



精致美食，  
优质生活，  
圆满人生。  
Better Food, Better People, Better Life.

## NEWS RELEASE

### KOUFU ACHIEVES RECORD S\$223.8 MILLION REVENUE IN FY 2018

- ***Stronger revenue contributions from both outlet & mall management and F&B retail segments with new F&B Outlet openings***
- ***Adjusted EBITDA<sup>1</sup> of S\$42.7 million in FY 2018, up 6.8% compared to S\$40.0 million in FY 2017***
- ***Robust balance sheet with net assets of S\$91.5 million and a healthy net cash position of S\$56.2 million***
- ***To expand market share with new food options and varieties, both locally and abroad***
- ***Actively exploring for partners to operate within integrated facility, scheduled for completion in 1H 2020***
- ***Proposed final dividend of 1.2 Singapore cents, bringing total dividends to 2.2 Singapore cents per ordinary share***

---

<sup>1</sup> Adjusted EBITDA is derived from the Group's Profit before income tax, after adding back depreciation, finance costs and finance income and one-off IPO expenses



(S\$'m)	Q4 2018	Q4 2017	Change (%)	FY 2018	FY 2017	Change (%)
Revenue	57.0	54.2	5.3	223.8	216.7	3.3
EBITDA	11.8	10.5	12.9	41.1	40.0	2.9
Adjusted EBITDA <sup>1</sup>	12.1	10.5	15.4	42.7	40.0	6.8
Net Profit After Tax <sup>2</sup> (“NPAT”) attributable to Owners of the Company	7.5	7.2	3.7	24.5	26.9	(8.8)
Adjusted NPAT <sup>2,3</sup> attributable to owners of the Company	7.8	6.9	12.1	26.1	25.6	1.9
Basic and Fully Diluted EPS (SGD Cents)	1.35	1.50	(10.0)	4.75	5.56	(14.6)
(S\$'m)	31 December 2018			31 December 2017		
NAV/Share (SGD Cents)	16.47			8.90		
Net Cash	56.2			51.3		

**Singapore, 26 February 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 3.3% revenue growth to S\$223.8 million for the full-year financial period ended 31 December 2018 (“**FY 2018**”), from S\$216.7 million in the equivalent period a year ago (“**FY 2017**”).

<sup>2</sup> Attributable to owners of the Company

<sup>3</sup> Adjusted NPAT is derived from the Group's Profit after income tax, after excluding the one-off IPO expenses of S\$1.8 million (Q4 2018 and FY2018) and finance income from convertible loan notes of S\$0.3 million (Q4 2018) and S\$1.5 million (FY2018), reflecting the true operating performance of the Group



Its synergistic business segments – outlet and mall management as well as F&B retail – both registered increased contributions during the period, despite the partial closure of the Marina Bay Sands (“**MBS**”) food court for four months of refurbishment and upgrading works which was carried out in two phases; and amidst other openings and closures.

Mr Pang Lim (庞琳), Koufu’s Executive Chairman and Chief Executive Officer, said, “We are heartened to have achieved a record revenue with a strong portfolio of successful F&B brands in FY 2018. The Group went through a two-year period of consolidation in FY 2017 and FY 2018, whereby unprofitable outlets were closed. We believe that the benefits of such, as well as the re-opening of the food court at MBS, will contribute positively to the Group in FY 2019 and thereafter. Through our multi-brand strategy, we are focused on improving our market share through a constant review of our islandwide network of outlets and expansion of F&B concept stores. We will continue to bring quality, new food options and varieties to consumers through our distinct portfolio of brands, to reach a broader market segment, thereby building a more sustainable business model and growth plan.”

### **Financial Highlights**

Koufu’s revenue in FY 2018 of S\$223.8 million was a 3.3% increase from S\$216.7 million in FY 2017, boosted by a S\$6.9 million growth in revenue for the outlet & mall management segment to S\$112.3 million, and S\$0.2 million increase in revenue for the F&B retail segment to S\$111.5 million.



精緻美食，  
優質生活，  
圓滿人生。

Better Food, Better People, Better Life.

The Group's EBITDA increased by S\$1.1 million to S\$41.1 million in FY 2018 as compared to S\$40.0 million in FY 2017. Excluding one-off IPO transaction costs of S\$1.5 million in FY 2018, the adjusted EBITDA increased by 6.8% to S\$42.7 million from S\$40.0 million over the comparative period. NPAT attributable to owners of the company declined 8.8% to S\$24.5 million in FY 2018 from S\$26.9 million in FY 2017. Excluding one-off IPO transaction costs of S\$1.5 million in FY 2018 and finance income from convertible notes of S\$1.3 million in FY 2017, the Group's adjusted NPAT attributable to owners of the company increased 1.9% to S\$26.1 million from S\$25.6 million over the same corresponding year.

Koufu's cash generation remained strong with S\$39.1 million in net cash generated from operating activities. Similarly, its robust balance sheet reported cash and cash equivalents of S\$61.0 million and net cash of S\$56.2 million as at 31 December 2018, signifying headroom for further growth. The Group's shareholders' equity stood at S\$91.5 million as at 31 December 2018.

Earnings per share on a fully-diluted basis slid to 4.75 Singapore cents in FY 2018 compared to 5.56 Singapore cents in FY 2017, while net asset value per share increased to 16.47 Singapore cents as at 31 December 2018 from 8.90 Singapore cents as at 31 December 2017.

For the fourth quarter ended 31 December 2018 ("**Q4 2018**"), the Group recorded a 5.3% growth in revenue to S\$57.0 million compared to S\$54.2 million in the equivalent period a year ago ("**Q4 2017**").





Q4 2018 NPAT attributable to owners of the company increased 3.7% to S\$7.5 million from S\$7.2 million a year ago, while adjusted NPAT attributable to owners of the company excluding the one-off IPO transaction costs and finance income from convertible loan notes saw a jump of 12.1% to S\$7.8 million from S\$6.9 million in the same comparative period.

### **Proposed Dividend**

To reward shareholders, the Board has proposed a final, one-tier tax-exempt dividend of 1.2 Singapore cents per ordinary share. Together with the interim, tax-exempt dividend of 1.0 Singapore cent, this brings total dividends to 2.2 Singapore cents per ordinary share.

### **Future Strategies & Outlook**

#### **Network Expansion in Singapore and Abroad**

The Group's extensive islandwide network remains relatively steady with a total count of 47 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 71 self-operated F&B stalls, 10 F&B kiosks, 8 Quick-Service Restaurants ("QSR") and 3 full-service restaurants.

Recent notable openings include the Group's first entry into hospitals, the *Koufu* food court at the Sengkang General and Community Hospital that opened in July 2018. The Group also opened a *Happy Hawkers* coffee shop at the new industrial building, T-Space @ Tampines. The *Rasapura Masters* food court at MBS also re-opened on 1 August 2018 after the completion of its upgrading and refurbishment works in July 2018 and should contribute positively in the next financial year ("FY 2019") and thereafter.



The Group is expanding its *R&B Tea* and *Supertea* F&B kiosks; and has secured seven new locations for *R&B Tea* in Singapore, targeted to open progressively in FY 2019, bringing the total number of outlets to 15.

Additionally, Koufu expects to open an *Elemen* full-service restaurant at the new Paya Lebar Quarter in Q2 2019 and another four *Koufu* food courts progressively in FY 2019, with the first one already opened at The Woodgrove.

“We constantly review our new store openings, balancing the need to bring new dining concepts to capture different market segments with the costs associated with these new store openings. At the same time, we will continue to evaluate each store’s performance whilst keeping a look out for promising locations to extend our market reach,” added Mr Pang.

Overseas, Koufu had opened its first *Supertea* F&B kiosk in Cotai Sands, Macau, in May 2018, adding to its Macau network that will now consist of a total of 1 food court, 2 F&B stalls and 2 F&B kiosks. The Group has secured 1 new *Koufu* food court site in Macau University that is targeted to open in Q2 2019. The Group will also be operating its first *R&B Tea* kiosk in the food court at Macau University.

Mr Pang added, “Koufu takes on a proactive business approach with pipeline expansion plans both in Singapore and abroad, which is in line with Koufu’s plans to extend our geographical footprint in Macau and other markets. Moving forward, we are looking at bringing brands like *R&B Tea* and *Elemen*, which showed potential beyond our domestic market, further overseas.”



The Group intends to use Singapore and Macau as springboards for expansion into overseas markets, which may potentially include the People's Republic of China, Malaysia, Indonesia, Thailand, the Philippines and Australia<sup>4</sup>. Koufu continues its negotiations with several commercial landlords and developers, and continues to explore opportunities to expand its footprint to establish new F&B outlets in Macau.

### Integrated Facility A Growth Catalyst

The Group's integrated facility in Woodlands Avenue 12 has commenced construction and is expected to complete by 1H 2020. The 20,000 square metres integrated facility is over five times larger than the aggregate gross floor area of its existing central kitchens and headquarters. The proposed integrated facility will include a larger central kitchen with state-of-the-art kitchen equipment. This reinforces Koufu's vertically-integrated business model that generates cost savings and allows for better control over the entire process – from production in its central kitchens, retail sales at its F&B outlets and self-operated F&B stalls, to the operation and management of its food courts and coffee shops.

Mr Pang added, "This platform serves as our growth catalyst in the mid-term as we intend to expand our markets beyond our current domestic consumption at our own outlets. We are currently talking to potential joint-venture partners with the intention to jointly leverage on each other's specialist strength to expand our business. This includes the supply of certain food products to third parties and to gain access to new markets both locally and overseas, providing additional sources of revenue for our Group. This will facilitate our growth in the F&B industry and enable us to capture a larger market share."

---

<sup>4</sup> In respect of its Elemen full-service restaurants only



“With a larger central kitchen, it will also better support the expansion of our F&B retail business and enable us to enhance our productivity and operational efficiency in producing larger food quantities while maintaining high standards of food quality and consistency. There will also be central kitchen units to be let-out to our stall tenants, who may operate a number of stalls within our food courts and require central kitchen spaces to continue to grow and develop with us.”

The added space could also support future business expansion as Koufu leverages its network to explore possible opportunities for synergistic joint ventures, M&As and investments in complementary business segments and markets, taking into consideration factors such as the acquisition of capabilities, skills, technology and operational processes.

Koufu also seeks to continuously improve its productivity by embracing technology and innovation, such as increased automation in its processes and the progressive roll-out of the mobile ordering application to its food courts and coffee shops. Koufu has since implemented the *Koufu Eat* mobile ordering application to 15 food courts, rewarding customers who order and pay using the application with a 10% discount.

Recognising a growing demand for online food ordering and delivery services, Koufu has partnered with third-party service providers to roll out such services to its food courts, QSRs and restaurants. The Group has since implemented delivery services to 10 food courts, 3 QSRs and a full service restaurant, and plans to roll out delivery services to most of its F&B outlets by 2019, providing a platform for Koufu and its tenants to reach out to a wider customer base and capture additional sales revenue.

- END -





## 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.

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



精致美食，  
优质生活，  
圆满人生。

Better Food, Better People, Better Life.

---

ISSUED ON BEHALF OF : Koufu Group Limited

BY : Citigate Dewe Rogerson Singapore Pte Ltd  
55 Market Street  
#02-01  
Singapore 048941

CONTACT : Ms Dolores Phua / Ms Samantha Koh  
at telephone

DURING OFFICE HOURS : 6534-5122

EMAIL : [dolores.phua@citigatedewerogerson.com](mailto:dolores.phua@citigatedewerogerson.com)  
[samantha.koh@citigatedewerogerson.com](mailto:samantha.koh@citigatedewerogerson.com)

---

