

Kimly's FY2019 Revenue Rises to S\$208.3 Million; Proposes FY2019 Final Dividend of 0.84 Cents On Top of Interim Dividend of 0.56 Cents, Highest since IPO

- Total FY2019 dividend of 1.40 Singapore cents represents a payout ratio of 80.2% for FY2019, up from 50.7% for FY2018
- The increased dividend payout represents a dividend yield of 6.0%¹
- The Group has embarked on strategic shift towards direct asset ownership of food outlets

S\$'million	4Q FY2019	4Q FY2018	+ / (-) %	FY2019	FY2018	+ / (-) %
Revenue	52.5	53.0	(0.9)	208.3	202.2	3.0
Gross Profit	10.7	11.0	(2.7)	40.7	40.2	1.2
Profit Before Tax	6.8	6.1	12.3	23.9	25.1	(4.5)
EBITDA*	7.0	7.0	0.0	26.0	27.4	(5.3)
Profit Attributable to owners of the Company	5.4	5.7	(6.0)	20.1	21.9	(8.4)

* Earnings Before Interest (interest income and interest expense), Taxes, Depreciation and Amortisation ("EBITDA")

SINGAPORE, 26 November 2019 – SGX Catalist-listed Kimly Limited (“**金味有限公司**”) (“**Kimly**” or the “**Company**” and together with its subsidiaries, the “**Group**”) has proposed a final dividend of 0.84 cents per share for the financial year ended 30 September 2019 (“**FY2019**”), on top of an interim dividend of 0.56 cents.

The combined total dividend for FY2019 of 1.40 cents represents a payout ratio of 80.2% of net profits, compared to 50.7% for FY2018, for the homegrown coffeeshop operator, one of the largest operators in Singapore. The final and total dividend, as well as the payout ratio for FY2019, are the highest for the Group since its IPO in March 2017.

¹ Computed based on the Company's volume weighted average price of S\$0.2315 on 25 November 2019.

The proposed dividend comes on the back of a 3.0% or S\$6.1 million increase in FY2019 revenue to S\$208.3 million, which was mainly driven by higher contribution from the Food Retail Division. Gross profit in FY2019 grew 1.2% to S\$40.7 million from S\$40.2 million in FY2018. The increase in gross profit was offset by higher selling and distribution expenses, and administrative expenses which lowered profit before tax to S\$23.9 million. EBITDA for FY2019 was S\$26.0 million (FY2018: S\$27.4 million).

Earnings per share on a fully diluted basis for FY2019 was 1.74 cents (FY2018: 1.89 Singapore cents). Earnings per share on a fully diluted basis for 4Q FY2019 was 0.47 cent, as compared to 0.49 cents for 4Q FY2018. The net asset value per ordinary share for the Group grew to 7.65 cents as at 30 September 2019, from 7.23 cents as at 30 September 2018.

The Group recently announced a strategic shift to acquire more long-term and direct asset ownership of food outlets and food stalls to increase revenue streams and reduce risks associated with leasing and tenancy. On 1 November 2019, the Group announced the completion of the acquisition of its first coffeeshop property located in Teck Whye (the “TW143 Coffeeshop”) for S\$14.0 million. Kimly has also signed a non-binding term sheet to acquire interests in a portfolio several coffeeshops and industrial canteen units for an aggregate consideration of S\$59.0 million.

Together, the proposed acquisition, the TW143 Coffeeshop, three coffeeshops secured under the HDB price-quality method tender system and a new coffeeshop under a third-party brand, will increase the Group’s number of food outlets from 67 to 81 outlets.

Kimly launched its signature Bak Kwa Pau (金味碳烤肉干包) on 8 August 2019 and sales of this popular Pau has crossed the 60,000 (in unit sales) milestone in the month of October. The Group is confident that the Bak Kwa Pau will be well-received as the Chinese New Year festive period approaches, due to its close association with the popularity of Bak Kwa during Chinese New Year.

“Holim”, the Group’s own brand of Iced Kopi and Teh was launched in Q4 FY2019 at 6 coffeeshops. The drinks have achieved encouraging results, with average daily sales ranging from 600 to 900 cups each day. The Group will progressively roll out “Holim” beverages to other coffeeshops, with a view to retail “Holim” at each of its coffeeshops island-wide.

The Directors of Kimly said: *“We have recalibrated our corporate strategy to leverage on our improved central kitchen and supply chain functions to pursue direct asset ownership. With this strategic shift, we believe that Kimly will be better-equipped to expand our footprint in mature and populated estates with established footfalls, growing our market presence and standing as one of the leading F&B operators in Singapore. We expect the Group to continue to be profitable in the financial year ahead.”*

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About Kimly Limited

Kimly Limited (“金味有限公司”) is one of the largest traditional coffeeshop operators in Singapore with more than 25 years of experience. The Group operates and manages an extensive network of 70 food outlets and 132 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 63 coffeeshops, four industrial canteens and three food courts that are located mainly in tertiary institutions, which are managed and operated under the *foodclique* brand. Its Food Retail Division comprises Mixed Vegetable Rice, Teochew Porridge, Dim Sum and Seafood “Zi Char” food stalls. The Group also operates a chain of Japanese restaurants, *Tonkichi*, and a confectionery business, *Rive Gauche*.

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 and GrabFood.

Issued for and on behalf of Kimly Limited

WeR1 Consultants

Tel: 65 6737 4844

Jordan Teo or Isaac Tang, kimly@wer1.net

This press release has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst.

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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).