

KIMLY LIMITED
(Incorporated in Singapore)
(Company Registration No. 201613903R)

**ENTRY INTO A JOINT VENTURE AGREEMENT TO OPERATE AND MANAGE
SHORT-TERM HDB COFFEE SHOP LEASE**

1. INTRODUCTION

The Board of Directors ("**Board**") of Kimly Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that its wholly-owned subsidiary, Kimly Makan Place Pte. Ltd. ("**KMP**") has, on 24 February 2025, entered into a joint venture agreement ("**JVA**") with 206 Holdings Pte. Ltd. ("**206 Holdings**") in relation to, *inter alia*, the operation and management of the short-term Housing and Development Board ("**HDB**") coffee shop lease of the coffee shop located at Block 206 Toa Payoh North #01-1197 Singapore 310206 ("**Toa Payoh 206 coffee shop**") leased by the joint venture company, 206 Management Food Court Pte. Ltd. ("**JVCO**").

2. INFORMATION ON THE JOINT VENTURE COMPANY AND 206 HOLDINGS

2.1 Information on the JVCO

The JVCO was incorporated on 10 June 2024, having an initial issued share capital of S\$2 comprising of 2 ordinary shares.

The JVCO will be allotting 49,000 ordinary shares to KMP and 50,998 ordinary shares to 206 Holdings, at a consideration of S\$49,000 and S\$50,998 respectively ("**Working Capital Injection**"). Following which, KMP will hold 49% of the shares in the JVCO, whilst 206 Holdings shall hold the remaining 51% of the shares in the JVCO. The total consideration to be paid by KMP for 49% of the shares in the JVCO is S\$49,000.

The lease with HDB for the Toa Payoh 206 coffee shop has been entered by the JVCO, with the JVCO being principally engaged in the business of letting and operating self-owned or leased food courts, coffee shops and eating houses.

2.2 Information on 206 Holdings

206 Holdings is a private company incorporated in Singapore on 28 November 2024 and has an issued and paid-up share capital of S\$2 comprising 2 ordinary shares. The shareholders and directors of 206 Holdings are Mr. Lim Kuong Kwok and Mr. Teo Geok Meng. The principal activity of 206 Holdings is other holding companies. The shareholders of 206 Holdings are Singapore citizen.

Saved as disclosed above, to the best knowledge of the Board, 206 Holdings and its directors and ultimate beneficial shareholders are independent of the Company, its directors, substantial shareholders, and their respective associates. The Board is also not aware of any relationship between the directors of 206 Holdings and the shareholders of the existing JV Partners of the Group (as defined and referred to in the Company's announcements dated 9 September 2020, 29 September 2020, 3 November 2020, 21 January 2021, 29 April 2021 and 30 June 2022).

3. PRINCIPAL TERMS OF THE JVA

- 3.1 Upon completion of the subscription and allotment, KMP shall hold 49,000 ordinary shares representing 49% of the issued share capital of the JVCO.
- 3.2 The Board of Directors of the JVCO will comprise two (2) directors, with one (1) director each being nominated by KMP and 206 Holdings. The chairman of the board of the directors of the JVCO shall be solely appointed by KMP and in the event of an equality of votes at a meeting of the Board, the Chairman shall be entitled to a second or casting vote at any meeting of the Board.
- 3.3 The JVCO will enter into a service agreement with KMP, for which KMP will operate and manage the Toa Payoh 206 coffee shop.

4. RATIONALE FOR THE JOINT VENTURE

- 4.1 The Group's entry into the JVA aligns with its strategy to expand its network of food outlets in Singapore and establish new food outlets and food stalls at suitable strategic locations as they become available. This expansion allows the Group to diversify and grow its revenue through additional and recurrent rental streams, which mitigates the uncertainties in the private leasing category.
- 4.2 The Group aims strengthen its market presence by opening more food stalls under its food retail division, which is complemented by its central kitchen. It will also continue exploring opportunities to acquire and/or operate more strategically-located coffee shops in mature estates with established footfalls.

5. AGGREGATE CONSIDERATION

- 5.1 Apart from the Working Capital Injection detailed in paragraph 2.1 above and in consideration for 206 Holdings granting KMP the right to operate and manage the Lease, KMP has also paid to 206 Holdings a one-off lease assignment fee ("**Lease Assignment Fee**") as illustrated in the table below. The Lease Assignment Fee was arrived at on a willing buyer-willing seller basis, taking into various factors such as the market rent for comparable leases based on location, size and current rent paid.
- 5.2 The aggregate consideration payable by KMP for the 49% interest in the issued share capital of the JVCO ("**Capital Injection**") and the Lease Assignment Fee is S\$784,000, comprising of the following:

Joint Venture Company	Address of Coffee Shop	Capital Injection (S\$)	Lease Assignment Fee (S\$)
206 Management Food Court Pte. Ltd.	Blk 206 Toa Payoh North #01-1197 Singapore 310206	49,000	735,000
Total		784,000	

The aggregate consideration of S\$784,000 has been wholly satisfied in cash by way of utilising internal resources of the Group.

6. CHAPTER 10 OF THE CATALIST RULES

All relative figures of the abovementioned joint venture computed pursuant to Rule 1006 of the Catalist Rules of the Singapore Exchange Trading Limited ("**Catalist Rules**"), based on the Company's latest announced consolidated results is less than 5%. Accordingly, this Announcement is released by the Company on a voluntary basis and the disclosures are referenced from the disclosure requirements of a non-discloseable transaction under Chapter 10 of the Catalist Rules.

7. FINANCIAL IMPACT

The entry into the JVA is not expected to have any material impact on earnings per share or net tangible assets per share of the Group for the financial year ending 30 September 2025.

8. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST

Save as disclosed herein, none of the directors and substantial shareholders of the Company have any interest, direct or indirect, in the JVA other than through their respective directorships and shareholdings in the JVCO.

9. DOCUMENTS FOR INSPECTION

Copies of the JVA entered into by KMP with 206 Holdings, the corresponding share allotment instrument and the Service Agreement entered into by KMP with the JVCO are available for inspection during normal business hours at the Company's registered office at 13 Woodlands Link, Singapore 738725 for a period of three (3) months from the date of this Announcement.

By order of the Board

Hoon Chi Tern
Company Secretary
24 February 2025

*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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