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

EXERCISE OF OPTION TO PURCHASE THE COFFEESHOP PROPERTY AT BLOCK 204 SERANGOON CENTRAL #01-104 SINGAPORE 550204

---

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 (S204) Food House Pte. Ltd. ("**Choh Dee (S204)**") has exercised the option (the "**Option**") to purchase the coffeeshop property (the "**Coffeeshop Property**") located at Block 204 Serangoon Central #01-104 Singapore 550204 (the "**Proposed Acquisition**") from Lee Quan Enterprises Pte. Ltd. (the "**Vendor**") for a purchase consideration of S$13.15 million (the "**Purchase Consideration**").

The Vendor is a private company incorporated in Singapore on 2 July 2010 and has an issued and paid-up share capital of S$100,000 comprising 100,000 ordinary shares. The Vendor and its associates are independent and unrelated third parties to the Company, its directors and controlling shareholders or their respective associates. The principal activity of the Vendor is other holding company.

2. DESCRIPTION AND RATIONALE FOR THE PROPOSED ACQUISITION

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

Type of Property	:	*A 2-storey HDB shophouse unit comprising a coffeeshop on level 1 and a 3-room HDB flat on level 2*
Age	:	*Approximately 30 years*
Legal Description	:	*Lot U46432W Mukim 17*
Strata Floor Area	:	*358.0 sqm*
Tenure	:	*90 years leasehold commencing from 1 October 1994*

The Proposed Acquisition is in line with the Group's strategy to expand its network of food outlets in Singapore and to establish new food outlets and food stalls as and when suitable strategic locations become available. The Group expects to strengthen its presence in the market by opening more food stalls under its food retail division, which is complemented by its central kitchen, and will continue to explore opportunities to acquire and/or operate more strategically-located coffeeshops in mature estates with established footfalls.

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 Coffeeshop Property, and the rationale for the Proposed Acquisition as described in paragraph 2 above.

A deposit of S$657,500, representing 5% of the Purchase Consideration, was paid upon the signing of the Option, to the Vendor's solicitors to be held by the Vendor's solicitor, as stakeholder pending completion of the Proposed Acquisition ("**Completion**"). The remaining 95% of the Purchase Consideration is payable to the Vendor on Completion.

The book value of the Coffeeshop Property is S$14.04 million, which includes a stamp duty of S$0.89 million. The Purchase Consideration will be satisfied by way of cash and funded by the Company's internal resources.

The market value of the Coffeeshop Property, based on the independent valuation report of GB Global Pte Ltd, dated 7 June 2024 ("**Valuation Report**") as commissioned by the Company was S$13.7 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 Coffeeshop Property is being sold with a condition of tenancy ending on 31 August 2025, which will be transferred upon Completion; and

(b) written approval of HDB and, where required by HDB, the relevant authorities, for the Proposed Acquisition (the "**HDB Approval**").

If the HDB Approval is not obtained by 10 September 2024, the Vendor or Choh Dee (S204) shall be given option to rescind by giving the other party 7 days notice, and all monies paid by Choh Dee (S204) to the Vendor shall be refunded to Choh Dee (S204) without any interest or deductions and neither party thereto shall have any further claims or demand against the other, each party bearing its own legal costs and expenses.

5. COMPLETION

Subject to the fulfilment and satisfaction of the Salient Terms, the Completion is expected to take place on or around 10 December 2024 or the date four weeks after the HDB unconditional approval has been granted for the sale and purchase of the Coffeeshop Property, whichever is the later.

6. NON-DISCLOSABLE TRANSACTION

The relative figures computed on the bases set out in Rule 1006 of the Catalist Rules for the Proposed Acquisition does not exceed 5%. Accordingly, the Proposed Acquisition constitutes a non-disclosable transaction under Chapter 10 of the Catalist 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 Proposed Acquisition is not expected to have any significant impact on the Group's financial performance for the current financial year.

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 months from the date of this announcement.

BY ORDER OF THE BOARD

Hoon Chi Tern
Company Secretary
10 June 2024

---

*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.*

The contact person for the Sponsor is Ms. Ng Shi Qing, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.