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FOR IMMEDIATE RELEASE

Kimly achieves net attributable profit of S$5.2 million on 8.5% rise in revenue for 3Q FY2017

Financial Highlights for the third quarter and nine months ended 30 June 2017

S$ million	3Q FY2017	3Q FY2016	+/(-) %	9M FY2017	9M FY2016	+/(-) %
Revenue	47.9	44.1	8.5	142.2	126.5	12.4
Gross Profit	8.8	9.5	(6.7)	29.3	27.9	5.1
Profit before tax	6.0	6.9	(13.5)	18.9	20.2	(6.8)
Income tax expense	(0.7)	(0.4)	>100.0	(2.4)	(1.1)	>100.0
Profit Attributable to Owners of the Company	5.2	6.5^	(20.0)	16.5	19.2	(14.1)

^ assuming the Restructuring Exercise has been completed on 1 October 2015, there would be no profit attributable to non-controlling interest in FY2016.

SINGAPORE, 7 August 2017 – **Kimly Limited ("金味有限公司")** ("**Kimly**" or the "**Company**" and together with its subsidiaries, the **"Group"**), the largest traditional coffee shop operator in Singapore, today posted net attributable profit of S$5.2 million on the back of strong revenue growth for the third quarter ended 30 June 2017 ("**3Q FY2017**").

Boosted mainly by higher sales generated from cooked food and beverages of S$1.7 million, and an increase in rental income as well as income from provision of cleaning and utilities services of S$1.9 million, the Group's revenue grew 8.5% to S$47.9 million in 3Q FY2017 against S$44.1 million in the corresponding quarter last year ("**3Q FY2016**"). Gross profit, however, slipped 6.7% to S$8.8 million in 3Q FY2017, from S$9.5 million in 3Q FY2016, due to increase in staff costs and operating leases as the Group expands its operations.

Corresponding to the revenue increase, the Group's selling and distribution expenses rose 8.8% to S$0.7 million due to higher packaging materials and other expendables. Administrative expenses for the reporting quarter also spiked 20.0% to S$2.9 million as a result of increased employee benefits expenses for corporate headquarters and management personnel, incentive bonus and depreciation expenses.

Post Initial Public Offering ("IPO"), the Group's tax expenses rose to S$0.7 million in 3Q FY2017 from S$0.4 million in 3Q FY2016, mainly because tax relief and partial tax exemptions for the current quarter were available to a smaller number of entities within the Group structure subsequent to the Group's restructuring exercise, compared to 162 entities before the restructuring exercise in 3Q FY2016. Consequently, the Group reported a 20.0% decline in net attributable profit to S$5.2 million in 3Q FY2017.

With the net proceeds from the Group's IPO in March this year, its cash and bank balances after payment of interim dividend of $3.2 million on 19 June 2017, increased to S$76.6 million as at 30 June 2017 against S$37.1 million a year ago. The Group has zero borrowings as at 30 June 2017.

Future Plans and Outlook

The Group expects its operating environment to remain challenging due to the shortage of qualified individuals with requisite skills, as well as stiff competition within the F&B industry.

Mr Vincent Chia (谢书强), Executive Director of Kimly *said, "The local F&B sector in Singapore is very challenging as we face rising raw materials and manpower costs every year. To stay ahead of competition, besides prudent cost management and increasing productivity and efficiency, we will continue to push forward our e-commerce efforts by implementing cashless payment systems at the food outlets and extending our online food ordering and delivery system. At the same time, we will expand the network of food stalls and refurbish existing food outlets as part of our ongoing growth plans."*

Last month, the Group strengthened its market position by successfully completing two acquisitions of operating leases – a coffee shop located at Blk 631 Bedok Reservoir Road and an industrial canteen located at 21 Woodlands Close, in line with its strategy to grow through suitable acquisitions, joint ventures and strategic alliances.

The Group's construction of a four-storey annex and central kitchen at its corporate headquarters is progressing smoothly and is expected to complete in the fourth quarter of FY2017.

"*The new central kitchen with its new equipment, machinery and software will help increase operational efficiencies. Additionally, with its expanded production and storage capacity, the kitchen will allow us to improve cost efficiencies in the bulk order of supplies and raw materials, creating greater economies of scale. Hence, the Group is well-positioned to better support our sales going forward,"* said Mr Chia.

Barring any unforeseen circumstances, the Group expects to remain profitable for FY2017.

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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 125 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 59 coffee shops and four industrial canteens under the Kimly and third party brands and four 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 availing its Dim Sum products for online ordering through Deliveroo and Food Panda.

Issued for and on behalf of Kimly Limited

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IMPORTANT NOTICE

*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 announcement 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 announcement.

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