

SGX-Listed Kimly To Acquire First Coffeeshop Property at Teck Whye for S\$14.0 Million

SINGAPORE, 24 September 2019 – SGX Catalist-listed Kimly Limited (“金味有限公司”) (“Kimly” or the “Company” and together with its subsidiaries, the “Group”) announced today that it intends to acquire its first coffeeshop property in northwest Singapore for S\$14.0 million.

The Transaction

Jin Wei Food Holdings Pte. Ltd., a wholly-owned subsidiary of Kimly, has acquired 100% of the shares of Teck Whye 143 Food House Pte. Ltd. (“TW143”) for S\$10,000 in cash. TW143 had on 3 January 2019 exercised an option to purchase the coffeeshop property at 143 Teck Whye Lane #01-243 Singapore 680143 (the “Property”) for a consideration of S\$14.0 million and acquisition of the Property by TW143 is expected to be completed on or around 1 November 2019.

The Property has a 93-year leasehold title which commenced 1 July 1992. The acquisition, the first by Kimly will be paid in cash and will be funded through the Group’s internal resources and external financing. The Property has been independently assessed at S\$14.0m million by Jones Lang LaSalle.

The Property has a strata floor area of 224 sqm and is a coffeeshop with seven stalls (including the drinks stall), two kiosks and an outdoor refreshment area (“TW143 Coffeeshop”). It is easily accessible, with ample parking facilities and is in close proximity to the Keat Hong, Tech Whye and Phoenix LRT stations. It is part of a cluster of shops, supermarkets and eating houses which form the core of the surrounding HDB estates to serve the daily needs of residents.

Upon the completion of the acquisition of the Property, the Group will operate and manage the TW143 Coffeeshop and will also operate mixed vegetable rice, dim sum and drinks stalls located in the TW143 Coffeeshop.

Rationale For The Acquisition

The acquisition is in line with the Group's strategy to expand its business to further expand our network of food outlets in Singapore and to establish new food outlets and food stalls as and when suitable strategic locations become available. The acquisition is also part of the Group's efforts in recalibrating its strategy to explore opportunities to have direct ownership in the properties where the food outlets operated and managed by the Group are located so as to enhance long term shareholder value by operating as well as owning such coffeeshop properties.

By leveraging on its current healthy cash balance, Kimly is able to pay a higher upfront amount, hence lowering the monthly repayment and interest expense.

It will enlarge the Singapore coffeeshop footprint from 67 to 70 for Kimly, which in July 2019 secured three locations offered under the new HDB price-quality method (PQM) tender system that evaluates the quality of the proposal – such as affordability of the food options – in addition to price. The first PQM coffeeshop will open by 1Q FY2020.

The Directors of Kimly said: "The Group plans to look for opportunities to acquire and operate more strategically-located coffeeshops in mature estates with established footfalls. This strategy will enable the Group to mitigate uncertainty surrounding its private leases, which can be influenced by expectations from owners and market competition," the Directors said.

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About Kimly Limited

Kimly Limited (“金味有限公司”) is one of the largest traditional coffeeshop 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 coffeeshops 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

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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.

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