



## NEWS RELEASE

### KOUFU ACHIEVES RECORD REVENUE OF S\$237.5 MILLION WITH 13.0% GROWTH IN NPAT ATTRIBUTABLE TO OWNERS OF THE COMPANY IN FY 2019

- **Record revenue with stronger contributions from both business segments**
- **Broadened market share and maiden contributions from six newly-opened food courts & coffee shops, 20 new F&B kiosks and two new full-service restaurants**
- **Robust balance sheet and strong cash generative abilities with net cash of S\$85.7 million**
- **Proposed final one-tier tax-exempt dividend of 1.5 Singapore cents, bringing total dividends to 2.5 Singapore cents per ordinary share**

(S\$'m)	4Q 2019	4Q 2018	Change (%)	FY 2019	FY 2018	Change (%)
Revenue	60.3	57.0	5.7	237.5	223.8	6.1
Net Profit After Tax ("NPAT") attributable to Owners of the Company	6.5	7.5	(13.4)	27.7	24.5	13.0
NPAT Margin (%)	10.8	13.2	(2.4) ppt	11.7	10.9	0.8 ppt
Basic and Fully Diluted EPS (SGD Cents)	1.17	1.35	(13.3)	4.99	4.75	5.1

(S\$'m)	31 December 2019	31 December 2018
NAV/Share (SGD Cents)	18.44	16.47
Net Cash	85.7	56.2



**Singapore, 28 February 2020** – 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 record revenue of S\$237.5 million on higher contributions from its two synergistic business segments, and a 13.0% year-on-year increase in NPAT attributable to Owners of the Company to S\$27.8 million for the full-year financial period ended 31 December 2019 (“**FY 2019**”). This is backed by Koufu’s strategic plan to broaden its market share with newly-opened food courts, coffee shops and F&B outlets for sustainable growth.

Mr Pang Lim (庞琳), Koufu’s Executive Chairman and Chief Executive Officer, said, “With our strategic expansion plan in place for sustainable growth, we are heartened to have achieved a new high in overall revenue, backed by our strong portfolio of profitable F&B brands. We have extended our reach both locally and abroad through an expansion of our network of food courts and coffee shops. To date, we have formed an extensive island-wide network of 48 food courts and 16 coffee shops in Singapore, along with two food courts in Macau.

“For tea beverage concept stores, we’ve opened five new tea beverage locations in the last quarter of 2019. Having already brought our highly popular R&B Tea and Supertea brands to Macau and Malaysia, we are actively negotiating with partners to extend these brands to Indonesia, and regionally.

“We hope to continue our brand expansion by leveraging on our expertise in identifying and introducing trademark concepts, along with quality and distinct food options to our consumers, to broaden our market share and maintain a competitive edge.”



## Financial Highlights

The Group's record revenue of S\$237.5 million in FY 2019 was a 6.1% increase from S\$223.8 million in the previous corresponding year ("**FY 2018**"), on the back of stronger revenue contributions from both its synergistic business segments lifted by year-on-year increase in number of outlets. This includes maiden contributions from a total of six newly-opened food courts and coffee shops (including the new University of Macau food court), 20 new F&B kiosks and two new full-service restaurants in the year under review.

Koufu generated a healthy 6.9% revenue growth for its outlet and mall management segment, increasing S\$7.8 million to S\$120.1 million in FY 2019 from S\$112.3 million in FY 2018. Overall, this segment contributed to 50.6% of the Group's total revenue. The F&B retail segment, which makes up 49.4% of Koufu's overall revenue, recorded a steady 5.3% year-on-year growth, increasing S\$5.9 million to S\$117.4 million from S\$111.5 million across the same comparative periods.

In line with its revenue growth, the Group recorded a NPAT attributable to owners of the Company of S\$27.7 million in FY 2019, a 13.0% increase from S\$24.5 million a year ago. Correspondingly, NPAT margin improved to 11.7% in FY 2019, from 10.9% in FY 2018.

Koufu maintained its robust balance sheet with a cash and cash equivalent of S\$90.4 million and net cash of S\$85.7 million as at 31 December 2019, indicating headroom and financial flexibility for the funding of future growth initiatives. As at 31 December 2019, the Group recorded a shareholders' equity of S\$102.3 million.

Earnings per share on a fully-diluted basis rose to 4.99 Singapore cents in FY 2019 compared to 4.75 Singapore cents in FY 2018. Net asset value per share rose to 18.44 Singapore cents as at 31 December 2019 compared to 16.47 Singapore cents as at 31 December 2018.



For the fourth quarter ended 31 December 2019 (“**4Q 2019**”), the Group achieved a 5.7% growth in revenue to S\$60.3 million, compared to S\$57.0 million in the equivalent period a year ago. The Group recorded a NPAT attributable to owners of the Company of S\$6.5 million in 4Q 2019 while NPAT margin stood at 10.8%.

## Proposed Dividend

To reward shareholders, the Board has proposed a final, one-tier tax-exempt dividend of 1.5 Singapore cents per ordinary share. Together with the interim, tax-exempt dividend of 1.0 Singapore cent, this brings total dividends to 2.5 Singapore cents per ordinary share.

## Sustainable growth through targeted expansion

Notwithstanding the near term challenges amidst the COVID-19 outbreak, which is expected to have a negative impact on the retail, tourism and F&B sectors both locally and abroad, the Group cautiously expects to remain competitive with its productivity efforts as it monitors the situation closely. In addition to stepping up on precautionary measures, the Group will continue to bring forth new food options and varieties to customers while adopting a tactical and calculated approach in its expansion plans in targeted markets for sustainable growth. The Group will also remain vigilant and explore various strategies to support and reinforce its relationships with stakeholders.

As at 31 December 2019, the Group has a total of 50 food courts (inclusive of two food courts in Macau), 16 coffee shops, a hawker centre and a commercial mall in Singapore under the outlet and mall management segment. Plans are in the pipeline to further increase its market share, having opened two new coffee shops in the first quarter of the upcoming financial year (“**FY 2020**”), and further secured two food court leases (including one in Macau), targeted to open progressively in FY 2020.



Koufu's F&B retail segment has also widened extensively, with a total of five new F&B kiosks which commenced operations in 4Q 2019. As at 31 December 2019, the segment constitutes a total of 76 self-operated F&B stalls (inclusive of four F&B stalls in Macau), 29 F&B kiosks (inclusive of one in Macau and one in Malaysia), seven Quick-Service Restaurants and four full-service restaurants. The Group has further secured two new locations for *R&B Tea* outlets to-date, targeted to open by the second half of FY 2020.

In terms of geographical reach, Koufu has set foot on Indonesia with a tea beverage brand joint venture. This presents Koufu with a strategic platform to leverage on its F&B expertise and explore opportunities to work with potential partners to operate its brands regionally.

“To ride over the current challenges, apart from broadening our regional footprint, having a diversity in F&B concepts through our expanded chain of food courts, coffee shops and concept stores, will provide our Group with greater resiliency. A strong focus on our end-to-end business model, which gives us greater operational and cost control, also becomes of paramount importance in our corporate strategy. Additionally, we will also continue to leverage on technology as a key enabler to boost productivity, in our drive for greater productivity and cost efficiencies,” Mr. Pang added.

The construction of the Group's integrated facility has commenced in 4Q 2018 and is expected to obtain its temporary occupation permit by 1H 2020. A growth catalyst for Koufu, the integrated facility will support the Group's growing business needs, create and diversify income streams and drive economies of scale.

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

## 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/>.





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