

FOR IMMEDIATE RELEASE

**Kimly achieves 2.1% rise in net attributable profit to
S\$21.9 million in FY2018**

- *Proposes final dividend of 0.68 Singapore cents per ordinary share, bringing total dividend in FY2018 to 0.96 Singapore cents*

Financial Highlights for the year ended 30 September 2018

S\$' 000	4Q FY2018	4Q FY2017	+ / (-) %	FY2018	FY2017	+ / (-) %
Revenue	53,008	50,043	5.9	202,213	192,121	5.3
Gross Profit	11,019	9,271	18.9	40,187	38,449	4.5
Profit Before Tax	6,064	5,651	7.3	25,069	24,517	2.3
Profit Attributable to Owners of the Company	5,696	4,978	14.4	21,883	21,429	2.1
EBITDA	7,157	6,501	10.1	28,087	27,221	3.2

SINGAPORE, 29 November 2018 – Notwithstanding the regulatory orders and the rescission of the acquisition of Asian Story Corporation Pte. Ltd. (details of which have been separately announced), **Kimly Limited** (“**金味有限公司**”) (“**Kimly**” or the “**Company**” and together with its subsidiaries, the “**Group**”), one of the largest traditional coffee shop operators in Singapore, rounded off the financial year ended 30 September 2018 (“**FY2018**”) with a 2.1% growth in net attributable profit to S\$21.9 million.

Driven by higher contributions from both existing business divisions, the Group’s revenue rose 5.3% to S\$202.2 million. In the previous financial year (“**FY2017**”), the Group’s net attributable profit was S\$21.4 million, while revenue was S\$192.1 million.

Kimly’s Outlet Management Division’s revenue increased by S\$2.4 million due to an increase in income from sub-leasing of food stalls in its coffee shops and food courts, as well as from related cleaning and utilities services provided.

Revenue for the Food Retail Division was up S\$7.7 million, supported by an increase in the number of food stalls, as well as first-time contribution from the Tonkichi chain of restaurants and Rive Gauche Patisserie outlets acquired in July 2018.

Corresponding to the top line growth, the Group's selling and distribution expenses rose 25.5% to S\$4.0 million due to an increase in online food delivery fees, pest control services, cleaning and packaging materials used. Administrative expenses for the year also increased 7.1% to S\$14.0 million as a result of higher employee benefits expenses, professional fees, repair and maintenance expenses as well as depreciation of property, plant and equipment.

The Group has an operating cash flow of S\$9.5 million in FY2018, and a cash position of S\$71.7 million as at the end of the financial year.

Dividend

In line with its 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 shareholders' approval at the upcoming annual general meeting. Together with the interim dividend of 0.28 Singapore cents per share paid in May 2018, total dividend declared in FY2018 would be 0.96 Singapore cents per share, representing a pay-out of 50.7% of the Group's net attributable profit for the financial year.

Business Updates and Outlook

The Group has commenced feasibility studies to relocate the central kitchen of the confectionery business. If implemented, it will lead to cost efficiencies. These studies are in-line with broader strategic review that the Group will conduct in the near future.

As the local food and beverage landscape remains challenging, the Group continues to find solutions to improve operation efficiencies, and deploy technology to improve productivity and streamline work processes. The Group has also progressively introduced digital initiatives to stay ahead of competition. This year, the Group expanded its online food offering service to include seafood "Zi Char" dishes which are now available through Deliveroo, Foodpanda, GrabFood and Honestbee.

Looking forward to the new year, the Group expects a steady stream of new coffee shops to be released through the new Price Quality Model adopted by the Housing and Development Board ("HDB"). As an experienced operator, the Group is strongly positioned to secure some of these upcoming leases and further expand its market share.

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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 67 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 60 coffee shops and four industrial canteens under the Kimly and third party brands and three 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 to offer its Dim Sum and Seafood “Zi Char” products for online ordering through Deliveroo, Food Panda, GrabFood and Honestbee.

Issued for and on behalf of Kimly Limited

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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).