Proposed interim one-tier tax-exempt dividend of 1.0 Singapore cent***

Singapore, 10 August 2021 – 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 net profit after tax (“**NPAT**”) attributable to Owners of the Company of S\$9.9 million for the half-year financial period ended 30 June 2021 (“**1H 2021**”), close to a four-time surge from S\$2.5 million from the previous corresponding period (“**1H 2020**”). This was achieved on the back of a 18.8% increase in revenue to S\$105.7 million in 1H 2021, from S\$89.0 million in 1H 2020.



Mr Pang Lim (庞琳), Koufu's Executive Chairman and Chief Executive Officer, said: "We are encouraged with the strong set of performance despite a difficult operating environment amidst the global pandemic. We are gradually seeing the fruition of our revenue diversification strategy, which has brought on greater resiliency. The recent acquisition of Deli Asia, a traditional snacks and dough products business, for example, has reaped results.

"To stay resilient, another important pillar is strengthening our supply chain and logistics, and achieving higher productivity and product margins with the broadening and expansion of our production manufacturing capabilities. We are pleased to have achieved full tenancy for 25% of the total area allocated for tenancy in our Integrated Facility, where tenants can commence operations from as early as August 2021. We have also opened a food court in the Integrated Facility in July 2021. As for the remaining space slated for operational purposes 'under one roof', including a cloud kitchen and a staff dormitory, we will be able to also derive rental income once operational. We expect to combine and commence the production of the bakery products, dim sum snacks and the dough products, which is of a larger production capacity in 4Q 2021, to support our revenue diversification and network expansion.

"To navigate the current situation, the Group continues to have a strong balance sheet and we expect to remain competitive with our prudent expansion plans. Where opportunities arise, the Group will look to capitalise on these opportunities with our strong and growing net cash position.

"The road ahead remains challenging. Nonetheless, as Singapore looks to gradually transition out of the COVID-19 pandemic with a large percentage of the population being fully vaccinated, we expect to see a significant improvement to our business."

Financial Highlights

(S\$m)	1H 2021	1H 2020	Change (%)
Revenue	105.7	89.0	18.8
Net Profit After Tax (“NPAT”) attributable to Owners of the Company	9.9	2.5	291.2
NPAT Margin (%) attributable to Owners of the Company	9.4	2.8	6.6 ppt
Basic and Fully Diluted EPS (SGD Cents)	1.79	0.46	289.1

(S\$m)	30 June 2021	31 December 2020
NAV/Share (SGD Cents)	19.17	18.21
Net Cash	68.8	62.6

The Group recorded a 1H 2021 revenue of S\$105.7 million, a 18.8% increase from S\$89.0 million a year ago. The improvement in topline was in line with higher contributions from both the outlet and mall management segment and food and beverage (“F&B”) retail segment, buoyed by increased footfall, in comparison to 1H 2020 sales which was impacted significantly during the Circuit Breaker period.

Contributions from the outlet and mall management segment increased by 2.7% or S\$1.3 million from S\$47.8 million in 1H 2020 to S\$49.1 million in 1H 2021. This constitutes 46.5% of the Group’s revenue and was largely attributable to the increase in rental and related income resulting from higher footfall and food sales generated.



The F&B retail segment, which contributed the other 53.5% of the Group's topline, achieved a 37.4% or S\$15.4 million increase to S\$56.6 million in 1H 2021, from S\$41.2 million in 1H 2020. This was largely boosted by a S\$5.9 million revenue contribution from the newly acquired traditional snacks and dough products business, and higher footfall at our food outlets as compared to 1H 2020, which was impacted by the Circuit Breaker period. Additionally, with dine-in restrictions due to the heightened measures over several periods since April 2021, the Group has witnessed an increase in the takeaway kiosks business, as both in-store takeaway and delivery sales increased.

Consequently, Koufu achieved a significant growth in 1H 2021 NPAT attributable to Owners of the Company of 291.2% to S\$9.9 million, from S\$2.5 million a year ago. Corresponding margin rose 6.6 percentage points to 9.4% in 1H 2021 from 2.8% in 1H 2020.

Koufu continues to generate strong cash inflow from operating activities. Its balance sheet remained robust with cash and cash equivalents of S\$81.2 million as at 30 June 2021, from S\$76.4 million as at 31 December 2020, indicating a deep war chest to capitalise on opportunities and offer financial flexibility to the Group. The Group's shareholders' equity stood at S\$106.1 million as at 30 June 2021.

Earnings per share on a fully-diluted basis stood at 1.79 Singapore cents for 1H 2021, as compared to 0.46 Singapore cent in 1H 2020. Net asset value per share increased to 19.17 Singapore cents as at 30 June 2021 compared to 18.21 Singapore cents as at 31 December 2020.



Proposed Dividend

As part of Koufu's commitment to create long-term value for its shareholders and thank them for their loyal support, the Board has proposed a one-tier tax-exempt dividend of 1.0 Singapore cent per ordinary share, representing about 56.0% of the Group's NPAT attributable to Owners for 1H 2021.

Building Resiliency and Defensiveness Through Revenue Diversification Strategy

Under the outlet & mall management segment, the Group's vast network in Singapore consists 52 food courts, 17 coffee shops and a commercial mall, while the F&B retail segment constitutes 74 self-operated F&B stalls, 43 F&B kiosks, six QSRs, four full-service restaurants and 57 *Delisnacks* branded F&B stalls as at 30 June 2021. The Group has further opened three new food courts at Marina Square, Nanyang Technological University and the new Koufu Headquarters in 3Q 2021, and secured a food court at Outram Community Hospital and an *R&B Tea* kiosk at Sinopec Petrol Station in Woodlands Ave 5, to be opened in 3Q 2021. It also expects to open a *Dough Culture* kiosk at Jurong East MRT Station and a *Grove* QSR at Northshore Plaza in 4Q 2021.

The Singapore government has announced that, as the country moves towards a larger percentage of the population being fully vaccinated, safe management measures will be gradually relaxed. The Group expects business operations to improve further once the restrictions are eased.

Overseas in Macau, Koufu operates three food courts under the outlet & mall management segment, and five F&B stalls and two F&B kiosks under the F&B retail segment.



On 30 December 2020, the Group had appointed PT Super Tea Indonesia (“**Super Tea Indonesia**”) as its master licensee following the sale of its stake in Super Tea Indonesia as part of Koufu’s move to streamline operations. Koufu currently operates eight licensed *R&B Tea* outlets in Jakarta, Indonesia. In Philippines, the master franchisor has rolled out selected *R&B Tea* drinks to 150 of their Shakey’s and Peri Peri stores since 2020 and will be opening the first standalone *R&B Tea* outlet in September 2021. Business in both Indonesia and Philippines has been affected by the pandemic and restrictions imposed in the respective countries, but largely mitigated by strong delivery sales.

The progress of the construction of the Group’s Integrated Facility has been delayed due to the COVID-19 pandemic. Having obtained the Temporary Occupation Permit in April 2021, Koufu expects to commence operations from the facility progressively in the fourth quarter of 2021.

The Group is also actively looking to increase the delivery coverage of its *Koufu Eat* app to include more parts of Singapore.

Barring any unforeseen circumstances, Koufu expects to remain competitive in the next 12 months. With its strong cash position, the Group will continue to be on the lookout for accretive opportunities, and explore strategies to reinforce and support its relationships with stakeholders.

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精 致 美 食 ，
优 质 生 活 ，
圆 满 人 生 。
Better Food, Better People, Better Life.

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, Malaysia and Indonesia. 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.

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





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ISSUED ON BEHALF OF : Koufu Group Limited
BY : Citigate Dewe Rogerson Singapore Pte Ltd
105 Cecil Street
#09-01 The Octagon
Singapore 069534
CONTACT : Ms Dolores Phua / Ms Valencia Wong
at telephone
DURING OFFICE HOURS : 6589-2383 / 6589-2382
EMAIL : AllCDRSGKoufu@citigatedewerogerson.com

