

Kimly acquires portfolio of food outlet properties for S\$55.815 million

- The food outlet properties comprise 4 HDB coffeeshops, 3 industrial canteens and 1 restaurant unit
- Good locations within mature HDB heartland estates and populated industrial areas that is near to residential areas
- In line with the Group's strategy to have direct ownership in properties where Kimly operates and manages food outlets, so as to enhance long term shareholder value

SINGAPORE, 21 February 2020 – SGX Catalist-listed Kimly Limited (“金味有限公司”) (“**Kimly**” and together with its subsidiaries, “**Group**”) is pleased to announce that its wholly-owned subsidiary, Jin Wei Food Holdings Pte. Ltd., (“**Jin Wei**”) has today entered into definitive agreements to acquire a S\$55.815 million portfolio of food outlet properties, comprising 4 coffeeshops, 3 industrial canteen units and a restaurant unit.

The food outlet properties are found in good locations, either within mature HDB heartland estates or in mature and populated industrial areas which are in close proximity to residential areas.

The acquisition is in line with Kimly's strategy to expand the Group's network of food outlets in Singapore and to establish new food outlets and food stalls as and when suitable strategic locations become available. It is also part of the Group's ongoing endeavours to pursue long-term direct ownership in the properties where the food outlets operated and managed by the Group are located.

The Group continues to distinguish itself from its competitors by having better control over its business processes and its involvement in various aspects of the supply. Besides managing food outlets, the Group is also able to operate its own food stalls and supply the food stalls with semi and/or finished food products from its newly expanded central kitchen. By operating more food stalls at newly acquired properties, the Group creates additional multiple revenue streams.

The Group further recognises that the supply of long-term leasehold coffeeshop properties for sale or lease has become increasingly limited. Coffeeshop properties with strategic locations and large footfalls are particularly in demand. Through the acquisition, the Group secures its long term right-of-use of these properties to expand and grow its network of food outlets, and will continue to acquire and/or operate more strategically-located food outlets in mature estates with established footfalls.

HDB Coffeeshops

	Blk 7 Everton Park	Blk 246 Hougang Street 22	Blk 380 Clementi Avenue 5	Blk 347 Ang Mo Kio Avenue 3
Tenure	84 years leasehold commencing from 1 Jan 1995	88 years leasehold commencing from 1 April 1995	86 years leasehold commencing from 1 October 1993	81 years leasehold commencing from 1 March 1996
Floor area (sq m)	381	394	383	330
Details	Prominent developments in the immediate vicinity include Spottiswoode Residences, Spottiswoode Suites, Spottiswoode 18, Sky Everton (under construction), Police Cantonment Complex and Singapore General Hospital.	Prominent developments in the vicinity include Kovan Grandeur, Fortune Park, Prime Building and Jack's Place Building.	It is located near to HDB flats. It is within walking distance from Clementi MRT station.	Prominent developments in the vicinity include AMK Hub, Ang Mo Kio Community Library, Ang Mo Kio Interchange/New Town and 51 @ AMK. Ang Mo Kio MRT station and bus interchange are about 350 meters away.

Industrial Canteens and Restaurant Unit

	38 Jln Pemimpin #01-03	38 Jln Pemimpin #01-04	28 Senang Crescent
Description	A restaurant unit	A canteen unit	Two canteen units
Tenure	Freehold		
Floor area (sq m)	231	456	357
Details	Surrounded by industrial, conventional housing and residential developments. Prominent developments within the vicinity include Tat Ann Building, Mapex, Tai Lee Industrial Building and Jadescape (under construction). It is about 300 meters proximity of Marymount Station.		Surrounded by industrial buildings, HDB flats, apartment/condominium developments and conventional housing. Prominent developments within the vicinity include Boxpark @ Chai Chee, Lock+Store Chai Chee and Vacanza @ East.

The total consideration of S\$55.815 million will be satisfied partly in cash of S\$45.815 million by utilising internal resources of the Group (including net proceeds from its IPO) and S\$19.815 million through external financing. The balance will be satisfied through issuance of 40 million new shares at the issue price of S\$0.25 per share, representing a premium of 8.7% to the volume weighted average price of S\$0.23 for the full market day on 20 February 2020.

The Directors of the Group added, **“We will ride on our momentum and continue to explore acquisition opportunities in the local market to expand and grow our network of food outlets, with a view to enhancing our profitability and growth proposition, as well as building a long term resilient business. We are committed to creating value for our shareholders and stakeholders.”**

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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 29 years of experience. The Group operates and manages an extensive network of 72 food outlets and 135 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.

Its Food Retail Division comprises Mixed Vegetable Rice, Teochew Porridge, Dim Sum, Seafood “Zi Char” food stalls and 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.

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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