



## Kimly Limited

(Incorporated in the Republic of Singapore)

(Company Registration No. 201613903R)

## Unaudited Consolidated Financial Statements For the Full Year Ended 30 September 2022

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The contact person for the Sponsor is Mr. Joseph Au, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, [sponsorship@ppcf.com.sg](mailto:sponsorship@ppcf.com.sg).

**Kimly Limited**  
**Unaudited consolidated financial statements**  
**For the full year ended 30 September 2022**

**A. Consolidated Statement of Comprehensive Income**

	Note	Group	
		FY2022 S\$'000	FY2021 S\$'000
<b>Revenue</b>	3	317,748	238,642
Cost of sales		(225,099)	(160,470)
<b>Gross profit</b>		92,649	78,172
<b>Other items of income</b>			
Finance income		174	208
Other operating income		4,038	3,253
<b>Other items of expense</b>			
Selling and distribution expenses		(19,103)	(10,183)
Administrative expenses		(28,897)	(22,229)
Finance costs		(4,008)	(4,375)
Other operating expenses		(1,657)	(679)
Share of profit of an associate and joint ventures		674	318
<b>Profit before tax</b>	5	43,870	44,485
Income tax expense	6	(7,158)	(5,193)
<b>Profit for the year, representing total comprehensive income for the year</b>		36,712	39,292
<b>Profit attributable to:</b>			
Owners of the Company		34,019	39,278
Non-controlling interests		2,693	14
		36,712	39,292
<b>Earnings per share</b>			
- Basic	14	2.74	3.30
- Diluted	14	2.74	3.30

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**B. Consolidated Statements of Financial Position**

Note	Group		Company	
	30/9/2022	30/9/2021	30/9/2022	30/9/2021
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	7	73,397	72,961	-
Investment properties	8	6,796	6,939	-
Intangible assets and goodwill	9	61,800	4,751	-
Right-of-use assets	10	101,982	119,743	-
Investment in subsidiaries		-	-	239,297
Investment in an associate and joint ventures		13,038	12,239	-
Deferred tax assets		212	644	-
Other receivables		5,985	6,428	-
		263,210	223,705	239,297
<b>Current assets</b>				
Trade and other receivables		9,640	5,667	102,814
Inventories		3,916	1,456	-
Prepayments		921	501	39
Cash and cash equivalents		77,622	94,989	34,825
		92,099	102,613	137,678
Assets held for sale	17	1,947	-	-
		94,046	102,613	137,678
<b>Total assets</b>		357,256	326,318	376,975
<b>Current liabilities</b>				
Trade and other payables		32,674	23,541	38,972
Other liabilities		14,960	12,913	583
Interest-bearing loans and borrowings	11	1,138	1,052	-
Lease liabilities	10	37,237	34,553	-
Provision for restoration costs		149	263	-
Provision for taxation		8,444	6,605	20
		94,602	78,927	39,575
Liabilities directly associated with assets held for sale	17	1,499	-	-
		96,101	78,927	39,575
<b>Net current (liabilities)/assets</b>		(2,055)	23,686	98,103
<b>Non-current liabilities</b>				
Interest-bearing loans and borrowings	11	22,107	23,358	-
Lease liabilities	10	68,187	88,128	-
Deferred tax liabilities		1,987	336	-
Other payables		1,021	1,222	-
Provision for restoration costs		1,076	751	-
		94,378	113,795	-
<b>Total liabilities</b>		190,479	192,722	39,575
<b>Net assets</b>		166,777	133,596	337,400
<b>Equity attributable to owners of the Company</b>				
Share capital	12	316,145	297,451	316,145
Treasury shares	12	(1,818)	(2,187)	(1,818)
Share based compensation reserve	12	140	140	140
Other reserves		(120,123)	(120,123)	-
Premium paid on acquisition of non-controlling interests		(113,030)	(113,030)	-
Retained earnings		80,290	71,124	22,933
<b>Equity attributable to owners of the Company</b>		161,604	133,375	337,400
Non-controlling interests		5,173	221	-
<b>Total equity</b>		166,777	133,596	337,400
<b>Total equity and liabilities</b>		357,256	326,318	376,975

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**C. Consolidated Statement of Cash Flows**

	<b>Group</b>	
	<b>FY2022</b>	<b>FY2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Operating activities</b>		
Profit before tax	43,870	44,485
<u>Adjustments for:</u>		
Amortisation of intangible assets	1,634	675
Depreciation of investment properties	143	151
Depreciation of property, plant and equipment	6,012	4,420
Depreciation of right-of-use assets	40,567	36,688
(Gain)/loss on derecognition of right-of-use assets and lease liabilities	(376)	2
Gain on disposal of property, plant and equipment	(109)	(19)
Interest expense on lease liabilities	3,644	3,960
Interest expense on loans and borrowings	365	415
Interest income from short-term deposits	(147)	(97)
Interest income arising from the discount implicit in non-current receivables	(26)	(111)
Share-based payment expenses (Kimly Performance Share Plan)	369	237
Share of profit of an associate and joint ventures	(674)	(318)
Write-off of property, plant and equipment	13	3
Total adjustments	51,415	46,006
<b>Operating cash flows before changes in working capital</b>	<b>95,285</b>	<b>90,491</b>
<u>Change in working capital</u>		
Decrease in trade and other receivables	2,186	7,125
(Increase)/decrease in inventories	(1,169)	245
Increase in prepayments	(420)	(185)
Decrease in trade and other payables	(5,066)	(493)
Increase/(decrease) in other liabilities	2,047	(2,259)
Total changes in working capital	(2,422)	4,433
<b>Cash flows from operations</b>	<b>92,863</b>	<b>94,924</b>
Interest income from short-term deposits received	111	93
Income taxes paid	(6,053)	(4,920)
<b>Net cash generated from operating activities</b>	<b>86,921</b>	<b>90,097</b>
<b>Investing activities</b>		
Dividend income received from an associate and joint ventures	1,002	409
Investment in joint ventures	(1,127)	(2,597)
Net cash outflow on acquisition of subsidiaries (Note 18)	(28,681)	(695)
Proceeds from disposal of property, plant and equipment	129	30
Purchase of property, plant and equipment (Note A)	(4,802)	(3,347)
Purchase of intangible assets (Note B)	(52)	(46)
<b>Net cash used in investing activities</b>	<b>(33,531)</b>	<b>(6,246)</b>

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**C. Consolidated Statement of Cash Flows (cont'd)**

	<b>Group</b>	
	<b>FY2022</b>	<b>FY2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Financing activities</b>		
Capital contribution from a non-controlling interest	98	147
Dividend paid to equity holders of the Company	(24,853)	(16,655)
Dividend paid to non-controlling interests	(1,090)	-
Interest expense from loans and borrowings paid	(365)	(415)
Interest expense from lease liabilities paid	(3,644)	(3,959)
Repayment of lease liabilities	(39,738)	(35,200)
Repayment of loans and borrowings	(1,165)	(1,104)
<b>Net cash used in financing activities</b>	<b>(70,757)</b>	<b>(57,186)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(17,367)</b>	<b>26,665</b>
<b>Cash and cash equivalents at the beginning of financial year</b>	<b>94,989</b>	<b>68,324</b>
<b>Cash and cash equivalents at the end of financial year</b>	<b>77,622</b>	<b>94,989</b>
<b>A. Property, plant and equipment</b>		
Current year additions to property, plant and equipment	3,998	4,047
Less: non-cash movement		
Decrease/(increase) in other payables	774	(579)
Reversal/(provision) of restoration costs	30	(121)
<b>Net cash outflow for purchase of property, plant and equipment</b>	<b>4,802</b>	<b>3,347</b>
<b>B. Intangible assets</b>		
Current year additions to intangible assets	14	46
Less: non-cash movement		
Decrease in other payables	38	-
<b>Net cash outflow for purchase of intangible assets</b>	<b>52</b>	<b>46</b>

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D. Consolidated Statements of Changes in Equity

		Attributable to owners of the Company								
		Other Reserves								
Note	Share capital (Note 12) S\$'000	Treasury shares (Note 12) S\$'000	Merger reserve S\$'000	Deemed contribution from shareholders of subsidiary under common control S\$'000	Premium paid on acquisition of non- controlling interests S\$'000	Share based compensation reserve (Note 12) S\$'000	Retained earnings S\$'000	Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
<b>Group</b>										
<b>At 1 October 2021</b>	<b>297,451</b>	<b>(2,187)</b>	<b>(120,591)</b>	<b>468</b>	<b>(113,030)</b>	<b>140</b>	<b>71,124</b>	<b>133,375</b>	<b>221</b>	<b>133,596</b>
Profit for the year, representing total comprehensive income for the year	-	-	-	-	-	-	34,019	34,019	2,693	36,712
<u>Contributions by and distributions to owners</u>										
Issuance of ordinary shares for acquisition of subsidiaries	12	18,694	-	-	-	-	-	18,694	-	18,694
Capital contribution from non-controlling interest		-	-	-	-	-	-	-	98	98
Dividends on ordinary shares	13	-	-	-	-	-	(24,853)	(24,853)	(1,090)	(25,943)
Share-based payment expenses (Kimly Performance Share Plan)	12	-	-	-	-	369	-	369	-	369
Treasury shares transferred on vesting of share awards granted under the Kimly Performance Share Plan		-	369	-	-	(369)	-	-	-	-
Acquisition of subsidiaries	18	-	-	-	-	-	-	-	3,251	3,251
<b>Balance as at 30 September 2022</b>	<b>316,145</b>	<b>(1,818)</b>	<b>(120,591)</b>	<b>468</b>	<b>(113,030)</b>	<b>140</b>	<b>80,290</b>	<b>161,604</b>	<b>5,173</b>	<b>166,777</b>
<b>Group</b>										
<b>At 1 October 2020</b>	<b>297,141</b>	<b>(2,424)</b>	<b>(120,591)</b>	<b>468</b>	<b>(113,030)</b>	<b>140</b>	<b>48,501</b>	<b>110,205</b>	<b>-</b>	<b>110,205</b>
Profit for the year, representing total comprehensive income for the year	-	-	-	-	-	-	39,278	39,278	14	39,292
<u>Contributions by and distributions to owners</u>										
Acquisition of a subsidiary		-	-	-	-	-	-	-	60	60
Capital contribution from non-controlling interest		-	-	-	-	-	-	-	147	147
Dividends on ordinary shares	13	-	-	-	-	-	(16,655)	(16,655)	-	(16,655)
Share-based payment expenses (Kimly Performance Share Plan)		-	-	-	-	237	-	237	-	237
Treasury shares transferred on vesting of share awards granted under the Kimly Performance Share Plan	12	-	237	-	-	(237)	-	-	-	-
Issuance of ordinary shares		310	-	-	-	-	-	310	-	310
<b>Balance as at 30 September 2021</b>	<b>297,451</b>	<b>(2,187)</b>	<b>(120,591)</b>	<b>468</b>	<b>(113,030)</b>	<b>140</b>	<b>71,124</b>	<b>133,375</b>	<b>221</b>	<b>133,596</b>

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D. Consolidated Statements of Changes in Equity (cont'd)

	Note	Share capital (Note 12) S\$'000	Treasury shares (Note 12) S\$'000	Retained earnings S\$'000	Share based compensation reserve (Note 12) S\$'000	Total equity S\$'000
<b>Company</b>						
<b>At 1 October 2021</b>		<b>297,451</b>	<b>(2,187)</b>	<b>18,026</b>	<b>140</b>	<b>313,430</b>
Profit for the year, representing total comprehensive income for the year		-	-	29,760	-	29,760
<u>Contributions by and distributions to owners</u>						
Issuance of ordinary shares	12	18,694	-	-	-	18,694
Dividends on ordinary shares	13	-	-	(24,853)	-	(24,853)
Share-based payment expenses (Kimly Performance Share Plan)		-	-	-	369	369
Treasury shares transferred on vesting of share awards granted under the Kimly Performance Share Plan		-	369	-	(369)	-
<b>Balance as at 30 September 2022</b>		<b>316,145</b>	<b>(1,818)</b>	<b>22,933</b>	<b>140</b>	<b>337,400</b>
<b>At 1 October 2020</b>		<b>297,141</b>	<b>(2,424)</b>	<b>10,089</b>	<b>140</b>	<b>304,946</b>
Profit for the year, representing total comprehensive income for the year		-	-	24,592	-	24,592
<u>Contributions by and distributions to owners</u>						
Dividends on ordinary shares	13	-	-	(16,655)	-	(16,655)
Share-based payment expenses (Kimly Performance Share Plan)		-	-	-	237	237
Treasury shares transferred on vesting of share awards granted under the Kimly Performance Share Plan		-	237	-	(237)	-
Issuance of ordinary shares		310	-	-	-	310
<b>Balance as at 30 September 2021</b>		<b>297,451</b>	<b>(2,187)</b>	<b>18,026</b>	<b>140</b>	<b>313,430</b>

**E. Notes to the Consolidated Financial Statements**

**1. Corporate information**

Kimly Limited (the "Company") was incorporated on 23 May 2016 under the Companies Act and domiciled in Singapore. On 3 February 2017, the Company was converted into a public company limited by shares and changed its name from Kimly Pte. Ltd. to Kimly Limited. The Company was listed on the Catalist of Singapore Exchange Securities Trading Limited (the "SGX-ST") on 20 March 2017.

The registered office and principal place of business of the Company is located at 13 Woodlands Link, Singapore 738725.

The principal activities of the Company are those of investment holding and provision of management services.

The principal activities of the Group consist of the business of investment holding, provision of management services, letting and operating of coffee shop, operating of restaurant and confectionary shop, manufacturing, processing and sale of food products and provision of cleaning services.

**2. Basis of preparation**

These financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 30 September 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s.

The consolidated financial statements are presented in Singapore dollars ("SGD" or "\$") and all values in the tables are rounded to the nearest thousand ("'\$000") except when otherwise indicated.

**2.1 New and amended standards and interpretations**

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 October 2021. The adoption of these new and revised standards did not have any material effect on the financial performance or position of the Group.

**2.2 Use of estimates and judgements**

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in the future periods.

The Group has exercised significant judgement regarding the purchase price allocation exercise in respect of the acquisition of Tenderfesh Group Pte. Ltd. and its subsidiaries ("Tenderfesh Group"), including judgement made relating to the identification of the intangible assets and estimation of fair value of assets and liabilities of the acquired businesses (see Note 18).



**E. Notes to the Consolidated Financial Statements (cont'd)**

**3. Segment and revenue information**

For management purpose, the Group is organised into three operating business segments, namely:

(a) Outlet management

Outlet management segment is involved in the leasing of food outlet premises to tenants as the master leaseholder, sale of food, beverages and tobacco products, provision of cleaning and utilities services, and provision of management services to third party coffee shops.

(b) Outlet investment business

Outlet investment business segment is involved in investment in properties (freehold or leasehold) in order to benefit from rental income and/or capital growth.

(c) Food retail

Food retail segment is primarily involved in retailing of food directly to consumers through the stalls, restaurants and confectionary shops operated by the Group such as Mixed Vegetable Rice stalls, Rice Garden stalls, Dim Sum stalls, Seafood “Zi Char” stalls, Teochew Porridge stalls, Western food stalls, Tenderbest restaurants, food kiosk, Tonkichi restaurants, Kanaaji Japanese Tonkatsu stall and Rive Gauche shops. Food retail segment is also engaged in manufacturing, processing and sale of food products to customers.

(d) Others

Others segment includes the provision of management, finance, human resource services, treasury, information technology and administrative services.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects is measured differently from operating profit or loss in the consolidated financial statements.

E. Notes to the Consolidated Financial Statements (cont'd)

3. Segment and revenue information (cont'd)

Reportable segments

	Outlet Management	Food Retail	Outlet Investment Business	Others*	Adjustments and eliminations	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>FY2022</b>						
<b>Revenue</b>						
Revenue from external customer	119,508	191,202	7,038	-	-	317,748
Inter-segment revenue	34,680	68,811	880	63,274	(167,645)	-
Total revenue	<u>154,188</u>	<u>260,013</u>	<u>7,918</u>	<u>63,274</u>	<u>(167,645)</u>	<u>317,748</u>
<b>Results:</b>						
Amortisation of intangible assets	(552)	(1,029)	-	(53)	-	(1,634)
Depreciation of investment properties	-	-	(143)	-	-	(143)
Depreciation of property, plant and equipment	(2,221)	(2,006)	(1,328)	(457)	-	(6,012)
Depreciation of right-of-use assets	(33,840)	(6,569)	(56)	(102)	-	(40,567)
Employee benefits expense	(29,257)	(53,296)	(1,348)	(5,796)	-	(89,697)
Finance costs						
- Lease liabilities	(3,289)	(312)	(2)	(41)	-	(3,644)
- Loans and borrowings	(4)	-	(361)	-	-	(365)
Gain on disposal of property, plant and equipment	-	109	-	-	-	109
Government grants	285	120	18	24	-	447
Interest income from short-term deposits	-	-	-	147	-	147
Rental expense on short-term leases and low value assets, net of rental rebates received	2,010	(2,116)	(70)	(2)	-	(178)
Share-based payment expenses (Kimly Performance Share Plan)	(331)	(38)	-	-	-	(369)
Share of profit of an associate and joint ventures	674	-	-	-	-	674
Write-off of property, plant and equipment	-	(13)	-	-	-	(13)
Segment profit/(loss)	<u>13,405</u>	<u>36,812</u>	<u>1,210</u>	<u>(7,557)</u>	<u>-</u>	<u>43,870</u>
<b>Assets:</b>						
Segment assets	<u>130,769</u>	<u>105,214</u>	<u>76,178</u>	<u>45,095</u>	<u>-</u>	<u>357,256</u>
Segment liabilities	<u>(114,069)</u>	<u>(35,898)</u>	<u>(25,274)</u>	<u>(15,238)</u>	<u>-</u>	<u>(190,479)</u>

E. Notes to the Consolidated Financial Statements (cont'd)

3. Segment and revenue information (cont'd)

	Outlet Management \$'000	Food Retail \$'000	Outlet Investment Business \$'000	Others* \$'000	Adjustments and eliminations \$'000	Group \$'000
<b>FY2021</b>						
<b>Revenue</b>						
Revenue from external customer	112,455	119,361	6,826	-	-	238,642
Inter-segment revenue	28,416	35,487	694	48,990	(113,587)	-
Total revenue	<u>140,871</u>	<u>154,848</u>	<u>7,520</u>	<u>48,990</u>	<u>(113,587)</u>	<u>238,642</u>
<b>Results:</b>						
Amortisation of intangible assets	(607)	(5)	-	(63)	-	(675)
Depreciation of investment properties	-	-	(151)	-	-	(151)
Depreciation of property, plant and equipment	(1,762)	(937)	(1,261)	(460)	-	(4,420)
Depreciation of right-of-use assets	(33,046)	(3,440)	(58)	(144)	-	(36,688)
Employee benefits expense	(17,132)	(27,714)	(850)	(7,527)	-	(53,223)
Finance costs						
- Lease liabilities	(3,778)	(135)	(2)	(45)	-	(3,960)
- Loans and borrowings	-	-	(415)	-	-	(415)
Gain on disposal of property, plant and equipment	1	12	-	6	-	19
Government grants	1,160	200	58	34	-	1,452
Interest income from short-term deposits	7	6	-	84	-	97
Rental expense on short-term leases and low value assets, net of rental rebates received	1,823	(377)	(68)	(2)	-	1,376
Share-based payment expenses (Kimly Performance Share Plan)	(237)	-	-	-	-	(237)
Share of profit of an associate and joint ventures	223	-	95	-	-	318
Write-off of property, plant and equipment	-	(3)	-	-	-	(3)
Segment profit/(loss)	<u>19,243</u>	<u>33,269</u>	<u>1,763</u>	<u>(9,790)</u>	<u>-</u>	<u>44,485</u>
<b>Assets:</b>						
Segment assets	<u>153,197</u>	<u>18,801</u>	<u>71,127</u>	<u>83,193</u>	<u>-</u>	<u>326,318</u>
Segment liabilities	<u>(136,917)</u>	<u>(17,617)</u>	<u>(26,438)</u>	<u>(11,750)</u>	<u>-</u>	<u>(192,722)</u>

\* Others includes provision of management, finance, human resources, treasury, information technology and administrative services.

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**E. Notes to the Consolidated Financial Statements (cont'd)**

**3. Segment and revenue information (cont'd)**

**Disaggregation of Revenue**

	<b>FY2022</b>	<b>FY2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Types of goods or services:</b>		
Sale of food, beverages and tobacco products	270,625	196,415
Fixed rental income from lease of premises to tenants	28,446	28,048
Contingent rental income from lease of premises to tenants	119	58
Provision of cleaning and utilities services	16,553	12,155
Outlet management fee	2,005	1,966
	<u>317,748</u>	<u>238,642</u>
<b>Timing of transfer of goods or services:</b>		
At a point in time	270,625	196,415
Over time	47,123	42,227
	<u>317,748</u>	<u>238,642</u>

**4. Financial assets and financial liabilities at amortised cost**

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 30 September 2022 and 30 September 2021:

	<b>Group</b>		<b>Company</b>	
	<b>30/9/2022</b>	<b>30/9/2021</b>	<b>30/9/2022</b>	<b>30/9/2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Financial assets:</b>				
Trade and other receivables	15,625	11,049	102,814	49,550
Cash and short-term deposits	77,622	94,989	34,825	70,241
	<u>93,247</u>	<u>106,038</u>	<u>137,639</u>	<u>119,791</u>
<b>Financial liabilities:</b>				
Trade and other payables	30,750	22,497	38,970	44,628
Accrued operating expenses	14,701	12,341	583	2,109
Interest-bearing loans and borrowings	23,245	24,410	-	-
Lease liabilities	105,424	122,681	-	-
	<u>174,120</u>	<u>181,929</u>	<u>39,553</u>	<u>46,737</u>

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**E. Notes to the Consolidated Financial Statements (cont'd)**

**5. Profit before tax**

**5.1 Significant items**

The following expense/(income) items have been included in arriving at profit before tax:

	Note	Group	
		FY2022 S\$'000	FY2021 S\$'000
Amortisation of intangible assets		1,634	675
Depreciation of property, plant and equipment		6,012	4,420
Depreciation of investment properties		143	151
Depreciation of right-of-use assets		40,567	36,688
Directors' fees		200	200
Employee benefits expense	(1)	89,697	53,223
Finance costs			
- Lease liabilities		3,644	3,960
- Loans and borrowings		365	415
(Gain)/loss on derecognition of right-of-use assets and lease liabilities		(376)	2
Gain on disposal of property, plant and equipment		(109)	(19)
Government grants		(447)	(1,452)
Interest income from short-term deposits		(147)	(97)
Interest income arising from discount implicit in non-current receivables		(26)	(111)
Rental expense on short-term leases and low value assets, net of rental relief received	(2)	178	(1,376)
Share-based payment expenses (Kimly Performance Share Plan)		369	237
Write-off of property, plant and equipment		13	3

**Notes:**

- (1) Employee benefits expense was after offset of the government grants received from Jobs Support Scheme of S\$1.6 million (FY2021: S\$13.5 million).
- (2) The Group applied the recognition exemption for short-term leases and leases for low value assets in accordance with SFRS(I) 16 Leases. The amount was after offset of rental relief from landlords of S\$4.6 million in FY2022 (FY2021: S\$3.6 million).

**5.2 Related party transactions**

**(a) Sale and purchase of goods and services**

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place on terms agreed between the parties during the financial year:

	Group	
	FY2022 S\$'000	FY2021 S\$'000
Rental paid to corporations related to a substantial shareholder/director-related companies	8,569	8,140
Rental paid to an associate	1,224	1,124
Rental paid to joint venture companies	198	146

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**E. Notes to the Consolidated Financial Statements (cont'd)**

**5. Profit before tax (cont'd)**

**5.2 Related party transactions (cont'd)**

**(b) Commitments with related parties**

The Group has entered into commercial leases with related parties in respect of retail outlet premises and all the leases do not contain an escalation clause. Lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing.

	<b>Group</b>	
	<b>FY2022</b>	<b>FY2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<i>Lease commitment with corporations related to a substantial shareholder/director-related companies</i>		
Not later than one year	9,269	8,561
Later than one year but not later than five years	10,358	17,123
	<u>19,627</u>	<u>25,684</u>
<i>Lease commitment with joint ventures</i>		
Not later than one year	175	220
Later than one year but not later than five years	-	162
	<u>175</u>	<u>382</u>
<i>Lease commitment with an associate</i>		
Not later than one year	1,233	1,224
Later than one year but not later than five years	4,620	5,853
	<u>5,853</u>	<u>7,077</u>

**6. Income tax expense**

The Group calculates the income tax expense for financial year using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the consolidated statement of profit or loss are:

	<b>Group</b>	
	<b>FY2022</b>	<b>FY2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<i>Current income tax</i>		
- Current income taxation, representing total income tax expense recognised in profit or loss	7,482	5,996
- Over provision in respect of previous years	-	(269)
	<u>7,482</u>	<u>5,727</u>
<i>Deferred income tax</i>		
- Amortisation and reversal of temporary differences	(324)	(534)
Income tax expense recognised in profit or loss	<u>7,158</u>	<u>5,193</u>

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E. Notes to the Consolidated Financial Statements (cont'd)

7. Property, plant and equipment

		Group	
		30/9/2022	30/9/2021
	Note	S\$'000	S\$'000
<b>Cost</b>			
At 1 October 2021 / 1 October 2020		94,369	90,489
Acquisition of subsidiaries	18	2,644	125
Additions		3,998	4,047
Disposals		(1,438)	(232)
Written off		(698)	(60)
Reclassified as assets held for sale	17	(453)	-
At 30 September 2022 / 30 September 2021		98,422	94,369
<b>Accumulated depreciation and impairment</b>			
At 1 October 2021 / 1 October 2020		21,408	17,266
Depreciation charge for the year		6,012	4,420
Disposals		(1,418)	(221)
Written off		(685)	(57)
Reclassified as assets held for sale	17	(292)	-
At 30 September 2022 / 30 September 2021		25,025	21,408
<b>Net carrying amount</b>			
At 30 September 2022 / 30 September 2021		73,397	72,961

8. Investment properties

	Group	
	30/9/2022 S\$'000	30/9/2021 S\$'000
<b>Cost</b>		
At 1 October 2021 / 1 October 2020 and 30 September 2022 / 30 September 2021	<u>7,130</u>	<u>7,130</u>
<b>Accumulated depreciation and impairment</b>		
At 1 October 2021 / 1 October 2020	191	40
Depreciation charge for the year	<u>143</u>	<u>151</u>
At 30 September 2022 / 30 September 2021	<u>334</u>	<u>191</u>
<b>Net carrying amount</b>		
At 30 September 2022 / 30 September 2021	<u>6,796</u>	<u>6,939</u>

E. Notes to the Consolidated Financial Statements (cont'd)

9. Intangible assets and goodwill

Note	Group					
	Goodwill S\$'000	Customer contracts S\$'000	Lease assignment fees S\$'000	Trademarks S\$'000	Computer software S\$'000	Total S\$'000
<b>Cost</b>						
At 1 October 2020	705	-	15,140	72	717	16,634
Additions	-	-	-	-	46	46
Acquisition of a subsidiary	921	50	-	-	-	971
At 30 September 2021 and 1 October 2021	1,626	50	15,140	72	763	17,651
Additions	-	-	-	-	14	14
Acquisition of subsidiaries	18 48,436	1,428	-	8,805	-	58,669
Reclassified as assets held for sale	17 -	-	-	-	6	6
At 30 September 2022	50,062	1,478	15,140	8,877	783	76,340
<b>Accumulated amortisation and impairment</b>						
At 1 October 2020	705	-	10,875	72	573	12,225
Charge for the year	-	50	535	-	90	675
At 30 September 2021 and 1 October 2021	705	50	11,410	72	663	12,900
Charge for the year	-	143	535	880	76	1,634
Reclassified as assets held for sale	17 -	-	-	-	6	6
At 30 September 2022	705	193	11,945	952	745	14,540
<b>Net carrying amount</b>						
At 30 September 2022	49,357	1,285	3,195	7,925	38	61,800
At 30 September 2021	921	-	3,730	-	100	4,751

The intangible assets and goodwill arising from the purchase price allocation of the newly acquired Tenderfresh Group amounted to \$58,669,000 (Note 18).

*Impairment testing of goodwill and trademarks*

The Group assesses at each reporting date whether there is indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

There were no significant events and conditions that indicated impairment indicators existed as at 30 September 2022.



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E. Notes to the Consolidated Financial Statements (cont'd)

10. Leases

(a) *Carrying amount of right-of-use assets*

	Note	Group	
		30/9/2022 S\$'000	30/9/2021 S\$'000
<b>Cost</b>			
At 1 October 2021 / 1 October 2020		187,976	167,288
Acquisition of subsidiaries	18	5,835	-
Additions		10,675	6,213
Modifications		17,317	14,695
Cessation		(16,921)	(220)
Reclassified as assets held for sale	17	(2,080)	-
At 30 September 2022 / 30 September 2021		<u>202,802</u>	<u>187,976</u>
<b>Accumulated depreciation</b>			
At 1 October 2021 / 1 October 2020		68,233	31,693
Depreciation charge for the year		40,567	36,688
Cessation		(7,358)	(148)
Reclassified as assets held for sale	17	(622)	-
At 30 September 2022 / 30 September 2021		<u>100,820</u>	<u>68,233</u>
<b>Net carrying amount</b>			
At 30 September 2022 / 30 September 2021		<u>101,982</u>	<u>119,743</u>

(b) *Lease liabilities*

		Group	
		30/9/2022 S\$'000	30/9/2021 S\$'000
At 1 October 2021 / 1 October 2020		122,681	137,134
Acquisition of subsidiaries	18	5,927	-
Additions		10,675	6,183
Modifications		17,317	14,635
Accretion of interests		3,644	3,960
Lease payments		(43,382)	(39,160)
Cessation		(9,939)	(71)
Liabilities directly associated with the assets held for sale	17	(1,499)	-
At 30 September 2022 / 30 September 2021		<u>105,424</u>	<u>122,681</u>
Current		37,237	34,553
Non-current		<u>68,187</u>	<u>88,128</u>
		<u>105,424</u>	<u>122,681</u>

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**E. Notes to the Consolidated Financial Statements (cont'd)**

**11. Interest-bearing loans and borrowings**

	<b>Group</b>	
	<b>30/9/2022</b>	<b>30/9/2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Interest-bearing loans and borrowings (secured)</b>		
Current	1,138	1,052
Non-current	22,107	23,358
	<u>23,245</u>	<u>24,410</u>

As at 30 September 2022 and 30 September 2021, the bank loans are secured by corporate guarantees issued by the Company to its subsidiaries, mortgage of certain properties and assignment of rental proceeds in respect of the properties.

**12. Share capital, treasury shares and share-based compensation reserve**

**(a) Share capital**

	<b>Group and Company</b>			
	<b>30/9/2022</b>		<b>30/9/2021</b>	
	<b>No. of shares</b>		<b>No. of shares</b>	
	<b>'000</b>	<b>S\$'000</b>	<b>'000</b>	<b>S\$'000</b>
<b><i>Issued and fully paid ordinary shares:</i></b>				
At 1 October 2021 / 1 October 2020	1,198,787	297,451	1,197,787	297,141
Issuance of ordinary shares	51,216	18,694	1,000	310
At 30 September 2022 / 30 September 2021	<u>1,250,003</u>	<u>316,145</u>	<u>1,198,787</u>	<u>297,451</u>

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

**(b) Treasury shares**

	<b>Group and Company</b>			
	<b>30/9/2022</b>		<b>30/9/2021</b>	
	<b>No. of shares</b>		<b>No. of shares</b>	
	<b>'000</b>	<b>S\$'000</b>	<b>'000</b>	<b>S\$'000</b>
At 1 October 2021 / 1 October 2020	8,234	2,187	9,120	2,424
Treasury shares transferred on vesting of share awards granted under the Kimly Performance Share Plan	(1,385)	(369)	(886)	(237)
At 30 September 2022 / 30 September 2021	<u>6,849</u>	<u>1,818</u>	<u>8,234</u>	<u>2,187</u>

Treasury shares relate to ordinary shares of the Company that is held by the Company.

The Company transferred 1,384,560 (2021: 885,889) treasury shares during the year pursuant to the Kimly Performance Share Plan at weighted average price of approximately S\$0.27 (2021: S\$0.27) each.

E. Notes to the Consolidated Financial Statements (cont'd)

12. Share capital, treasury shares and share-based compensation reserve (cont'd)

(c) Share-based compensation reserve

Share-based compensation reserve represents the fully-paid share awards granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of share awards, and reduced by forfeited or vesting of the share awards.

13. Dividends

	Group and Company	
	FY2022	FY2021
	S\$'000	S\$'000
<i>Declared and paid during the financial year:</i>		
Dividends on ordinary shares:		
- Final exempt (one-tier) dividend for 2021: 0.84 (2020: 0.84) cents per share	10,437	9,988
- Special exempt (one-tier) dividend for 2021: 0.60 (2020: Nil) cents per share	7,454	-
- Interim exempt (one-tier) dividend for 2022: 0.56 (2021: 0.56) cents per share	6,962	6,667
	<u>24,853</u>	<u>16,655</u>

14. Earnings per ordinary shares

	Group	
	FY2022	FY2021
Profit for the year attributable to owners of the Company (S\$'000)	34,019	39,278
Weighted average number of ordinary shares for basic earnings per share computation ('000)	1,240,419	1,189,502
Effect of dilution:		
Share awards granted under the Kimly Performance Share Plan ('000)	926	315
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	<u>1,241,345</u>	<u>1,189,817</u>
Basic earnings per shares (cents)	<u>2.74</u>	<u>3.30</u>
Diluted earnings per shares (cents)	<u>2.74</u>	<u>3.30</u>

The weighted average number of shares takes into account the treasury shares transferred on vesting of shares award granted under Kimly Performance Share Plan and issuance of ordinary shares for the acquisition of Tenderfresh Group.

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**E. Notes to the Consolidated Financial Statements (cont'd)**

**15. Net asset value**

	Group		Company	
	30/9/2022	30/9/2021	30/9/2022	30/9/2021
Net asset value ("NAV") (S\$'000)	161,604	133,375	337,400	313,430
Number of ordinary shares in issue ('000)	1,243,154	1,190,553	1,243,154	1,190,553
NAV per ordinary share (cents)	<b>13.00</b>	<b>11.20</b>	<b>27.14</b>	<b>26.33</b>

**16. Fair value of assets and liabilities**

**Fair value hierarchy**

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety at the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

At the end of the reporting period, the Group does not have any financial instruments carried at fair value.

**(a) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value**

*Cash and cash equivalents, trade and other receivables and trade and other payables*

The carrying amount of the financial assets and liabilities are reasonable approximation of fair values, due to their short-term nature. The Group does not anticipate the carrying amount at the end of the reporting period would be significantly different from the value that would eventually be received or settled.

**(b) Assets and liabilities not measured at fair value, for which fair value is disclosed**

	Group		Company	
	30/9/2022	30/9/2021	30/9/2022	30/9/2021
	Carrying amount S\$'000	Fair value measurement using significant unobservable inputs (Level 3) S\$'000	Carrying amount S\$'000	Fair value measurement using significant unobservable inputs (Level 3) S\$'000
<b>Assets</b>				
Investment properties owned	6,796	7,000	6,939	6,800
<b>Liabilities</b>				
Non-current interest-bearing loans and borrowings	22,107	22,107	23,358	23,358

**Determination of fair value**

The fair values of the Group's interest-bearing loans and borrowings are determined by using the discounted cash flows method using discount rate that reflects the Company's borrowing rate as at the end of the reporting period.

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**E. Notes to the Consolidated Financial Statements (cont'd)**

**17. Assets held for sale**

On 9 September 2022, the Group's subsidiary, Kimly Food Products Pte. Ltd. entered into a business transfer agreement with Muginoho Global Pte. Ltd. for the disposal of the Group's confectionary business operating under the name "Rive Gauche Patisserie" (the "Confectionary Business"), for a sale consideration of S\$2.8 million. The disposal transaction is expected to be completed during the course of FY2023. The major classes of assets and liabilities of the Confectionary Business are classified as held for sale as at 30 September 2022 are, as follows:

	S\$'000
<u>Assets</u>	
Property, plant and equipment	161
Right-of-use assets	1,458
Inventories	72
Cash floats	7
Deposits	249
Assets held for sale	<u>1,947</u>
<u>Liabilities</u>	
Lease liabilities, representing liabilities directly associated with the assets held for sale	(1,499)
<b>Net assets held for sale</b>	<u><u><b>448</b></u></u>

**18. Acquisition of subsidiaries under Tenderfresh Group**

On 1 October 2021, the Company through its wholly-owned subsidiary, Jin Wei Investments Pte. Ltd. acquired 75% stake in Tenderfresh Group Pte. Ltd. and its subsidiaries ("Tenderfresh Group"), which holds the Tenderfresh Business from Soh Chun King ("SCK"), Koh Siew Tin ("KST") and Chew Kian Ho ("CKH") (collectively, the "Vendors"), for a total purchase consideration of S\$54,000,000 as stated in the Acquisition Agreement.

Pursuant to the Acquisition Agreement, the Company has paid approximately S\$50,000,000 of the purchase consideration as follows:

- (i) S\$34,000,000 in cash, by way of utilising internal resources of the Company; and
- (ii) S\$16,000,000 through the allotment and issuance of 51,216,389 Consideration Shares to the vendor nominees, being the minority vendors to the Acquisition, at the Issue Price of S\$0.3124 per Consideration Shares.

The balance purchase consideration of S\$4,000,000, being the Earn-out Consideration, will be paid by the Company to the Vendors or their nominees (including Tenderfresh Group) in accordance with the terms of the Acquisition Agreement.

On 15 December 2021, the Company entered into an Amendment to Acquisition Agreement with the Vendors (collectively, the "Parties"). The Parties agreed to remove the clauses in relation to Call and Put Options in Acquisition Agreement. This amendment shall take effect on and from the date on which the Acquisition Agreement was executed, being 11 May 2021.

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**E. Notes to the Consolidated Financial Statements (cont'd)**

**18. Acquisition of subsidiaries under Tenderfresh Group (cont'd)**

The fair values of identifiable assets and liabilities of Tenderfresh Group at the acquisition date were:

	<b>Fair values recognised on acquisition S\$'000</b>
Property, plant and equipment	2,644
Right-of-use assets	5,835
Intangible assets	10,233
Trade and other receivables	5,904
Inventories	1,362
Cash and bank balances	5,319
Trade and other payables	(9,185)
Provision for taxation	(794)
Lease liabilities	(5,927)
Provision for restoration cost	(365)
Deferred tax liabilities	(2,024)
Net assets acquired and liabilities assumed	13,002
Non-controlling interests	(3,251)
Goodwill arising on acquisition	48,436
Add: Cash and cash equivalent balances acquired	(5,319)
Purchase consideration transferred	52,868
Total purchase consideration satisfied by:	
- Cash	34,000
- Issuance of shares (51,216,389 Consideration Shares at market price of each Share on the date of allotment of S\$0.365)	18,694
- Adjustment in accordance with Acquisition Agreement relating to net assets of Tenderfresh Group on acquisition date not included in the purchase consideration	1,494
- Contingent liability relating to Earn-out consideration	4,000
Total purchase consideration	58,188
<b>Analysis of cash flows on acquisition</b>	
Purchase consideration paid in cash	34,000
Less: Cash and cash equivalents of Tenderfresh Group acquired	(5,319)
Net cash used in acquisition of Tenderfresh Group	28,681

**Goodwill arising from acquisition**

The goodwill of S\$48,436,000 comprises the synergistic effects as the Group will be able to leverage on Tenderfresh Group's competitive edge and wide networks in Singapore's Halal food and beverage market. The expected synergies acquired does not meet the criteria for recognition as an intangible asset under SFRS(I) 1-38. The goodwill recognised is not expected to be deductible for income tax purposes. Goodwill is allocated entirely to the Tenderfresh Group.

**19. Subsequent events**

There are no known subsequent events after the financial year which have led to adjustments to this set of unaudited financial statements.

**F. Other Information required by Appendix 7C of the Catalyst Rules**

**1. Review of performance of the Group**

The consolidated statement of financial position of Kimly Limited and its subsidiaries as at 30 September 2022 and the related consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and certain explanatory notes have not been audited or reviewed.

**Consolidated Statement of Comprehensive Income**

**FY2022 compared to FY2021**

Revenue

Revenue increased by S\$79.1 million or 33.1% from S\$238.6 million in FY2021 to S\$317.7 million in FY2022. This was mainly due to:

- (a) revenue contribution from the Food Retail Division increased by S\$71.8 million from S\$119.4 million in FY2021 to S\$191.2 million in FY2022. This was mainly due to revenue contribution of S\$73.5 million from the newly acquired Tenderfresh Group, offset by decrease in revenue contribution following the closure of 11 underperforming food stalls due largely to manpower shortage.
- (b) revenue from the Outlet Management Division and Outlet Investment Business Division increased by S\$7.1 million and S\$0.2 million respectively.

The increase was largely attributed to (i) increase in sales of beverages and tobacco products and rental income of S\$3.4 million and S\$0.7 million respectively, which was mainly contributed by the opening of 3 coffeeshops during FY2022; (ii) increase in provision of utilities services of S\$2.3 million which was in tandem with the rise in electricity tariff; (iii) increase in provision of cleaning services of S\$2.1 million which was partially contributed by the increase in revenue contribution of S\$1.0 million by Klovex Holdings Pte. Ltd. ("Klovex"), which the Group acquired a 60% stake in April 2021, and reduction in rebates given to tenants of S\$0.5 million. The increase was offset by decrease in revenue contribution of S\$1.3 million following the termination of management agreements of 5 coffeeshops under a Third Party Brand in 4QFY2022.

Cost of sales

Cost of sales, which comprised mainly beverages, tobacco products and food ingredients, employee benefits expense (Central Kitchen and food outlet staff), depreciation of right-of-use assets pertaining to leases of coffeeshops, restaurants and confectionery shops, rental expense on short term leases and low value assets, utilities and cleaning charges, increased by S\$64.6 million, to S\$225.1 million in FY2022. Cost of sales as a percentage of revenue has increased by 3.6%, from 67.2% in FY2021 to 70.8% in FY2022.

The increase in the cost of sales was in line with the increase in the revenue. The increase in cost of sales as a percentage of revenue was mainly due to the (i) decrease in government grants received by S\$10.8 million from S\$12.2 million in FY2021 to S\$1.4 million in FY2022 for wages support; (ii) increase in utilities charges of S\$5.7 million in line with the rise in the electricity tariff; (iii) increase in employee benefits of S\$23.2 million due to the increase in headcount arising from the Tenderfresh Group and salary adjustments for staff; and (iv) increase in depreciation of right-of-use assets of S\$3.5 million, offset by increase in rental rebates of S\$1.0 million.

Gross profit

Overall gross profit increased by S\$14.5 million or 18.5% from S\$78.2 million in FY2021 to S\$92.6 million in FY2022. Gross profit margin decreased by 3.6%, from 32.8% in FY2021 to 29.2% in FY2022.

Other operating income

Other operating income increased by S\$0.7 million from S\$3.3 million in FY2021 to S\$4.0 million in FY2022 was mainly due to higher incentives income from suppliers and insurance claims.

Selling and distribution expenses

Selling and distribution expenses increased by S\$8.9 million from S\$10.2 million in FY2021 to S\$19.1 million in FY2022. The increase was mainly due to increase in online food delivery fees and packaging materials expenses from the Tenderfresh Group.

Administrative expenses

The increase of S\$6.7 million in administrative expenses from S\$22.2 million in FY2021 to S\$28.9 million in FY2022 was mainly due to (i) salary expense, repair and maintenance, bank charges, depreciation of property, plant and equipment and right-of-use assets, insurance, professional fees, rental and general charges of S\$6.8 million incurred by the Tenderfresh Group; (ii) decrease in government grants received of S\$1.2 million in FY2022 for wage support; (iii) higher depreciation of property, plant and equipment of S\$0.4 million; (iv) increase in depreciation of right-of-use assets of S\$0.2 million; and offset by (i) decrease in employee benefits expense by S\$1.8 million due mainly to the resignations of the former Executive Chairman and Executive Director in November 2021; and (ii) lower repair and maintenance charges of S\$0.1 million.

Finance costs

The decrease of S\$0.4 million in finance costs was mainly due to decrease in interest expense from unwinding of lease liabilities.

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**F. Other Information required by Appendix 7C of the Catalyst Rules (cont'd)**

**1. Review of performance of the Group**

**Consolidated Statement of Comprehensive Income (cont'd)**

Other operating expenses

Other operating expenses increased by S\$1.0 million, from S\$0.7 million in FY2021 to S\$1.7 million in FY2022. The increase was due mainly to amortisation of customer relationships and trademarks arising from the acquisition of 75% stake in Tenderfresh Group.

Share of profit of an associate and joint ventures

The share of profit of an associate and joint ventures relates to the share of profit from investment in 25% partnership interest in North View Investments LLP and 6 (FY2021: 5) joint venture companies.

Income tax expense

Income tax expense increased by S\$2.0 million from S\$5.2 million in FY2021 to S\$7.2 million in FY2022. Effective tax rate was 16.3% in FY2022 as compared to 11.7% in FY2021. The higher income tax expense and effective tax rate were mainly due to lower non-taxable government grants received for Jobs Support Scheme of S\$1.6 million (FY2021: S\$13.5 million).

**Consolidated Statements of Financial Position**

***The comparative performance for both the assets and liabilities are based on the Group's financial statements as at 30 September 2022 and 30 September 2021.***

Non-current assets

The Group's non-current assets increased by S\$39.5 million from S\$223.7 million as at 30 September 2021 to S\$263.2 million as at 30 September 2022 mainly due to (i) property, plant and equipment, right-of-use assets, intangible assets (trademarks and customer contracts) and goodwill on consolidation arising from the acquisition of the Tenderfresh Group of S\$2.6 million, S\$5.8 million, S\$10.2 million and S\$48.4 million respectively; (ii) recognition of right-of-use assets of S\$28.0 million from the Group's new and renewed leases; (iii) renovations and additions of equipment for existing coffeeshops and food stalls of S\$4.0 million; (iv) increase in investment in joint ventures of S\$1.1 million mainly due to the investment in Da Sun Food House Pte. Ltd. as announced on 30 June 2022; and (v) share of profit of an associate and joint ventures of S\$0.7 million.

The increase was offset by (i) depreciation of right-of-use assets of S\$40.6 million; (ii) derecognition of right-of-use assets of S\$9.6 million in relation to coffeeshop leases following the termination of management agreements of 5 coffeeshops under a Third Party Brand in 4QFY2022; (iii) depreciation of property, plant and equipment and investment properties of S\$6.0 million and S\$0.1 million respectively; (iv) amortisation of intangible assets of S\$1.6 million; (v) right-of-use assets and property, plant and equipment which have been reclassified as assets held for sale in relation to the sale of the Confectionary business (see Note 17) as announced on 9 September 2022, amounting to S\$1.6 million; (vi) dividend income received from an associate and joint ventures of S\$1.0 million; and (vii) decrease in deferred tax assets and other receivables of S\$0.5 million and S\$0.4 million respectively.

Other receivables (non-current) comprised (i) the refundable deposits relating to rental deposits placed with lessors for the leases of coffee shops, restaurants and confectionery shops which are due to expire in more than one year and recoverable upon termination or expiration of the leases, amounting to S\$5.9 million (30 September 2021: S\$6.5 million); and (ii) the non-current portion of staff loans amounting to S\$43,000 (30 September 2021: S\$0.1 million).

As at 30 September 2022, total refundable deposits placed with lessors (non-current and current) amounted to S\$6.9 million (30 September 2021: S\$7.0 million).

Current assets

The Group's current assets decreased by S\$8.6 million due mainly to decrease in cash and balances by S\$17.4 million; offset by (i) trade and other receivables, prepayments and inventories of S\$5.9 million from Tenderfresh Group; (ii) assets held for sale of S\$1.9 million; (iii) increase in trade and other receivables by S\$0.6 million in line with the increase in revenue; and (iv) increase in prepayments by S\$0.4 million.

The decrease in cash and bank balances of S\$17.4 million was mainly due to (i) net cash outflow on acquisition of 75% stake in Tenderfresh Group of S\$28.7 million; (ii) repayment of lease liabilities and related interest expense of S\$43.4 million; (iii) dividends paid to equity holders of the Company and non-controlling interests of S\$24.9 million and S\$1.1 million respectively; (iv) repayment of loan and borrowings and related interest expense of S\$1.5 million; (v) purchase of property, plant and equipment of S\$4.8 million; and (vi) investment in a joint venture of S\$1.1 million. The decrease was offset by (i) cash generated from operating activities of S\$86.9 million; (ii) dividends received from an associate and joint ventures of S\$1.0 million; (iii) proceeds from the disposal of property, plant and equipment of S\$0.1 million; and (iv) capital contribution from a non-controlling interest of S\$0.1 million.



**F. Other Information required by Appendix 7C of the Catalyst Rules (cont'd)**

**Consolidated Statements of Financial Position (cont'd)**

**Current liabilities**

The Group's current liabilities increased by S\$17.2 million due mainly to (i) trade and other payables, other liabilities, lease liabilities, provision for restoration cost (current portion) and provision for taxation from the Tenderfresh Group of S\$12.4 million; (ii) increase in trade and other payables and other liabilities by S\$3.9 million in line with the increase in the cost of sales; (iii) increase in interest-bearing loans and borrowing by S\$0.1 million; and (iv) liabilities directly associated with assets held for sale of S\$1.5 million.

The increase was offset by (i) decrease in lease liabilities (current portion and excluding Tenderfresh Group) by S\$0.2 million; (ii) decrease in provision for restoration costs (current-portion and excluding Tenderfresh Group) by S\$0.1 million; and (iii) decrease in provision for taxation (excluding Tenderfresh Group) by S\$0.3 million.

As at 30 September 2022, the Group had a negative working capital of S\$2.1 million due to the accounting of lease liabilities. Excluding the lease liabilities of S\$37.2 million, the Group had a positive working capital of S\$35.2 million as at 30 September 2022. The Group is able to meet its short-term debt obligations as and when they fall due, as it continues to generate positive cash flows from operations.

**Non-current liabilities**

The Group's non-current liabilities decreased by S\$19.4 million due to (i) decrease in the lease liabilities (non-current and excluding Tenderfresh Group) by S\$21.6 million; (ii) decrease in interest-bearing loans and borrowings by S\$1.3 million due to repayment made during FY2022; (iii) decrease in refundable rental deposits from tenants (non-current) by S\$0.2 million and (iv) lease liabilities reclassified as liabilities directly associated with assets held for sale of S\$0.8 million. The decrease was offset by non-current portion of lease liabilities, provision for restoration cost and deferred tax liabilities from Tenderfresh Group of S\$4.5 million.

The decrease in lease liabilities was mainly due to reclassification of lease liabilities which are due within one year to current liabilities. As at 30 September 2022, total lease liabilities (non-current and current) amounted to S\$105.4 million (30 September 2021: S\$122.7 million). The decrease in lease liabilities (non-current and current) was due to (i) the repayment of lease liabilities and related interest expense during FY2022 of S\$43.4 million (ii) derecognition of lease liabilities following the termination of management agreements of 5 coffeeshops under a Third Party Brand of S\$9.9 million; and (iii) lease liabilities reclassified as liabilities directly associated with assets held for sale of S\$1.5 million (see Note 17 to the unaudited financial statements for further details), partially offset by (i) lease liabilities arising from the newly acquired Tenderfresh Group of S\$5.9 million, and (ii) recognition of lease liabilities and interest expense arising from new and renewed leases of S\$28.0 million and S\$3.6 million respectively.

**Consolidated Statements of Cash Flows**

The Group's net cash generated from operating activities in FY2022 of S\$86.9 million mainly resulted from (i) operating cash flows before changes in working capital of S\$95.3 million and (ii) interest income from short-term deposits received of S\$0.1 million; and offset by (i) net working capital outflows of S\$2.4 million; and (ii) income taxes paid of S\$6.1 million. The net working capital outflows were due to (i) decrease in trade and other payables of S\$5.1 million; (ii) increase in inventories of S\$1.2 million; (iii) increase in prepayments of S\$0.4 million; and offset by (i) decrease in trade and other receivables of S\$2.2 million; and (ii) increase in other liabilities of S\$2.0 million.

The Group's net cash flows used in investing activities during FY2022 of S\$33.5 million were due to (i) net cash outflow on acquisition of Tenderfresh Group of S\$28.7 million; (ii) purchase of property, plant and equipment of S\$4.8 million; (iii) investment in a joint venture of S\$1.1 million; and offset by dividends received from an associate and joint ventures of S\$1.0 million.

The Group's net cash flows used in financing activities of S\$70.8 million were mainly attributable to (i) repayment of lease liabilities and related interest expense of S\$43.4 million; (ii) dividends paid to equity holders of the Company and non-controlling interests of S\$24.9 million and S\$1.1 million respectively; (iii) repayment of loans and borrowings and related interest expense of S\$1.5 million.

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- 2. A breakdown of sales and profit/loss after tax before non-controlling interest for the first half and second half year and the percentage changes**

	Group		Increase/ (decrease) %
	FY2022 S\$'000	FY2021 S\$'000	
Sales reported for first half year	156,871	122,649	27.9
Operating profit after tax before deducting non-controlling interests reported for first half year	20,107	21,771	(7.6)
Sales reported for second half year	160,877	115,993	38.7
Operating profit after tax before deducting non-controlling interests reported for second half year	16,605	17,521	(5.2)

- 3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

The financial results are in line with the forecast statement disclosed in the Company's financial results announcement for the half year ended 31 March 2022, dated 11 May 2022.

- 4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The food and beverage (F&B) industry continues to be highly competitive, increasing costs such as labour and utilities are the key challenges faced in the F&B industry. Inflationary pressure has also driven up the raw material costs which were already significantly higher as a result of the supply chain disruptions. The high operating cost pressure is expected to plaque the F&B sector in 2023.

As the Group's coffeeshops are predominantly located within the heartlands, the Group expects a decline in the footfall to coffeeshops, as more people return to their workplaces. The Group remains focused on reinventing its food offerings to cater to the evolving consumer preferences and needs, bringing in new and innovative products such as its in-house developed Chicken Curry Pau across its Dim Sum stalls recently. In addition, the Group's Seafood "Zi Char" division has also revamped its menu offerings to cater to the needs of the younger households in Singapore and created multiple customised food packages for online orders.

The Group has gained a significant foothold in the Halal food market following the acquisition of Tenderfresh Group in October 2021. The Group has successfully opened 8 Tenderfresh food stalls in its coffeeshops in FY2022 and is in the midst of integrating and setting up more Tenderfresh food stalls in its chain of coffeeshops. Tenderfresh Group has unveiled their new Tex-Mex concept with the opening of their Amigo's outlet at Jurong East Central where consumers get to enjoy feisty and bold flavours of Mexican food. In view of increasing number of health-conscious consumers, Tenderfresh Group has also introduced a new healthier rice bowl series.

Besides that, the Group is planning to apply Tenderfresh Group's modern-day cafe concept, Tenderbest Makcik Tuckshop to the upcoming Restaurant by the Park at Sengkang Riverside Park, Singapore's largest man-made wetlands, marking our first foray into Singapore's expanding park locations. This family-friendly F&B cafe will complement the natural setting of the park through a variety of Halal food items that offers value for money.

Tapping on Tenderfresh Group's network and competitive edge, the Group will continue to explore the Halal market which the Group believes that there is tremendous untapped potential in the industry. Furthermore, the Group will continue to look for suitable expansion opportunities and create unique dining experiences for different markets in Singapore to further broaden our revenue base.

The Group is mindful that the consumer sentiment may be dampened by recessionary fears arising from the uncertain global economic outlook. Thus, the Group will keep a close watch on the changing business landscapes and recalibrate the Group's business strategies accordingly.

Barring unforeseen circumstances, the Group is cautiously optimistic that the Group will remain profitable for FY2023.

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**F. Other Information required by Appendix 7C of the Catalist Rules (cont'd)**

**5. Dividend information**

5a. Current Financial Period Reported on

Name of Dividend	Final
Dividend type	Cash
Dividend per share	1.12 Singapore cents (S\$0.0112) per ordinary share
Tax rate	Tax-exempt (one-tier)

In view of the Group's performance in FY2022, the Board of Directors has proposed and recommended a final dividend (one-tier tax exempt) of 1.12 Singapore cents (S\$0.0112) per ordinary share. The proposed final dividend will be subject to shareholders' approval at the forthcoming FY2022 Annual General Meeting.

5b. Corresponding Period of the Immediate Preceding Financial Year

Name of Dividend	Final	Special
Dividend type	Cash	Cash
Dividend per share	0.84 Singapore cents (S\$0.0084) per ordinary share	0.6 Singapore cents (S\$0.006) per ordinary share
Tax rate	Tax-exempt (one-tier)	Tax-exempt (one-tier)

5c. Date Payable

Subject to shareholders' approval at the FY2022 Annual General Meeting, the date payable will be announced in due course.

5d. Books Closure Date

Subject to shareholders' approval at the FY2022 Annual General Meeting, the book closure date will be announced in due course.

**6. Interested Person Transactions**

The Group had obtained a general mandate from shareholders for IPTs disclosed in pages 147 to 153 of the Offer Document. The general mandate for IPT has been renewed at the Extraordinary General Meeting held on 26 January 2022.

There were no interested person transactions entered into that exceeded S\$100,000 for FY2022.

**7. Use of IPO proceeds**

The Company refers to the gross proceeds amounting to S\$43.5 million raised from the IPO on the Catalist Board of SGX-ST on 20 March 2017.

As at the date of this announcement, the status on the use of the IPO net proceeds is as follows:

	Allocated S\$'000	Utilised S\$'000	Balance S\$'000
Acquisitions and joint ventures and general business expansion (including establishment of new food outlets)	30,363	(30,363)	-
Refurbishment and renovation of existing food outlets	3,000	(3,000)	-
Headquarters/Central Kitchen upgrading	5,000	(2,895)	2,105
Productivity initiatives/IT	2,000	(2,000)	-
Listing expenses	3,087	(3,087)	-
<b>Total</b>	<b>43,450</b>	<b>(41,345)</b>	<b>2,105</b>

The above utilisations are in accordance with the intended use of IPO net proceeds, as stated in the Company's Offer Document.

**F. Other Information required by Appendix 7C of the Catalist Rules (cont'd)**

8. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Peh Chin Hong	54	Brother of Peh Oon Kee (substantial shareholder)	Outlet supervisor since FY2006	No change
Ng Han Keow	61	Brother of Ng Lay Beng (substantial shareholder)	Operation Manager since FY2001, resigned on 30 June 2019, rejoined on 1 October 2019	No change
Darane Lim	25	Daughter of Lim Hee Liat (substantial shareholder)	Assistant Brand Manager since FY2022	Not applicable

9. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

10. Disclosures on Acquisition and Realisation of Shares pursuant to Catalist Rule 706A

The Company has acquired/incorporated the following subsidiaries and joint venture during FY2022. Please refer to the relevant announcements for further information on these entities.

S/N	Name of entity	Nature of transactions	Date of announcement
1.	Tenderfresh Group Pte. Ltd. and its subsidiaries	Completion of acquisition of 75% stake in Tenderfresh Business	1 October 2021
2.	Hawkermania Pte. Ltd.	Incorporation of a new subsidiary	Not applicable
3.	Da Sun Food House Pte. Ltd.	Entry into a joint venture agreement to operate and manage short-term HDB coffeeshop leases	30 June 2022

11. Confirmation by the Board

The Board has confirmed to the best of its knowledge that nothing has come to its attention which may render the unaudited financial results for the year ended 30 September 2022 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

Wong Kok Yoong  
Executive Director  
24 November 2022