

# KIMLY LIMITED

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

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## COMPLETION OF ACQUISITION OF SIX FOOD OUTLET PROPERTIES

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### 1. INTRODUCTION

The Board of Directors ("**Board**") of Kimly Limited ("**Company**") and together with its subsidiaries, "**Group**") refers to the Company's announcement made on 21 February 2020 and 23 March 2020 ("**Previous Announcements**") in relation to the definitive agreements entered into by its wholly-owned subsidiary, Jin Wei Food Holdings Pte. Ltd. ("**Jin Wei**") for the proposed acquisition of interests in a portfolio of Properties, comprising coffeeshop leases, coffeeshop units and industrial canteen units.

*All capitalised terms used herein, unless otherwise defined, shall have the meanings ascribed to them in the Previous Announcements.*

### 2. COMPLETION OF ACQUISITION OF SIX FOOD OUTLET PROPERTIES

The Board is pleased to announce that following the satisfaction of the relevant conditions precedent under the terms of the respective agreements, the Group has today completed the acquisition of the six Properties after the delay caused by COVID-19 disruption, namely:

- (a) 100% of the issued and fully-paid up ordinary shares in the share capital of Wei Sheng ("**SPA 1**"), which holds the following properties:
  - (i) long-term leasehold coffeeshop property located at Block 7 Everton Park, #01-01, Singapore 080007; and
  - (ii) long-term leasehold coffeeshop property located at Block 246 Hougang Street 22, #01-161, Singapore 530246;
- (b) 100% of the issued and fully-paid up ordinary shares in the share capital of Din Yun ("**SPA 2**"), which holds the freehold restaurant property located at 38 Jalan Pemimpin, #01-03 M38, Singapore 577178;
- (c) freehold industrial canteen property located at 38 Jalan Pemimpin, #01-04 M38, Singapore 577178 from YLH Trading ("**SPA 3**"); and
- (d) two freehold industrial canteen properties located at 28 Senang Crescent, #02-11/12 Bizhub 28, Singapore 416601 from YLH Trading ("**SPA 4**"),

("Phase One Acquisitions").

Shareholders may refer to the Previous Announcements for salient information on the Properties.

Following completion, Wei Sheng and Din Yun have become wholly-owned subsidiaries of the Company.

### 3. PAYMENT OF CONSIDERATION AND ISSUE OF CONSIDERATION SHARES

- 3.1. Pursuant to completion of the Phase One Acquisitions, the aggregate purchase consideration of S\$35,500,000 was paid by Jin Wei to the relevant Vendors (including set-off of a deposit amount of S\$1,350,000 which had been previously paid):

Phase One Acquisitions	Purchase Consideration	Satisfied by	
		Cash <sup>(1)</sup>	Allotment and issuance of Consideration Shares
	S\$	S\$	S\$
SPA 1	19,500,000	14,000,000	5,500,000 <sup>(2)</sup>
SPA 2	2,500,000	2,500,000	–
SPA 3	9,000,000	9,000,000	–
SPA 4	4,500,000	4,500,000	–
	<b>35,500,000</b>	<b>30,000,000</b>	<b>5,500,000</b>

**Notes:**

- (1) Comprising internal resources of the Group (including the net proceeds from the IPO of the Company) amounting to S\$17,100,000 and external financing of S\$12,900,000.
- (2) Allotment and issuance of 22,000,000 Consideration Shares at the Issue Price of S\$0.25 per Consideration Share.
- 3.2. The Consideration Shares will rank *pari passu* in all respects with the existing ordinary shares in the capital of the Company ("**Shares**").
- 3.3. The LQN in respect of the Consideration Shares had been received by the Company on 23 March 2020. The LQN is not an indication of the merits of the Consideration Shares, the Proposed Acquisitions, the Company, its subsidiaries and their securities.
- 3.4. Following the allotment and issuance of the 22,000,000 Consideration Shares, the total number of Shares in issue has increased from 1,148,442,932 Shares to 1,170,442,932 Shares (excluding treasury shares and subsidiary holdings). The 22,000,000 Consideration Shares represent approximately 1.88% of the enlarged issued and paid-up share capital of the Company.
- 3.5. The 22,000,000 Consideration Shares are expected to be listed and quoted on the Catalist of the SGX-ST with effect from 9.00 a.m. on 5 June 2020.

#### 4. USE OF IPO PROCEEDS

As at the date of this announcement, the use of the net proceeds from the IPO of the Company and the expected balance of net proceeds post-completion of the Phase One Acquisitions is as follows:

	Amount allocated as stated in the offer document S\$'000	Amount utilised S\$'000	Balance of net proceeds S\$'000
Acquisitions and joint ventures and general business expansion (including establishment of new food outlets)	30,363	(27,763)*	2,600
Balance Consideration arising from the Rescission <sup>^</sup>	–	(2,600)	(2,600)
Refurbishment and renovation of existing food outlets	3,000	(1,899)	1,101
Headquarters/Central Kitchen upgrading	5,000	(2,151)	2,849
Productivity initiatives/IT	2,000	(1,544)	456
Listing expenses	3,087	(3,087)	–
<b>Total</b>	<b>43,450</b>	<b>(39,044)</b>	<b>4,406</b>

\* The Group has utilised approximately S\$7,101,000 (including the deposit of S\$1,350,000) from the net proceeds from IPO for Phase One Acquisitions.

<sup>^</sup> 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 Company has substituted its security over the Share Charge and Assignment in respect of the balance amount of S\$2.6 million over certain quoted equity securities ("**Securities**") held by the vendor aggregating to S\$1.7 million based on quoted prices as at 1 June 2020. The Company has also received \$98,000 of dividend income from the Securities as at 1 June 2020.

The above utilisations are in accordance with the intended use of the net proceeds from the IPO, as stated in the offer document in respect of the IPO of the Company.

#### 5. ACQUISITION OF REMAINING TWO FOOD OUTLET PROPERTIES

##### 5.1. Completion of acquisition of the remaining two Properties:

- (a) long term leasehold coffeeshop property located at Block 380 Clementi Avenue 5, #01-376, Singapore 120380; and
- (b) long term leasehold coffeeshop property located at Block 347 Ang Mo Kio Avenue 3, #01-2150, Singapore 560347,

will take place at a later date to be announced, after receipt of requisite approvals and/or permissions from the Housing and Development Board which has been delayed by COVID-19 disruption ("**Phase Two Acquisitions**").

- 5.2. The aggregate consideration payable by Jin Wei for the Phase Two Acquisitions will be S\$20,315,000 (including the set-off of a deposit amount of S\$2,031,500 which has been paid), to be satisfied as follows:
- (a) S\$15,815,000 will be satisfied in cash (utilising internal resources of the Group, and S\$6,915,000 through external financing); and
  - (b) S\$4,500,000 will be satisfied through the allotment and issuance of 18,000,000 Consideration Shares at the Issue Price of S\$0.25 per Consideration Share.
- 5.3. Further announcements will be made in compliance with the Catalist Rules upon completion of the Phase Two Acquisitions and/or where there are material developments.

BY ORDER OF THE BOARD

**Hoon Chi Tern**  
Company Secretary

3 June 2020

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This announcement 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 announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the 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 E-mail: sponsorship@ppcf.com.sg).