

Kimly Records 3.5% Revenue Growth for 3Q FY2019 on Higher Contribution from New Brands *Tonkichi* and *Rive Gauche*

- Gross profit rose 1.9% to S\$9.5 million in 3Q FY2019; EBITDA of S\$6.4 million for 3Q FY2019 compared to S\$6.7 million in 3Q FY2018 due to higher selling, distribution and administrative expenses
- Introduced new central kitchen efficiencies and two new F&B concepts
- Secured three coffee shops leases through HDB’s tender system, Price-Quality Method

S\$'million	3Q FY2019	3Q FY2018	+ / (-) %
Revenue	51.6	49.9	3.5
Gross Profit	9.5	9.4	1.9
Profit Before Tax	5.5	6.0	(8.6)
EBITDA*	6.4	6.7	(4.0)
Profit Attributable to the owners of the Company	4.7	5.0	(6.0)

* Earnings Before Interest, Taxes, Depreciation and Amortisation

SINGAPORE, 7 August 2019 – Kimly Limited (“金味有限公司”) (“Kimly” or the “Company” and together with its subsidiaries, the “Group”), a leading coffee-shop operator, announced today revenue for the quarter ended 30 June 2019 (“3Q FY2019”) grew 3.5% to S\$51.6 million from S\$49.9 million a year earlier, propelled by contribution from Japanese restaurant chain *Tonkichi* and Japanese-French confectioner *Rive Gauche*, two brands acquired in July 2018.

In line with higher revenue, gross profit in 3Q FY2019 increased to S\$9.5 million from \$9.4 million in 3Q FY2018. This was offset, however, by higher selling and distribution, and administrative

expenses which lowered profit before tax to S\$5.5 million in 3Q FY2019 from S\$6.0 million in 3Q FY2018. EBITDA for 3Q FY2019 was S\$6.4 million (3Q FY2018: S\$6.9 million).

For the nine months ended 30 June 2019 (“**9M FY2019**”), Kimly recorded profit attributable to the owners of the Company of S\$14.7 million (9M FY2018: S\$16.2 million) and EBITDA of S\$19.8 million (9M FY2018: S\$20.9 million) on revenue of S\$155.8 million (9M FY2018: S\$149.2 million).

Net cash from operations decreased to S\$4.2 million in 3Q FY2019 from S\$5.4 million a year earlier, mainly resulted from operating cash flows before changes in working capital of S\$6.1 million and interest income received of S\$0.3 million, offset by net working capital outflows of S\$0.9 million and income taxes paid of S\$1.3 million. As at 30 June 2019, the Group had S\$87.1 million in cash and cash equivalents.

The Group is fully committed to carrying out the growth initiatives set out in its corporate and business update released on 18 December 2018. These include expanding its portfolio of coffee shops and product offerings, streamlining outlet operations and optimising its central kitchens.

To enhance front-end outlet efficiency, the Group has commenced several enhancements and work process improvements at its central kitchen. In addition to preparing marinated meat products which are then supplied to Mixed Vegetable Rice stalls, the central kitchen has in recent weeks commenced preparation of sliced meat and semi-finished food products for its Seafood “Zi Char” stalls. Centralisation simplifies food preparation at stall front, accordingly reduces labour hours and skill required.

As part of its continued efforts to refresh the menu, the Group has introduced two new products and concepts. The first is a bak kwa (肉干) pau (BBQ Pork Jerky Bun), which will commence sales in 45 Kimly Dim Sum stalls island-wide and will be available to order online on major food delivery

platforms from 8 August 2019. The product is a result of a collaboration with Peng Guan Bak Kwa, a local specialist traditional BBQ pork jerky manufacturer and retailer. The second is Kanaaji, a new brand expanding on quality and value for money Japanese cuisine, which is now operating at Kimly's newly-refurbished FoodClique food court at National University of Singapore (University Town).

In July 2019, the Group secured the lease of three coffee shop sites through the Housing and Development Board's tender system, Price-Quality Method ("PQM"). PQM does not solely focus on price, but also on qualitative initiatives that show how operators innovate and transform traditional coffee shop formats into more efficient ones. The new coffee shops are expected to commence operations in 1Q FY2020.

###

About Kimly Limited

Kimly Limited ("金味有限公司") is one of the largest traditional coffee shop operators in Singapore with more than 25 years of experience. The Group operates and manages an extensive network of 68 food outlets and 130 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 60 coffee shops and four industrial canteens under the Kimly and third party brands and three 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. The Group recently acquired 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, GrabFood and Honestbee.

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 Catalist.

This press release has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made or reports contained in this press release.

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).