

Kimly completes acquisitions of six food outlet properties for S\$35.5 million

- The Group has increased its number of food outlets and food stalls from 64 to 79 and from 121 to 137 respectively since IPO
- Consumers' preference post COVID-19 for more economical food options in coffeeshops and increase in demand for online food deliveries will benefit the Group
- In line with the Group's strategy to pursue long-term direct ownership in properties where the Group operates and manages food outlets, so as to enhance long term shareholder value

SINGAPORE, 3 June 2020 – SGX Catalist-listed Kimly Limited (“金味有限公司”) (“**Kimly**” or the “**Company**” and together with its subsidiaries, the “**Group**”) is pleased to announce that it has completed the acquisitions of six food outlets first announced on 21 February 2020 for S\$35.5 million, comprising 2 coffeeshops, 3 industrial canteen units and a restaurant unit.

Completion of the acquisitions of the remaining 2 coffeeshops located at Block 380 Clementi Avenue 5 and Block 347 Ang Mo Kio Avenue 3 for a total consideration of S\$20.315 million will only take place at a later date once the requisite approvals and/or permissions have been obtained from the HDB, which have been delayed due to COVID-19 disruption.

Part of the total consideration of S\$35.5 million has been satisfied through issuance of 22 million new shares at the issue price of S\$0.25 per share, representing a substantial premium of close to 15.9% to the volume weighted average price of S\$0.2102 for the full market day on 2 June 2020.

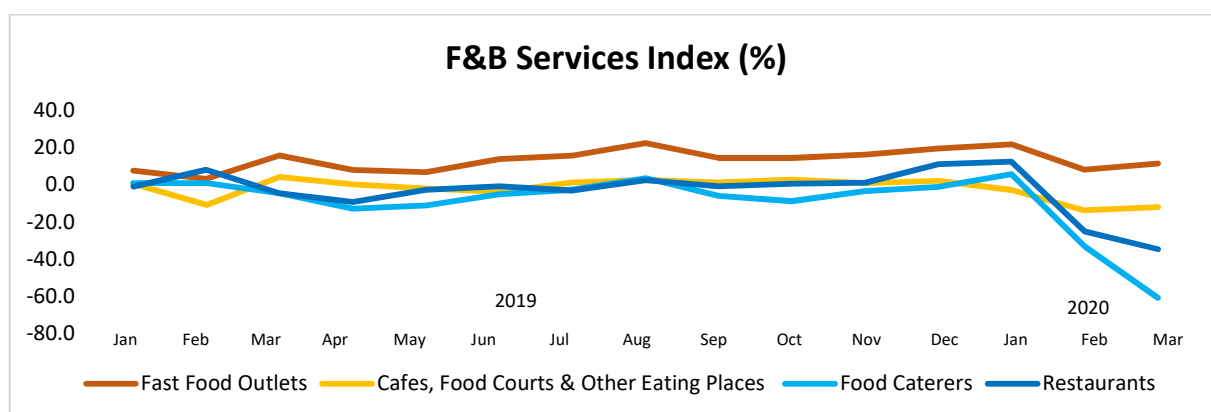
Most of these acquired properties will progressively undergo asset enhancement initiatives (“AEI”) such as layout improvements, increase of seating capacities, introducing new and exciting food concepts, aimed at retaining current food stall operators, attracting new food stall tenants as well as better serving our customers. With the completion, the Group's total number of food outlets will increase from 73 to 79, complemented by an additional 4 drink stalls and 3 food stalls.

	IPO	Pre-Completion	Post-Completion	Change
Food outlets	64	73	79	23.4%
Food stalls	121	134	137	13.2%

The Group has been extending its network of food outlets in strategic locations. Since IPO, the Group has increased its number of food outlets and food stalls by 23.4% and 13.2% respectively.

Besides revenue contribution from managing the food outlets and operating the Group's self-operated food stalls, being the Mixed Vegetable Rice, Dim Sum and Drinks stalls, the Group will also be able to create additional multiple revenue streams by operating more food stalls at these newly acquired food outlets. The newly acquired food outlets will also increase the Group's outreach in both online and offline channels, thus further expanding the Group's reach in strategic locations and areas where the Group does not have a presence.

The Directors of the Group added, **"We continue to look for opportunities to acquire and operate more strategically-located food outlets with the view of enhancing long-term shareholder value and the Group's profitability. Moving ahead, we remain committed to our strategy to pursue long-term direct ownership in properties where the Group operates and manages food outlets to further extend our presence across the heartlands of Singapore."**



Source: Department of Statistics Singapore¹

Significantly, the outbreak of COVID-19 has changed the landscape of the food and beverage

¹ Department of Statistics Singapore, Food & Beverage Services Index, (2017 = 100), In Chained Volume Terms, (SSIC 2015 Version 2018), Monthly
<https://www.singstat.gov.sg/find-data/search-by-theme/industry/services/latest-data>

industry where people are generally more cost-conscious arising from the negative economic impact. According to the Department of Statistics of Singapore, turnover of restaurants fell 30.1% in March 2020 year-on-year (“yoy”) while the sales of cafes, food courts and other eating places in comparison dropped 14.5% yoy during the same period². Online food and beverages sales made up of about 15.6% of the total sales value of food and beverages sales in March 2020, representing a rise of 7.5 basis points as compared to March 2019³. The Group could benefit as consumers continue to prefer more economical food options in coffeeshops and also opt for more online food deliveries.

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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 79 food outlets and 137 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 and 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

² Department of Statistics Singapore, <https://www.singstat.gov.sg/-/media/files/news/mrsmar2020.pdf>

³ Department of Statistics Singapore,

<https://www.tablebuilder.singstat.gov.sg/publicfacing/createDataTable.action?refId=17043>

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.

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