

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

MATERIAL RECLASSIFICATION PURSUANT TO RULE 704(5)

The Board of Directors ("**Board**") of Kimly Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refer to the announcement made on 27 November 2023 via SGXNet relating to the Unaudited Consolidated Financial Statements for the full year ended 30 September 2023 (the "**FY2023 Unaudited Financial Statements**").

Pursuant to Rule 704(5) of the Catalist Listing Rules, the Board wishes to announce and clarify that subsequent to the release of the FY2023 Unaudited Financial Statements and finalisation of the audit, the external auditor has proposed a reclassification between operating and investing activities in the consolidated statement of cash flows, which the management of the Company has adopted accordingly. The details of the reclassification are shown below:

<u>Consolidated Cash Flows Statement (extract)</u>	Audited S\$'000	Unaudited S\$'000	Variance S\$'000
Cash flows from operating activities			
<u>Changes in working capital</u>			
Decrease in trade and other payables	(208)	(5,702)	5,494
Net cash flows generated from operating activities	88,336	82,842	5,494

Cash flows from investing activities			
Repayment of Earn-out Consideration and purchase consideration adjustment	(5,494)	–	(5,494)
Net cash flows used in investing activities	(6,347)	(853)	(5,494)

The reclassification pertains to the repayment of Earn-out Consideration and purchase consideration adjustment of S\$5.5 million in accordance with Acquisition Agreement¹ from cash flows from operating activities to cash flows from investing activities. There is no change in the net increase in cash and cash equivalents.

For information only, the disclosure of this repayment was included in the FY2023 Unaudited Consolidated Financial Statements, under the section "Review of Performance of the Group, Unaudited Consolidated Balance Sheet – Current Liabilities" on page 23, as extracted below.

Current liabilities

The Group's current liabilities decreased by S\$6.3 million from S\$96.1 million as at 30 September 2022 to S\$89.8 million as at 30 September 2023. The decrease was mainly due to (i) *payment of Contingent Liability relating to Earn-out consideration and adjustment in accordance with Acquisition Agreement*

¹ Please refer to the Company's announcements made on 11 May 2021, 9 September 2021 and 1 October 2021 in relation to the Proposed Acquisition of a 75% stake in the Tenderfresh Business, comprising central kitchens, restaurants, kiosks, food stalls, plant and equipment, trademarks and customer relationships, for an aggregate Purchase Consideration of S\$54.0 million.

relating to the net assets of Tenderfresh Group on acquisition date not included in the purchase consideration of S\$5.5 million; (ii) decrease in lease liabilities (current) of S\$1.7 million; (iii) decrease in liabilities directly associated with assets held for sale of S\$1.5 million following the completion of the disposal of the Confectionary Business; and (iv) decrease in interest-bearing loan and borrowings of S\$0.4 million. The decrease was offset by (i) increase in other liabilities of S\$1.1 million due mainly to increase in accruals of payroll related expenses; (ii) increase in provision for taxation of S\$0.8 million; (iii) increase in provision for restoration costs (current) of S\$0.4 million; and (iv) increase in trade and other payables of S\$0.4 million.

By order of the Board
Kimly Limited

Hoon Chi Tern
Company Secretary
5 January 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.*

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