

**EXERCISE OF OPTION TO PURCHASE THE COFFEE SHOP PROPERTY AT
110 YISHUN RING ROAD #01-401 SINGAPORE 760110**

1. INTRODUCTION

The Board of Directors ("**Board**") of Kimly Limited ("**Company**") and together with its subsidiaries, ("**Group**") wishes to announce that the Company's wholly-owned subsidiary, Choh Dee (Y110) Food House Pte. Ltd. ("**Choh Dee (Y110)**") has, on the date of this announcement, exercised the option ("**Option**") to purchase the coffee shop property ("**Coffee Shop Property**") at 110 Yishun Ring Road #01-401 Singapore 760110 ("**Proposed Acquisition**") from Chan Siew Wah, Chan Chee Wah (in his personal capacity and in his capacity as administrator of the Estate of Chow Poh Kheng and as executor of the Estate of Chan Ngoh Koon) and Chue Fong Oi (in her capacity as administratrix of the Estate of Chan Choong Wah) ("**Vendors**") for a purchase consideration of S\$11.0 million ("**Purchase Consideration**").

The Vendors are Singaporean, independent and unrelated third parties to the Company, its directors and controlling shareholders or their respective associates.

2. DESCRIPTION AND RATIONALE FOR THE PROPOSED ACQUISITION

A summary of salient information on the Coffee Shop Property is set out below:

| | |
|--------------------------|--|
| <i>Type of Property</i> | : A 2-storey HDB shophouse unit comprising a coffee shop on level 1 and a 3-room HDB flat on level 2 |
| <i>Age</i> | : Approximately 31 years |
| <i>Legal Description</i> | : Lot No. U48605W of Mukim 19 |
| <i>Strata Floor Area</i> | : 358.0 sqm |
| <i>Tenure</i> | : 91 years leasehold commencing from 1 January 1994 |

The Proposed Acquisition aligns with the Group's strategy to expand its network of food outlets in Singapore and establish new food outlets and food stalls at strategically suitable locations. Leveraging its central kitchen, the Group aims to strengthen its market presence by opening more food stalls under its food retail division, and will continue to seek opportunities to acquire and/or operate more strategically-located coffee shops in mature estates with established foot traffic.

3. PURCHASE CONSIDERATION

The Purchase Consideration was arrived at on a willing buyer, willing seller basis, taking into consideration, *inter alia*, the current market valuation of the Coffee shop Property, and the rationale for the Proposed Acquisition as described in paragraph 2 above.

A total deposit of S\$1.1 million, representing 10% of the Purchase Consideration, was paid upon the exercise of the Option, of which \$110,000 has been paid to the Vendors and the remaining \$990,000 was paid to the Vendor's solicitors to be held by the Vendors' solicitor, as stakeholder pending completion of the Proposed Acquisition ("**Completion**"). The remaining 90% of the Purchase Consideration is payable to the Vendor on Completion.

The book value of the Coffee Shop Property is S\$11.76 million, comprising the Purchase Consideration and a stamp duty of S\$0.76 million. The Purchase Consideration will be satisfied by way of cash, comprising S\$5.0 million through external financing and the balance with the Company's internal resources.

The market value of the Coffee Shop Property, based on the independent valuation report of GB Global Pte Ltd, dated 16 May 2025 ("**Valuation Report**") as commissioned by the Company was S\$11.8 million. The valuation was determined using two methods, the direct comparison method and income capitalisation method, each weighted equally at 50%.

The direct comparison method involved comparing transactions of comparable properties, with adjustments being made for differences in terms of location, tenure, size, age and building condition, standard of finishes, transaction dates and the prevailing market conditions, amongst other factors affecting the value. The valuation using the income capitalisation method was based on the property's estimated annual market rent, deducting property taxes and other expenses. This net income was then capitalised over the remaining lease term at an appropriate rate to determine the property's capital value. The chosen capitalisation rate reflects the property's nature, location, tenure, tenancy profile, and current market conditions.

4. SALIENT TERMS OF OPTION

The Proposed Acquisition is subject to, *inter alia*, the following salient terms ("**Salient Terms**"):

- (a) the Coffee Shop Property is being sold on an "as is, where is" basis with vacant possession upon Completion; and
- (b) in-principal written approval of Housing Development Board (the "**HDB**") for the Proposed Acquisition (the "**HDB Approval**"), being obtained by the date falling twelve (12) weeks from the exercise date of the Option.

5. COMPLETION

Subject to the fulfilment and satisfaction of the Salient Terms, and with the payment of the balance Purchase Consideration, the Completion is expected to take place six (6) weeks from the date of HDB Approval, or on such other date as the parties may mutually agree.

6. RELATIVE FIGURES ON THE BASES SET OUT IN RULE 1006 OF THE CATALIST RULES

The relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of Section B of the Listing Manual of the SGX-ST: Rules of Catalist ("**Catalist Rules**") are as follows:

| Rule 1006 | Bases | Relative Figure (%) |
|-----------|--|--|
| (a) | The net asset value of the assets to be disposed of, compared with the group's net asset value. The basis is not applicable to an acquisition of assets. | Not applicable as the Proposed Acquisition is not a disposal. |
| (b) | The net profits attributable to the assets acquired or disposed of, compared with the group's net profits. | No profit is attributable to the properties to be acquired in the Proposed Acquisition as it relates to an asset purchase. |
| (c) | The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares. | 6.46% ⁽¹⁾ |

| | | |
|-----|--|---|
| (d) | The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue. | Not applicable. |
| (e) | The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. The basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such asset. | Not applicable as the Proposed Acquisition is not mineral, oil nor gas related. |

Note:

(1) For completeness, the consideration has been aggregated with the previous acquisition which has taken place within the last twelve months for the purpose of Catalyst Rule 1005. Accordingly, the consideration of S\$25.8 million used in the computation comprises: (a) purchase consideration of S\$11.76 million (including stamp duty) for the Proposed Acquisition; and (b) purchase consideration of S\$14.04 million (including stamp duty) for the proposed acquisition of coffee shop property at Block 204 Serangoon Central #01-104 Singapore 550204, please refer to the Company's announcements dated 10 June 2024 and 11 March 2025 for further details.

The Company's market capitalisation was approximately S\$399,649,922, determined by multiplying the 1,243,465,844 shares in issue (excluding treasury shares) by the volume weighted average price of S\$0.3214 per share on 21 May 2025 (being the last trading day prior to the date of signing of Option).

Following the receipt of shareholders' approval for proposed diversification of the Group to include outlet investment business, which includes investments in properties (freehold or leasehold) for rental income and/or capital growth on 21 January 2020, the Proposed Acquisition is deemed to be in the Group's ordinary course of business, and therefore do not fall under the definition of a "transaction" under Chapter 10 of the Catalyst Rules. However, when the Group enters into its first major transaction as defined under Rule 1014 of the Catalyst Rules involving the outlet investment business, or where any of the Catalyst Rule 1006 figures in respect of several transactions are aggregated over the course of a financial year exceeds 75.0%, such first major transaction or the last of such aggregated transactions will be made conditional upon approval of the shareholders of the Company.

As the relative figures computed on the basis set out in Rule 1006 do not, in aggregate, exceed 75.0%, no shareholders' approval is required for the Proposed Acquisition. Accordingly, this announcement is released by the Company on a voluntary basis and the disclosures are referenced from the disclosure requirements of a "disclosable transaction" as set out under Chapter 10 of the Catalyst Rules.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors, controlling or substantial shareholders of the Company have any interest, direct or indirect, in the Proposed Acquisition.

8. FINANCIAL IMPACT

The pro forma financial effects are presented for illustration purposes only and are not intended to reflect the actual future financial situation of the Group after the completion of the Proposed Acquisition. The pro forma financial effects below were prepared based on the audited financial statements of the Group for FY2024.

8.1 Net Asset Value ("NAV")

Assuming the Proposed Acquisition had been completed or had taken place as at 30 September 2024, the pro forma NAV of the Group would have been as follows:

| | Before Proposed Acquisition | After Proposed Acquisition |
|--|-----------------------------|----------------------------|
| NAV (S\$'000) | 183,258 | 183,258 |
| Number of Shares ('000) | 1,243,770 | 1,243,770 |
| NAV per Share (Singapore cents) | 14.73 | 14.73 |

8.2 Net Tangible Assets ("NTA")

Assuming the Proposed Acquisition had been completed or had taken place as at 30 September 2024, the pro forma NTA of the Group would have been as follows:

| | Before Proposed Acquisition | After Proposed Acquisition |
|--|-----------------------------|----------------------------|
| NTA (S\$'000) | 131,409 | 131,409 |
| Number of Shares ('000) | 1,243,770 | 1,243,770 |
| NTA per Share (Singapore cents) | 10.57 | 10.57 |

8.3 Earnings per Share ("EPS")

Assuming the Proposed Acquisition had been effected on 1 October 2023, the pro forma EPS of the Group for FY2024 would have been as follows:

| | Before Proposed Acquisition | After Proposed Acquisition ⁽¹⁾ |
|--|-----------------------------|---|
| Profit after tax attributable to Shareholders (S\$'000) | 33,120 | 33,012 |
| Weighted average number of Shares ('000) | 1,241,382 | 1,241,382 |
| EPS per Share (Singapore cents) | 2.67 | 2.66 |

Note:

- (1) The pro forma financial effects are based on assumed depreciation charges, property tax and interest costs on the bank loan obtained by the Group to finance the Proposed Acquisition, offset against the aggregated profit attributable to the rental income from the Coffee Shop Property, based on the last rental amount collected prior to its vacancy.

9. DOCUMENTS FOR INSPECTION

A copy of the Option and Valuation Report will be made 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
22 May 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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