

**FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FIRST QUARTER RESULTS**

## Issuer &amp; Securities

## Issuer/ Manager

KIMLY LIMITED

## Securities

KIMLY LIMITED - SG1DF1000008 - 1D0

## Stapled Security

No

## Announcement Details

## Announcement Title

Financial Statements and Related Announcement

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## Announcement Sub Title

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## Submitted By (Co./ Ind. Name)

Hoon Chi Tern

## Designation

Joint Company Secretary

## Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

Please see attached.

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.

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 Email: sponsorship@ppcf.com.sg).

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### Additional Details

For Financial Period Ended

31/12/2018

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### Attachments

[Kimly%20Q1FY2019ResultsAnnouncement.pdf](#)

[Kimly%20Q1FY2019PressRelease.pdf](#)

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Total size =511K MB

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**Kimly Limited**

(Incorporated in the Republic of Singapore)

(Company Registration No. 201613903R)

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**Unaudited Financial Statements and Dividend Announcement  
For the first quarter ended 31 December 2018**

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

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.

**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 Statement of Comprehensive Income**

	Group		Increase/ (Decrease) %
	1Q FY2019 S\$'000	1Q FY2018 S\$'000	
<b>Revenue</b>	52,646	50,147	5.0
Cost of sales	(42,019)	(39,964)	5.1
<b>Gross profit</b>	10,627	10,183	4.4
<b>Other item of income</b>			
Interest income	219	85	N.M
Other operating income	261	361	(27.7)
<b>Other items of expense</b>			
Selling and distribution expenses	(1,318)	(849)	55.2
Administrative expenses	(3,634)	(2,961)	22.7
Finance costs	(1)	-	N.M.
Other operating expenses	(122)	(56)	117.9
<b>Profit before tax</b>	6,032	6,763	(10.8)
Income tax expense	(758)	(1,015)	(25.3)
<b>Profit for the period, representing total comprehensive income for the period and attributable to owners of the Company</b>	5,274	5,748	(8.2)

Notes:

- (1) 1Q denotes financial period from 1 October to 31 December  
(2) 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 the following:**

	<b>Group</b>		<b>Increase/ (Decrease) %</b>
	<b>1Q FY2019 S\$'000</b>	<b>1Q FY2018 S\$'000</b>	
Amortisation of intangible assets	122	56	117.9
Depreciation of property, plant and equipment	714	555	28.6
Directors' fees	50	38	N.M
Employee benefits expense	14,021	13,000	7.9
Fixed assets written off	1	-	N.M
Operating lease expenses	9,634	8,924	8.0
Interest expense	1	-	N.M
Interest income	219	85	N.M
Legal and other professional fees	356	150	137.3

N.M denotes not meaningful

**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	
	31/12/2018	30/9/2018	31/12/2018	30/9/2018
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	10,032	10,326	-	-
Intangible assets	4,200	4,297	-	-
Investment in subsidiaries	-	-	238,997	238,997
Deferred tax assets	292	292	-	-
Other receivables	8,120	8,110	2,600	2,600
	<u>22,644</u>	<u>23,025</u>	<u>241,597</u>	<u>241,597</u>
<b>Current assets</b>				
Trade and other receivables	7,578	19,281	11,702	23,703
Inventories	1,185	1,015	-	-
Prepayments	791	778	-	10
Cash and cash equivalents	91,080	71,669	50,762	38,473
	<u>100,634</u>	<u>92,743</u>	<u>62,464</u>	<u>62,186</u>
<b>Total assets</b>	<u>123,278</u>	<u>115,768</u>	<u>304,061</u>	<u>303,783</u>
<b>Current liabilities</b>				
Trade and other payables	20,146	19,418	7,151	6,608
Other liabilities	8,010	7,126	1,024	984
Obligation under finance lease	26	26	-	-
Provision for restoration costs	262	272	-	-
Provision for taxation	4,159	3,473	2	10
	<u>32,603</u>	<u>30,315</u>	<u>8,177</u>	<u>7,602</u>
<b>Net current assets</b>	<u>68,031</u>	<u>62,428</u>	<u>54,287</u>	<u>54,584</u>
<b>Non-current liabilities</b>				
Obligation under finance lease	39	46	-	-
Deferred tax liabilities	399	399	-	-
Other payables	869	804	-	-
Provision for restoration costs	638	618	-	-
	<u>1,945</u>	<u>1,867</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>34,548</u>	<u>32,182</u>	<u>8,177</u>	<u>7,602</u>
<b>Net assets</b>	<u>88,730</u>	<u>83,586</u>	<u>295,884</u>	<u>296,181</u>
<b>Equity attributable to owners of the Company</b>				
Share capital	287,141	287,141	287,141	287,141
Treasury shares	(973)	(843)	(973)	(843)
Other reserves	(120,123)	(120,123)	-	-
Premium paid on acquisition of non-controlling interests	(113,030)	(113,030)	-	-
Retained earnings	35,715	30,441	9,716	9,883
<b>Total equity</b>	<u>88,730</u>	<u>83,586</u>	<u>295,884</u>	<u>296,181</u>
<b>Total equity and liabilities</b>	<u>123,278</u>	<u>115,768</u>	<u>304,061</u>	<u>303,783</u>

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

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

As at 31/12/2018		As at 30/09/2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
26	-	26	-

**Amount repayable after one year**

As at 31/12/2018		As at 30/09/2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
39	-	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 vehicle.

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 December 2018, 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 Statement of Cash Flows**

	Group	
	1Q FY2019	1Q FY2018
	S\$'000	S\$'000
<b>Operating activities</b>		
Profit before tax	6,032	6,763
<u>Adjustments for:</u>		
Amortisation of intangible assets	122	56
Depreciation of property, plant and equipment	714	555
Fixed assets written off	1	-
Interest expense	1	-
Interest income	(219)	(85)
Total adjustments	619	526
<b>Operating cash flows before changes in working capital</b>	6,651	7,289
<u>Change in working capital</u>		
Decrease/(increase) in trade and other receivables	11,715	(467)
(Increase)/decrease in inventories	(170)	46
(Increase)/decrease in prepayments	(13)	2
Increase in trade and other payables	1,730	44
Increase in other liabilities	884	875
Total changes in working capital	14,146	500
<b>Cash flows from operations</b>	20,797	7,789
Interest received	196	57
Interest paid	(1)	-
Income taxes paid	(72)	(2)
<b>Net cash generated from operating activities</b>	20,920	7,844
<b>Investing activities</b>		
Purchase of property, plant and equipment (Note A)	(1,278)	(1,330)
Purchase of intangible assets (Note B)	(95)	(161)
<b>Net cash used in investing activities</b>	(1,373)	(1,491)
<b>Financing activities</b>		
Purchase of treasury shares	(130)	-
Repayment of obligation under finance lease	(6)	-
<b>Net cash used in financing activities</b>	(136)	-
<b>Net increase in cash and cash equivalents</b>	19,411	6,353
<b>Cash and cash equivalents at the beginning of financial period</b>	71,669	85,079
<b>Cash and cash equivalents at the end of financial period</b>	<b>91,080</b>	<b>91,432</b>
<b>Notes to the consolidated statement of cash flows</b>		
<b><u>A. Property, plant and equipment</u></b>		
Current period additions to property, plant and equipment	420	273
Add/(less):		
Decrease in other payables	868	1,057
Provision for restoration costs	(10)	-
<b>Net cash outflow for purchase of property, plant and equipment</b>	<b>1,278</b>	<b>1,330</b>
<b><u>B. Intangible assets</u></b>		
Current period additions to intangible assets	25	11
Add:		
Decrease in other payables	70	150
<b>Net cash outflow for purchase of intangible assets</b>	<b>95</b>	<b>161</b>



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 →					
		Other Reserves					
Share capital	Treasury shares	Merger reserve	Deemed contribution from shareholders of subsidiary under S\$'000	Premium paid on acquisition of non-controlling interests S\$'000	Retained earnings S\$'000	Total equity S\$'000	
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
<b>Group</b>							
<b>At 1 October 2018</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>Balance as at 31 December 2018</b>	<b>(973)</b>	<b>(120,591)</b>	<b>468</b>	<b>(113,030)</b>	<b>35,715</b>	<b>88,730</b>	

		← Attributable to owners of the Company →				
		Merger reserve	Deemed contribution from shareholders of subsidiary under common control S\$'000	Premium paid on acquisition of non-controlling interests S\$'000	Retained earnings S\$'000	Total equity S\$'000
Share capital	Merger reserve	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>At 1 October 2017</b>						
Profit for the period, representing total comprehensive income for the period	-	-	-	-	5,748	5,748
<b>Balance as at 31 December 2017</b>	<b>(120,591)</b>	<b>468</b>	<b>(113,030)</b>	<b>25,421</b>	<b>79,409</b>	

**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>Balance as at 31 December 2018</b>	<b>287,141</b>	<b>(973)</b>	<b>9,716</b>	<b>295,884</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>Balance as at 31 December 2017</b>	<b>287,141</b>	<b>-</b>	<b>11,842</b>	<b>298,983</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>	Number of issued shares ('000)	Issued and paid-up capital (\$'000)
Balance as at 1 October 2018	1,155,390	286,298
Less: Treasury shares	(492)	(130)
Balance as at 31 December 2018	<u>1,154,898</u>	<u>286,168</u>

**Treasury Shares**

During 1Q FY2019, the Company has bought back 492,100 shares by way of market acquisition and all shares acquired are held as treasury shares. Following the purchase, the Company has 2,889,100 treasury shares as at 31 December 2018 (30 September 2018: 2,397,000).

- 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

	31/12/2018	30/9/2018
Total number of issued shares ('000)	1,157,787	1,157,787
Less: Total number of treasury shares ('000)	(2,889)	(2,397)
<b>Total number of issued shares, excluding treasury shares ('000)</b>	<u>1,154,898</u>	<u>1,155,390</u>

- 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 year.

- 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 below, 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 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 January 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	
	1Q FY2019	1Q FY2018
Profit attributable to owners of the Company (S\$'000)	5,274	5,748
Weighted average number of ordinary shares ('000)*	1,155,181	1,157,787
Basic and diluted EPS (cents per share)	0.46	0.50

\* The weighted average number of shares takes into account the share buy-backs transacted during the 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	
	31/12/2018	30/9/2018	31/12/2018	30/9/2018
Net asset value ("NAV") (S\$'000)	88,730	83,586	295,884	296,181
Number of ordinary shares ('000)	1,154,898	1,155,390	1,154,898	1,155,390
NAV per ordinary share (cents)	7.68	7.23	25.62	25.63

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**  
**1Q FY2019 compared to 1Q FY2018**

Revenue

The Group recorded revenue of S\$52.6 million in 1Q FY2019 as compared to S\$50.1 million in 1Q FY2018. The increase of S\$2.5 million or 5.0% was mainly due to 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\$42.0 million in 1Q FY2019, in line with the increase in revenue. Cost of sales as a percentage of revenue remains relatively stable at 79.8% compared to 79.7% in 1Q FY2018.

Gross profit

Overall gross profit increased by S\$0.4 million or 4.4% from S\$10.2 million in 1Q FY2018 to S\$10.6 million in 1Q FY2019. Gross profit margin remained relatively constant at 20.2% in 1Q FY2019 as compared to 20.3% in 1Q FY2018.

Other operating income

Other operating income decreased by S\$0.1 million mainly due to lesser government grants received from Temporary Employment Credit and Special Employment Credit in 1Q FY2019, as well as reduction in sponsorship income.

Selling and distribution expenses

Selling and distribution expenses increased by S\$0.5 million due to higher online food delivery fees, cleaning and packaging materials used, as well as advertising expenses, in line with the increase in revenue.

Administrative expenses

The increase of S\$0.6 million, from S\$3.0 million in 1Q FY2018 to S\$3.6 million in 1Q FY2019 was due to i) higher employee benefits expenses by S\$0.1 million mainly due to the increase in headcount and salaries; (ii) higher depreciation of property, plant and equipment by S\$0.2 million in line with the increase in property, plant and equipment; (iii) higher repair and maintenance expense of S\$0.1 million; and (iv) higher professional fees of S\$0.2 million.

Other operating expenses

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

Income tax expense

Income tax expense decreased by S\$0.3 million in line with lower taxable profit.

**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 December 2018 and 30 September 2018.***

Non-current assets

The Group's non-current assets decreased by S\$0.4 million primarily due to depreciation of property, plant and equipment, and amortisation of intangible assets during the financial period of S\$0.8 million; offset by additions to property, plant and equipment and intangible assets of S\$0.4 million.

The additions to property, plant and equipment and intangible assets during the financial period was attributable to (i) refurbishment, renovation and additions of equipment for existing coffee shops and food stalls; and (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 in more than one year and recoverable upon termination or expiration of the leases, amounting to S\$5.3 million and (ii) the non-current portion of staff loans amounting to S\$0.2 million as at 31 December 2018 (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, details of which can be found in the Company's announcements dated 29 November 2018 and 8 January 2019.

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

## **8. Review of Group's Financial Position (cont'd)**

### Current assets

The Group's current assets increased by \$7.9 million due mainly to increase in cash and cash equivalents of S\$19.4 million and offset by the decrease in trade and other receivables of S\$11.7 million.

The decrease in trade and other receivables was mainly due to the repayment of the consideration receivable arising from the Rescission of S\$12.0 million. Subsequent to 1QFY2019, as disclosed in the Company's announcement dated 8 January 2019, the vendor has repaid the first instalment of S\$1.4 million, which was originally due only by 29 November 2019.

The increase in cash and cash equivalents was mainly due to cash generated from operating activities of S\$20.8 million, offset by net cash used in the purchase of property, plant and equipment and intangible assets of S\$1.4 million.

### Current liabilities

The Group's current liabilities increased by S\$2.3 million mainly attributable to (i) increase in trade and other payables by S\$0.7 million in line with the increase in cost of sales; (ii) increase in other liabilities by S\$0.9 million due to accrual of payroll related expenses and (iii) increase in tax payable by S\$0.7 million.

### Non-current liabilities

The Group's non-current liabilities remained relatively stable at S\$1.9 million as at 31 December 2018 and 30 September 2018.

## **Consolidated Statements of Cash Flows**

### **1Q FY2019 compared to 1Q FY2018**

The Group's net cash generated from operating activities in 1Q FY2019 of S\$20.9 million mainly resulted from (i) operating cash flows before changes in working capital of S\$6.7 million; (ii) net working capital inflows of S\$14.1 million, mainly due to receipt of the repayment of consideration receivable arising from the Rescission of S\$12.0 million and the increase in trade and other payables of S\$1.7 million, and (iii) interest received of S\$0.2 million, offset by income taxes paid of S\$0.1 million.

The Group's net cash flows used in investing activities during 1Q FY2019 was attributable to the additions to property, plant and equipment and intangible assets of S\$1.4 million mainly attributable to refurbishment, renovation and additions of equipment for existing coffee shops and food stalls; and (ii) purchase of motor vehicles and renewal of certificate of entitlement.

The Group's net cash flows used in financing activities of S\$0.1 million during 1Q FY2019 was due to the purchase of treasury shares.

## **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 full year ended 30 September 2018, dated 29 November 2018.

## **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 Group is fully committed to carrying out the various 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 further optimising its central kitchen.

In line with these strategies and as part of efforts to reach a wider consumer segment, the Group opened another Rive Gauche outlet (located at Clifford Centre) in December 2018, bringing its store count for the Japanese-French confectionery brand to 10. This is the first store opened under the Group's management following its acquisition of Rive Gauche in July last year.

As part of efforts to cater to the public's preference for healthier dining options, the Group is developing its own brand of iced Kopi and iced Teh for sale at all its coffee shops. This is expected to be completed by March 2019.

Having successfully pioneered its first innovative coffee shop, located at Bukit Batok, Kimly expects to introduce similar features in a number of other outlets this year. The Bukit Batok outlet is equipped with an automatic conveyor belt tray return system, self-service cashless payment kiosks, and a point-of-sale system that is integrated with enterprise resource planning software to provide real-time information on sales, inventory and customer dining patterns.

With these various initiatives in place, and barring any unforeseen circumstances, the Group expects to 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

Nil

(b) Previous corresponding period (cents)

(Optional) Rate (%)

Nil

(c) The date the dividend is payable

Not applicable

(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.

Not applicable

## 12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

As cash is essential for the Group's plans to strengthen the core business and explore future opportunities, no dividend has been declared or recommended for 1Q FY2019.

## 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 1QFY2019.

## 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	(1,045)	1,955
Headquarters/Central Kitchen upgrading	5,000	(1,692)	3,308
Productivity initiatives/IT	2,000	(1,265)	735
Listing expenses	3,087	(3,087)	-
<b>Total</b>	<b>43,450</b>	<b>(15,337)</b>	<b>28,113</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

## 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-month ended 31 December 2018 to be false or misleading in any material aspect.

## BY ORDER OF THE BOARD

Lim Hee Liat  
Executive Chairman  
12 February 2019

## Kimly achieves S\$5.3 million net profit in 1Q FY2019 on S\$52.6 million revenue

- S\$91.1 million in cash and cash equivalents and no borrowings as at 31 December 2018

S\$'million	1Q FY2019	1Q FY2018	+ / (-) %
Revenue	52.6	50.1	5.0
Gross Profit	10.6	10.2	4.4
Profit Before Tax	6.0	6.8	(10.8)
Profit Attributable to Shareholders	5.3	5.7	(8.2)

**SINGAPORE, 12 February 2019** – Kimly Limited (“**金味有限公司**”) (“**Kimly**” or the “**Company**” and together with its subsidiaries, the “**Group**”) reported today a 5.0% rise in revenue and a net profit of S\$5.3 million for the first quarter of its current financial year.

Revenue for the three months ended 31 December 2018 (“**1Q FY2019**”) came in at S\$52.6 million, up from S\$50.1 million a year earlier (“**1Q FY2018**”), driven by contribution of revenue from *Tonkichi*, a Japanese restaurant chain, and *Rive Gauche*, a Japanese-French confectioner.

Kimly acquired the two food brands in July 2018 as part of ongoing efforts to expand its product offerings and reach a wider consumer segment. It owns three *Tonkichi* outlets and 10 *Rive Gauche* stores, the most recent of the latter opened in December last year.

With the rise in overall revenue, gross profit in 1Q FY2019 increased to S\$10.6 million from \$10.2 million in 1Q FY2018. This was offset, by higher selling, distribution and administrative expenses, resulting in a slight drop in net attributable profit to S\$5.3 million in 1Q FY2019 from S\$5.7 million in 1Q FY2018.



Net cash from operations rose to S\$20.9 million in 1Q FY2019 from S\$7.8 million a year earlier as the Group received S\$12.0 million from the rescission of its acquisition of Asian Story Corporation Pte Ltd. As at 31 December 2018, it had S\$91.1 million in cash and cash equivalents and no borrowings.

The Group is fully committed to carrying out the various 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 further optimising its central kitchen.

As part of efforts to cater to the public's preference for healthier dining options, the Group is developing its own brand of iced Kopi and iced Teh for sale at all its coffee shops. This is expected to be completed by March 2019.

Having successfully pioneered its first innovative coffee shop, located at Bukit Batok, Kimly expects to introduce similar features in a number of other outlets this year. The Bukit Batok outlet is equipped with an automatic conveyor belt tray return system, self-service cashless payment kiosks, and a point-of-sale system that is integrated with enterprise resource planning software to provide real-time information on sales, inventory and customer dining patterns.

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### **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 67 food outlets and 129 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.

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**Issued for and on behalf of Kimly Limited**

***WeR1 Consultants***

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*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 press release 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 press release. This press release has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this press release including the accuracy, completeness or correctness of any of the information, 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](mailto:sponsorship@ppcf.com.sg)).*