



**Kimly Limited**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 201613903R)

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**Unaudited Financial Statements and Dividend Announcement  
For the second quarter and half year ended 31 March 2019**

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The Group is principally engaged in the operation and management of coffee shops, food courts and food stalls in Singapore under its two divisions, namely the outlet management division and the food retail division.

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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 E-mail: [sponsorship@ppcf.com.sg](mailto:sponsorship@ppcf.com.sg)).

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3) AND FULL YEAR RESULTS**

**1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

**Consolidated Statements of Comprehensive Income**

	Group		Increase/ (Decrease) %	Group		Increase/ (Decrease) %
	2Q FY2019 S\$'000	2Q FY2018 S\$'000		1H FY2019 S\$'000	1H FY2018 S\$'000	
<b>Revenue</b>	51,498	49,177	4.7	104,144	99,325	4.9
Cost of sales	(41,708)	(39,561)	5.4	(83,727)	(79,525)	5.3
<b>Gross profit</b>	9,790	9,616	1.8	20,417	19,800	3.1
<b>Other item of income</b>						
Interest income	275	189	45.5	493	274	79.9
Other operating income	1,277	1,178	8.4	1,537	1,536	0.1
<b>Other items of expense</b>						
Selling and distribution expenses	(1,246)	(800)	55.8	(2,564)	(1,649)	55.5
Administrative expenses	(4,347)	(3,868)	12.4	(7,979)	(6,828)	16.9
Interest expense	(1)	-	N.M	(2)	-	N.M
Other operating expense	(120)	(57)	110.5	(242)	(113)	114.2
<b>Profit before tax</b>	5,628	6,258	(10.1)	11,660	13,020	(10.4)
Income tax expense	(894)	(805)	11.1	(1,652)	(1,819)	(9.2)
<b>Profit for the period, representing total comprehensive income for the period and attributable to owners of the Company</b>	<u>4,734</u>	<u>5,453</u>	(13.2)	<u>10,008</u>	<u>11,201</u>	(10.7)

Notes:

- (1) 2Q denotes financial period from 1 January to 31 March
- (2) 1H denotes financial period from 1 October to 31 March
- (3) N.M denotes not meaningful

**1(a)(ii) Notes to Consolidated Statement of Comprehensive Income**

The Group's profit before tax was arrived at after charging/(crediting) the following:

	Group		Increase/ (Decrease) %	Group		Increase/ (Decrease) %
	2Q FY2019 S\$'000	2Q FY2018 S\$'000		1H FY2019 S\$'000	1H FY2018 S\$'000	
Amortisation of intangible assets	120	57	110.5	242	113	114.2
Depreciation of property, plant and equipment	824	538	53.2	1,538	1,093	40.7
Directors' fees	50	38	31.6	100	75	33.3
Employee benefits expense	14,680	13,467	9.0	28,701	26,467	8.4
Interest expense	1	-	N.M	2	-	N.M
Interest income from short-term bank deposits	(275)	(186)	47.8	(493)	(271)	81.9
Operating lease expenses	9,536	8,984	6.1	19,170	17,908	7.0

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

**Consolidated Statements of Financial Position**

	Group		Company	
	31/3/2019	30/9/2018	31/3/2019	30/9/2018
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	9,986	10,326	-	-
Intangible assets	4,083	4,297	-	-
Investment in subsidiaries	-	-	238,997	238,997
Deferred tax assets	292	292	-	-
Other receivables	7,716	8,110	2,600	2,600
	<u>22,077</u>	<u>23,025</u>	<u>241,597</u>	<u>241,597</u>
<b>Current assets</b>				
Trade and other receivables	6,195	19,281	11,926	23,703
Inventories	1,197	1,015	-	-
Prepayments	224	778	2	10
Cash and bank balances	86,487	71,669	55,016	38,473
	<u>94,103</u>	<u>92,743</u>	<u>66,944</u>	<u>62,186</u>
<b>Total assets</b>	<b><u>116,180</u></b>	<b><u>115,768</u></b>	<b><u>308,541</u></b>	<b><u>303,783</u></b>
<b>Current liabilities</b>				
Trade and other payables	19,869	19,418	7,174	6,608
Other liabilities	5,110	7,126	656	984
Obligation under finance lease	27	26	-	-
Provision for restoration costs	337	272	-	-
Provision for taxation	3,378	3,473	2	10
	<u>28,721</u>	<u>30,315</u>	<u>7,832</u>	<u>7,602</u>
<b>Net current assets</b>	<b><u>65,382</u></b>	<b><u>62,428</u></b>	<b><u>59,112</u></b>	<b><u>54,584</u></b>
<b>Non-current liabilities</b>				
Obligation under finance lease	33	46	-	-
Deferred tax liabilities	399	399	-	-
Other payables	969	804	-	-
Provision for restoration costs	548	618	-	-
	<u>1,949</u>	<u>1,867</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<b><u>30,670</u></b>	<b><u>32,182</u></b>	<b><u>7,832</u></b>	<b><u>7,602</u></b>
<b>Net assets</b>	<b><u>85,510</u></b>	<b><u>83,586</u></b>	<b><u>300,709</u></b>	<b><u>296,181</u></b>
<b>Equity attributable to owners of the Company</b>				
Share capital	287,141	287,141	287,141	287,141
Treasury shares	(1,074)	(843)	(1,074)	(843)
Other reserves	(120,123)	(120,123)	-	-
Premium paid on acquisition of non-controlling interests	(113,030)	(113,030)	-	-
Retained earnings	32,596	30,441	14,642	9,883
<b>Total equity</b>	<b><u>85,510</u></b>	<b><u>83,586</u></b>	<b><u>300,709</u></b>	<b><u>296,181</u></b>
<b>Total equity and liabilities</b>	<b><u>116,180</u></b>	<b><u>115,768</u></b>	<b><u>308,541</u></b>	<b><u>303,783</u></b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities**

**Amount repayable in one year or less, or on demand**

As at 31/3/2019		As at 30/9/2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
27	-	26	-

**Amount repayable after one year**

As at 31/3/2019		As at 30/9/2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
33	-	46	-

**Details of any collateral**

The Group's borrowings consist of obligation under finance lease which are secured by a charge over the respective leased motor vehicles.

United Overseas Bank Limited has granted a Money Market Loan facility of S\$1.8 million to the Group. The facility is secured by the property at 13 Woodlands Link. As at 31 March 2019, the facility with United Overseas Bank Limited has not been drawn down.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

### Consolidated Statements of Cash Flows

	Group		Group	
	2Q FY2019 S\$'000	2Q FY2018 S\$'000	1H FY2019 S\$'000	1H FY2018 S\$'000
<b>Operating activities</b>				
Profit before tax	5,628	6,258	11,660	13,020
<u>Adjustments for:</u>				
Amortisation of intangible assets	120	57	242	113
Depreciation of property, plant and equipment	824	538	1,538	1,093
Interest expense	1	-	2	-
Interest income	(275)	(186)	(493)	(271)
Total adjustments	670	409	1,289	935
<b>Operating cash flows before changes in working capital</b>	6,298	6,667	12,949	13,955
<u>Change in working capital</u>				
Decrease/(increase) in trade and other receivables	1,787	(322)	13,519	(818)
(Increase)/decrease in inventories	(12)	(7)	(182)	39
Decrease in prepayments	217	69	205	70
(Decrease)/increase in trade and other payables	(327)	800	1,403	846
Decrease in other liabilities	(2,899)	(2,917)	(2,016)	(2,041)
Total changes in working capital	(1,234)	(2,377)	12,929	(1,904)
<b>Cash flows from operations</b>	5,064	4,290	25,878	12,051
Interest income from short-term deposits received	275	158	454	243
Interest paid	(1)	-	(2)	-
Income taxes paid	(1,675)	(1,527)	(1,747)	(1,529)
<b>Net cash generated from operating activities</b>	3,663	2,921	24,583	10,765
<b>Investing activities</b>				
Purchase of property, plant and equipment (Note A)	(294)	(929)	(1,572)	(2,259)
Purchase of intangible assets (Note B)	(2)	(88)	(97)	(249)
<b>Net cash used in investing activities</b>	(296)	(1,017)	(1,669)	(2,508)
<b>Financing activities</b>				
Repayment of obligations under finance leases	(6)	-	(12)	-
Purchase of treasury shares	(101)	-	(231)	-
Dividends paid on ordinary shares	(7,853)	(7,873)	(7,853)	(7,873)
<b>Net cash used in financing activities</b>	(7,960)	(7,873)	(8,096)	(7,873)
<b>Net (decrease)/increase in cash and bank balances</b>	(4,593)	(5,969)	14,818	384
<b>Cash and bank balances at the beginning of financial period</b>	91,080	91,432	71,669	85,079
<b>Cash and bank balances at the end of financial period</b>	<b>86,487</b>	<b>85,463</b>	<b>86,487</b>	<b>85,463</b>

**1(c) Consolidated Statements of Cash Flows (cont'd)**

	Group		Group	
	2Q FY2019 S\$'000	2Q FY2018 S\$'000	1H FY2019 S\$'000	1H FY2018 S\$'000
<b><u>A. Property, plant and equipment</u></b>				
Current year additions to property, plant and equipment	778	652	1,198	925
Less:				
(Increase)/reduction from other payables	(150)	277	718	1,334
Provision for restoration costs	15	-	5	-
Prepayments	(349)	-	(349)	-
Net cash outflow for purchase of property, plant and equipment	294	929	1,572	2,259
<b><u>B. Intangible assets</u></b>				
Current year additions to intangible assets	2	-	27	11
Less:				
Reduction from other payables	-	88	70	238
Net cash outflow for purchase of intangible assets	2	88	97	249

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statements of Changes in Equity

	← Attributable to owners of the Company →						Total equity
	Share capital	Treasury shares	Other Reserves		Premium paid on acquisition of non-controlling interests	Retained earnings	
	S\$'000	S\$'000	Merger reserve S\$'000	Deemed contribution from shareholders of subsidiary under common control S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>							
<b>At 1 October 2018</b>	<b>287,141</b>	<b>(843)</b>	<b>(120,591)</b>	<b>468</b>	<b>(113,030)</b>	<b>30,441</b>	<b>83,586</b>
Profit for the period, representing total comprehensive income for the period	-	-	-	-	-	5,274	5,274
<u>Contributions by and distributions to owners</u>							
Purchase of treasury shares	-	(130)	-	-	-	-	(130)
<b>At 31 December 2018 and 1 January 2019</b>	<b>287,141</b>	<b>(973)</b>	<b>(120,591)</b>	<b>468</b>	<b>(113,030)</b>	<b>35,715</b>	<b>88,730</b>
Profit for the period, representing total comprehensive income for the period	-	-	-	-	-	4,734	4,734
<u>Contributions by and distributions to owners</u>							
Dividends on ordinary shares	-	-	-	-	-	(7,853)	(7,853)
Purchase of treasury shares	-	(101)	-	-	-	-	(101)
<b>Balance as at 31 March 2019</b>	<b>287,141</b>	<b>(1,074)</b>	<b>(120,591)</b>	<b>468</b>	<b>(113,030)</b>	<b>32,596</b>	<b>85,510</b>



1(d)(i) Consolidated Statements of Changes in Equity (cont'd)

	← Attributable to owners of the Company →						
	Share capital	Treasury shares	Other Reserves		Premium paid on acquisition of non-controlling interests	Retained earnings	Total
Merger reserve			Deemed contribution from shareholders of subsidiary under common control	S\$'000			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>							
<b>At 1 October 2017</b>	287,141	-	(120,591)	468	(113,030)	19,673	73,661
Profit for the period, representing total comprehensive income for the period	-	-	-	-	-	5,748	5,748
<b>At 31 December 2017 and 1 January 2018</b>	287,141	-	(120,591)	468	(113,030)	25,421	79,409
Profit for the period, representing total comprehensive income for the period	-	-	-	-	-	5,453	5,453
<u>Contributions by and distributions to owners</u>							
Dividends on ordinary shares	-	-	-	-	-	(7,873)	(7,873)
<b>Balance as at 31 March 2018</b>	287,141	-	(120,591)	468	(113,030)	23,001	76,989

**1(d)(i) Consolidated Statements of Changes in Equity (cont'd)**

	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Total equity S\$'000
<b>Company</b>				
<b>At 1 October 2018</b>	<b>287,141</b>	<b>(843)</b>	<b>9,883</b>	<b>296,181</b>
Loss for the period, representing total comprehensive income for the period	-	-	(167)	(167)
<u>Contributions by and distributions to owners</u>				
Purchase of treasury shares	-	(130)	-	(130)
<b>At 31 December 2018 and 1 January 2019</b>	<b>287,141</b>	<b>(973)</b>	<b>9,716</b>	<b>295,884</b>
Profit for the period, representing total comprehensive income for the period	-	-	12,779	12,779
<u>Contributions by and distributions to owners</u>				
Dividends on ordinary shares	-	-	(7,853)	(7,853)
Purchase of treasury shares	-	(101)	-	(101)
<b>Balance as at 31 March 2019</b>	<b>287,141</b>	<b>(1,074)</b>	<b>14,642</b>	<b>300,709</b>
<b>At 1 October 2017</b>	<b>287,141</b>	<b>-</b>	<b>2,050</b>	<b>289,191</b>
Profit for the period, representing total comprehensive income for the period	-	-	9,792	9,792
<b>At 31 December 2017 and 1 January 2018</b>	<b>287,141</b>	<b>-</b>	<b>11,842</b>	<b>298,983</b>
Loss for the period, representing total comprehensive income for the period	-	-	(474)	(474)
<u>Contributions by and distributions to owners</u>				
Dividends on ordinary shares	-	-	(7,873)	(7,873)
<b>Balance as at 31 March 2018</b>	<b>287,141</b>	<b>-</b>	<b>3,495</b>	<b>290,636</b>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

<u>Share Capital – Ordinary Shares</u>	<b>Number of issued shares ('000)</b>	<b>Issued and paid-up capital (\$'000)</b>
Balance as at 1 October 2018	1,155,390	286,298
Less: Treasury shares	(492)	(130)
Balance as at 31 December 2018	1,154,898	286,168
Less: Treasury shares	(430)	(101)
<b>Balance as at 31 March 2019</b>	<b>1,154,468</b>	<b>286,067</b>

**Treasury Shares**

During 2Q FY2019, the Company had bought back 430,000 shares by way of market acquisition and all shares acquired are held as treasury shares. Following the purchase, the Company has 3,319,200 treasury shares as at 31 March 2019 (31 March 2018: Nil). Save for as disclosed, the Company did not have any treasury shares, subsidiary holdings or other convertible instruments as at 31 March 2019 and 31 March 2018.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<b>31/3/2019</b>	<b>30/9/2018</b>
Total number of issued shares ('000)	1,157,787	1,157,787
Less: Total number of treasury shares ('000)	(3,319)	(2,397)
<b>Total number of issued shares ('000)</b>	<b>1,154,468</b>	<b>1,155,390</b>

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company did not have any subsidiary holdings during, and at the end of, the financial period reported on.

- 2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)**

Not applicable. The figures have not been audited or reviewed by the Company's auditors.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

Save as disclosed in Section 5, the accounting policies and methods of computation adopted in the financial statements for the reporting period are consistent with those disclosed in the most recently audited combined financial statements for the financial year ended 30 September 2018.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)"), which is effective for Singapore-incorporated companies listed on the Singapore Exchange for annual reporting periods beginning on or after 1 January 2018. The Group has also adopted the new SFRS(I) and Interpretations to SFRS(I)s ("SFRS(I) INT") that are relevant to its operations and effective for annual periods beginning on or after 1 October 2018.

The adoption of these SFRS(I) and SFRS(I) INT did not result in any substantial changes to the Group's accounting policies or have any material effect on the financial statements for the current period reported on.

6. **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	Group		Group	
	2Q FY2019	2Q FY2018	1H FY2019	1H FY2018
Profit attributable to owners of the Company (S\$'000)	4,734	5,453	10,008	11,201
Weighted average number of ordinary shares in issue ('000)*	1,153,724	1,157,787	1,153,877	1,157,787
Basic and diluted EPS (cents per share)	0.41	0.47	0.87	0.97

\* The weighted average number of shares takes into account the share buy-backs transacted during the respective period.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the**

(a) **Current period reported on; and**

(b) **Immediately preceding financial year**

	Group		Company	
	31/3/2019	30/9/2018	31/3/2019	30/9/2018
Net asset value ("NAV") (S\$'000)	85,510	83,586	300,709	296,181
Number of ordinary shares in issue ('000)	1,154,468	1,155,390	1,154,468	1,155,390
NAV per ordinary share (S\$ cents)	7.41	7.68	26.05	25.62

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

**Consolidated Statement of Comprehensive Income**  
**2Q FY2019 compared to 2Q FY2018**

Revenue

The Group recorded revenue of S\$51.5 million in 2Q FY2019 as compared to S\$49.2 million in 2Q FY2018. The increase of S\$2.3 million or 4.7% was mainly due to the revenue contribution from the restaurants and confectionery businesses that were acquired in July 2018, namely Tonkichi and Rive Gauche.

Cost of sales

Cost of sales increased by S\$2.1 million, to S\$41.7 million in 2Q FY2019, in line with the increase in revenue. Cost of sales as a percentage of revenue increased from 80.4% in 2Q FY2018 to 81.0% in 2Q FY2019 mainly due to cost contribution from the newly acquired businesses, Tonkichi and Rive Gauche.

Interest income

Interest income increased by S\$0.1 million, was in line with higher bank balances placed in short-term deposits during the financial period.

Other operating income

Other operating income increased by S\$0.1 million mainly due to increase in income from sponsorships.

Selling and distribution expenses

Selling and distribution expenses increased by S\$0.4 million due to the increase in delivery charges, cleaning and packaging materials used, in line with the increase in revenue.

Administrative expenses

The increase of S\$0.5 million, from S\$3.9 million in 2Q FY2018 to S\$4.3 million in 2Q FY2019 was due to: (i) higher employee benefits expenses by S\$0.3 million mainly due to increase in headcount and salaries; (ii) higher depreciation of property, plant and equipment by S\$0.3 million; and partially offset by decrease in repair and maintenance expenses by S\$0.1 million.

Other operating expenses

The increase of S\$0.1 million was due to higher amortisation of lease assignment fee and software purchased.

**Consolidated Statements of financial position**

***The comparative performance for both the assets and liabilities are based on the Group's financial statements as at 31 March 2019 and 30 September 2018.***

Non-current assets

The Group's non-current assets decreased by S\$0.9 million primarily due to (i) decrease in other receivables (non-current) of S\$0.4 million; and (ii) depreciation of property, plant and equipment, and amortisation of intangible assets of S\$1.5 million and S\$0.2 million respectively, offset by additions during the financial period of S\$1.2 million attributable to (i) upgarding of the central kitchen, refurbishment, renovation and additions of equipments for existing coffee shops and food stalls; (ii) purchase of motor vehicles and renewal of certificate of entitlement.

Other receivables (non-current) comprise (i) the refundable deposits relating to rental deposits placed with lessors for the leases of coffee shops which are due after twelve months and longer, which are recoverable upon termination or expiration of the leases, amounting to S\$5.0 million, and the decrease was due to re-classification of the deposits to current, (ii) the non-current portion of staff loans amounting to S\$0.1 million as at 31 March 2019 (30 September 2018: S\$5.3 million and S\$0.2 million respectively); and (iii) the balance consideration of S\$2.6 million pursuant to the Rescission.

As at 31 March 2019, total refundable deposits placed with lessors (non-current and current) amounted to S\$7.0 million (30 September 2018: S\$6.9 million).

Current assets

The Group's current assets increased by S\$1.4 million due mainly to increase in cash and bank balances by S\$14.8 million, and offset by the decrease in trade and other receivables of S\$13.1 million respectively.

## **8. Consolidated Statements of financial position (cont'd)**

The decrease in trade and other receivables was mainly due to the repayments of S\$13.4 million from balance consideration of the Recission as announced in the Company's announcements dated 29 November 2018 and 8 January 2019.

The increase in cash and bank balances was mainly due to cash generated from operating activities of S\$24.6 million, which was offset by (i) additions of property, plant and equipment and computer software of S\$1.7 million, (ii) purchase of treasury shares of S\$0.2 million; and (iii) payment of final dividends of S\$7.9 million.

### Current liabilities

The Group's current liabilities decreased by S\$1.6 million mainly attributable to the decrease in other liabilities by S\$2.0 million due to payment of employee bonus, and offset by the increase in trade and other payables of S\$0.4 million in line with the increase in cost of sales.

### Non-current liabilities

The Group's non-current liabilities increased by S\$0.1 million mainly due to decrease in increase in tenants' deposits of S\$0.2 million and offset by decrease in provision for restoration costs of S\$0.1 million.

## **Consolidated Statements of Cash Flows**

The Group's net cash generated from operating activities in 2Q FY2019 of S\$3.7 million mainly resulted from operating cash flows before changes in working capital of S\$6.3 million and interest income received of S\$0.3 million, offset by net working capital outflows of S\$1.2 million and income taxes paid of S\$1.7 million. The net working capital outflows were due to (i) decrease in other liabilities by S\$2.9 million; and (ii) decrease in trade and other payables by S\$0.3 million, and partially offset by (i) increase in trade and other receivables by S\$1.8 million; and (ii) decrease in prepayments by S\$0.2 million.

The Group's net cash flows used in investing activities during 2Q FY2019 was attributable to the additions of property, plant and equipment and intangible assets of S\$0.3 million mainly attributable to upgrading of Central Kitchen, refurbishment, renovation and additions of equipments for existing coffee shops and food stalls.

The Group's net cash flows used in financing activities of S\$8.0 million during 2Q FY2019 was due to dividends paid on ordinary shares of S\$7.9 million and the purchase of treasury shares of S\$0.1 million.

## **9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

The financial results are in line with the forecast statement disclosed in the Company's financial results announcement for the first quarter ended 31 December 2018, dated 12 February 2019.

## **10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The local food and beverages ("F&B") environment remains challenging due to intense competition, labour shortages and high rentals. Nonetheless, the Group continues to pursue suitable opportunities to enhance its earnings. These include expanding the range of food items served and diversifying revenue streams (such as via recent acquisitions of Rive Gauche and Tonkichi) as well as improving internal efficiencies.

The Group has already set in motion several initiatives to improve efficiencies. These include upgrading and expanding its central kitchens and driving innovation to improve productivity at its outlets.

As at the end of 2Q FY2019, the upgrading of the Group's central kitchens has been completed. Out of the S\$5.0 million set aside from IPO proceeds for this purpose, the Group has utilised approximately S\$2.0 million.

With the completion, the Group will continue to direct its efforts in using technology to further strengthen the synergy between its outlets and central kitchens. It will also seek to improve productivity while improving working conditions at the individual food outlets/stalls. The Group will be relocating the Rive Gauche central kitchen to its headquarters in Woodlands.

As part of efforts to increase its revenue streams, the Group continues to grow its online delivery sales to approximately 2.0% of total revenue for 1H FY2019, from 1.0% of total revenue for the whole of FY2018.

The Group is in the midst of developing its own brand of iced Kopi and iced Teh to cater to the growing preference for healthier F&B options including lower sugar content. These new products are expected to be ready for launch by 3Q FY2019.

Barring any unforeseen circumstances, the Group expects to continue to grow its business and remain profitable for FY2019.

## 11. Dividend

If a decision regarding dividend has been made: -

### (a) Whether an interim (final) dividend has been declared (recommended); and

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share	0.56 cents per ordinary share
Tax Rate	Tax-exempt (one-tier)

The variation in interim dividend is due to despite the challenging local F&B environment, the Group remains profitable for 1H FY2019 and in a healthy net cash position. Therefore, the Group wishes to reward shareholders for their continued loyalty and support.

### (b) Previous corresponding period (cents)

(Optional) Rate (%)  
0.28 cents per ordinary share (Tax-exempt (one-tier))

### (c) The date the dividend is payable

The interim dividend will be paid on or about 15 July 2019.

### (d) The date on which Registrable Transfers receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

3 July 2019

## 12. If no dividend has been declared/recommended, a statement to that effect

Not applicable

## 13. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group had obtained a general mandate from shareholders for IPTs disclosed in pages 147 to 153 of the Offer Document. The general mandate for IPT has been renewed at the Extraordinary General Meeting held on 30 January 2019.

There were no interested person transactions entered into that exceeded S\$100,000 for 2Q FY2019.

## 14. Use of IPO proceeds

The Company refers to the gross proceeds amounting to S\$43.5 million raised from the IPO on the Catalist of the SGX-ST on 20 March 2017.

As at the date of this announcement, the status on the use of the IPO net proceeds is as follows:

	Allocated S\$'000	Utilised S\$'000	Balance S\$'000
Acquisitions and joint ventures and general business expansion (including establishment of new food outlets)	30,363	(5,648)	24,715
Balance Consideration	-	(2,600) ^	(2,600)
Refurbishment and renovation of existing food outlets	3,000	(1,066)	1,934
Headquarters/Central Kitchen upgrading	5,000	(1,979)	3,021
Productivity initiatives/IT	2,000	(1,265)	735
Listing expenses	3,087	(3,087)	-
<b>Total</b>	<b>43,450</b>	<b>(15,645)</b>	<b>27,805</b>

^ On 29 November 2018, the Company has rescinded *ab initio* its acquisition of Asian Story Corporation Pte. Ltd. ("ASC") ("Rescission"). Pursuant to the Rescission, out of the S\$16.0 million consideration previously paid to the vendor for the acquisition of ASC, S\$13.4 million has been repaid by the vendor and the balance consideration of S\$2.6 million is to be repaid over 3 years from 29 November 2018.

The above utilisations are in accordance with the intended use of IPO net proceeds, as stated in the Company's Offer Document.

**15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)**

The Company confirms that it has procured undertakings from all of its directors and executive officers in the required format.

**16. Negative Confirmation by the Board Pursuant to Rule 705(5) of the Catalist Listing Manual**

The Board of Directors of the Company confirms, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements for the three months ended 31 March 2019 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

Lim Hee Liat  
Executive Chairman  
7 May 2019