



Kimly Limited

(Incorporated in the Republic of Singapore)

(Company Registration No. 201613903R)

Unaudited Consolidated Financial Statements For the Full Year Ended 30 September 2023

Table of Contents		
		Page
A.	Consolidated Statement of Comprehensive Income	2
B.	Consolidated Statements of Financial Position	3
C.	Consolidated Statement of Cash Flows	4
D.	Consolidated Statements of Changes in Equity	6
E.	Notes to the Consolidated Financial Statements	9
F.	Other Information required by Appendix 7C of the Catalist Rules	22

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.

Kimly Limited
Unaudited Consolidated Financial Statements
For the full year ended 30 September 2023

A. Consolidated Statement of Comprehensive Income

	Note	Group	
		FY2023 S\$'000	FY2022 S\$'000
Revenue	3	313,852	317,748
Cost of sales		(224,965)	(226,206)*
Gross profit		88,887	91,542
Other items of income			
Finance income		1,606	174
Other operating income		6,629	4,038
Other items of expense			
Selling and distribution expenses		(17,037)	(19,103)
Administrative expenses		(27,981)	(27,790)*
Finance costs		(3,755)	(4,008)
Other operating expenses		(1,872)	(1,657)
Share of profit of an associate and joint ventures		695	674
Profit before tax	5	47,172	43,870
Income tax expense	6	(7,898)	(7,158)
Profit for the year, representing total comprehensive income for the year		39,274	36,712
Profit attributable to:			
Owners of the Company		36,474	34,019
Non-controlling interests		2,800	2,693
		39,274	36,712
Earnings per share			
- Basic	14	2.94	2.74
- Diluted	14	2.93	2.74

* The Cost of Sales and Administrative Expenses have been reclassified to conform with current year's presentation. Please refer to Note 17 to the financial statements for further details.

Kimly Limited
Unaudited Consolidated Financial Statements
For the full year ended 30 September 2023

B. Consolidated Statements of Financial Position

	Note	Group		Company	
		30.9.2023	30.9.2022	30.9.2023	30.9.2022
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	7	73,007	73,397	-	-
Investment properties	8	6,653	6,796	-	-
Intangible assets and goodwill	9	60,229	61,800	-	-
Right-of-use assets	10 (a)	72,612	101,982	-	-
Investment in subsidiaries		-	-	239,297	239,297
Investment in an associate and joint ventures		12,585	13,038	-	-
Deferred tax assets		233	212	-	-
Other receivables		3,469	5,985	-	-
		228,788	263,210	239,297	239,297
Current assets					
Trade and other receivables		12,086	9,640	106,081	102,814
Inventories		3,392	3,916	-	-
Prepayments		502	921	33	39
Cash and cash equivalents		89,062	77,622	32,183	34,825
		105,042	92,099	138,297	137,678
Assets held for sale		-	1,947	-	-
		105,042	94,046	138,297	137,678
Total assets		333,830	357,256	377,594	376,975
Current liabilities					
Trade and other payables		27,554	32,674	35,531	38,970
Other liabilities		16,100	14,960	626	583
Interest-bearing loans and borrowings	11	786	1,138	-	-
Lease liabilities	10 (b)	35,527	37,237	-	-
Provision for restoration costs		573	149	-	-
Provision for taxation		9,238	8,444	245	20
		89,778	94,602	36,402	39,573
Liabilities directly associated with assets held for sale		-	1,499	-	-
		89,778	96,101	36,402	39,573
Net current assets/(liabilities)		15,264	(2,055)	101,895	98,105
Non-current liabilities					
Interest-bearing loans and borrowings	11	16,906	22,107	-	-
Lease liabilities	10 (b)	41,129	68,187	-	-
Deferred tax liabilities		1,813	1,987	-	2
Other payables		1,114	1,021	-	-
Provision for restoration costs		510	1,076	-	-
		61,472	94,378	-	2
Total liabilities		151,250	190,479	36,402	39,575
Net assets		182,580	166,777	341,192	337,400
Equity					
Share capital	12 (a)	316,145	316,145	316,145	316,145
Treasury shares	12 (b)	(2,520)	(1,818)	(2,520)	(1,818)
Share based compensation reserve	12 (c)	140	140	140	140
Other reserves		(120,123)	(120,123)	-	-
Premium paid on acquisition of non-controlling interests		(113,030)	(113,030)	-	-
Retained earnings		95,870	80,290	27,427	22,933
Equity attributable to owners of the Company		176,482	161,604	341,192	337,400
Non-controlling interests		6,098	5,173	-	-
Total equity		182,580	166,777	341,192	337,400
Total equity and liabilities		333,830	357,256	377,594	376,975

Kimly Limited
Unaudited Consolidated Financial Statements
For the full year ended 30 September 2023

C. Consolidated Statement of Cash Flows

	Note	Group	
		FY2023 S\$ '000	FY2022 S\$ '000
Operating activities			
Profit before tax		47,172	43,870
<u>Adjustments for:</u>			
Amortisation of intangible assets	9	1,578	1,634
Depreciation of investment properties	8	143	143
Depreciation of property, plant and equipment	7	6,010	6,012
Depreciation of right-of-use assets	10 (a)	37,655	40,567
Gain on derecognition of right-of-use assets and lease liabilities		(115)	(376)
Gain on disposal of property, plant and equipment		(154)	(109)
Gain on disposal of Confectionary Business		(2,514)	-
Gain on reversal of impairment loss on property, plant and equipment		(185)	-
Impairment loss on right-of-use assets	10 (a)	285	-
Interest expense on lease liabilities	10 (b)	3,272	3,644
Interest expense on loans and borrowings		483	364
Interest income arising from the discount implicit in non-current receivables		(206)	(27)
Interest income from short-term deposits		(1,400)	(147)
Share of profit of an associate and joint ventures		(695)	(674)
Share-based payment expenses (Kimly Performance Share Plan)		547	369
Write-off of property, plant and equipment		2	13
Total adjustments		44,706	51,413
Operating cash flows before changes in working capital		91,878	95,283
<u>Change in working capital</u>			
Decrease in trade and other receivables		750	2,186
Decrease/(increase) in inventories		491	(1,169)
Decrease/(increase) in prepayment		419	(420)
Decrease in trade and other payables		(5,702)	(5,065)
Increase in other liabilities		1,120	2,047
Total changes in working capital		(2,922)	(2,421)
Cash flows from operations		88,956	92,862
Interest income from short-term deposits received		1,185	111
Income taxes paid		(7,299)	(6,053)
Net cash generated from operating activities		82,842	86,920
Investing activities			
Dividend income received from associate and joint ventures		1,148	1,002
Investment in a joint venture		-	(1,127)
Net cash outflow on acquisition of subsidiaries		-	(28,681)
Proceeds from disposal of Confectionary Business		2,800	-
Proceeds from disposal of property, plant and equipment		178	129
Purchase of property, plant and equipment (Note A)		(4,972)	(4,802)
Purchase of intangible assets (Note B)		(7)	(52)
Net cash used in investing activities		(853)	(33,531)

Kimly Limited
Unaudited Consolidated Financial Statements
For the full year ended 30 September 2023

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

		Group	
	Note	FY2023 S\$'000	FY2022 S\$'000
Financing activities			
Capital contribution from a non-controlling interest		-	98
Dividend paid to equity holders of the parents	13	(20,894)	(24,853)
Dividend paid to non-controlling interests		(1,875)	(1,090)
Interest expense from loans and borrowings paid		(483)	(364)
Interest expense from lease liabilities paid		(3,272)	(3,644)
Purchase of treasury shares	12 (b)	(1,249)	-
Repayment of lease liabilities		(37,223)	(39,738)
Repayment of loans and borrowings		(5,553)	(1,165)
Net cash used in financing activities		(70,549)	(70,756)
Net increase/(decrease) in cash and cash equivalents		11,440	(17,367)
Cash and cash equivalents at the beginning of financial year		77,622	94,989
Cash and cash equivalents at the end of financial year		89,062	77,622
<u>A. Property, plant and equipment</u>			
Current year additions to property, plant and equipment	7	5,461	3,998
Less: non-cash movement			
(Increase)/decrease in other payables		(631)	774
Reduction of restoration costs		142	30
Net cash outflow for purchase of property, plant and equipment		4,972	4,802
<u>B. Intangible assets</u>			
Current year additions to intangible assets	9	7	14
Less: non-cash movement			
Decrease in other payables		-	38
Net cash outflow for purchase of intangible assets		7	52

Kimly Limited
Unaudited Consolidated Financial Statements
For the full year ended 30 September 2023

D. Consolidated Statements of Changes in Equity

		<div style="display: flex; justify-content: space-between; align-items: center;"> ← Attributable to owners of the Company → </div> Other reserves								
Note	Share capital	Treasury shares	Merger reserve	Deemed contribution from shareholders of subsidiary under common control	Premium paid on acquisition of non-controlling interests	Share based compensation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	(Note 12 (a)) S\$'000	(Note 12 (b)) S\$'000	S\$'000	S\$'000	S\$'000	(Note 12 (c)) S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group										
At 1 October 2022	316,145	(1,818)	(120,591)	468	(113,030)	140	80,290	161,604	5,173	166,777
Profit for the year, representing total comprehensive income for the year	-	-	-	-	-	-	36,474	36,474	2,800	39,274
<u>Contributions by and distributions to owners</u>										
Dividends on ordinary shares	13	-	-	-	-	-	(20,894)	(20,894)	(1,875)	(22,769)
Purchase of treasury shares	12(b)	-	(1,249)	-	-	-	-	(1,249)	-	(1,249)
Share-based payment expenses (Kimly Performance Share Plan)	12(b)	-	-	-	-	547	-	547	-	547
Treasury shares transferred on vesting of share awards granted under the Kimly Performance Share Plan		-	547	-	-	(547)	-	-	-	-
Total contributions by and distributions to owners		-	(702)	-	-	-	(20,894)	(21,596)	(1,875)	(23,471)
Balance as at 30 September 2023	316,145	(2,520)	(120,591)	468	(113,030)	140	95,870	176,482	6,098	182,580

Kimly Limited
Unaudited Consolidated Financial Statements
For the full year ended 30 September 2023

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

		Attributable to owners of the Company								
				Other reserves						
Note	Share capital (Note 12 (a)) S\$'000	Treasury shares (Note 12 (b)) 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 (c)) S\$'000	Retained earnings S\$'000	Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
Group										
At 1 October 2021	297,451	(2,187)	(120,591)	468	(113,030)	140	71,124	133,375	221	133,596
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>										
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	3,251	3,251
Capital contribution from a non-controlling interest	-	-	-	-	-	-	-	-	98	98
Dividends on ordinary shares	13	-	-	-	-	-	(24,853)	(24,853)	(1,090)	(25,943)
Issuance of ordinary shares for acquisition of subsidiaries	12(a)	18,694	-	-	-	-	-	18,694	-	18,694
Share-based payment expenses (Kimly Performance Share Plan)	12(b)	-	-	-	-	369	-	369	-	369
Treasury shares transferred on vesting of share awards granted under the Kimly Performance Share Plan		-	369	-	-	(369)	-	-	-	-
Total contributions by and distributions to owners		18,694	369	-	-	-	(24,853)	(5,790)	2,259	(3,531)
Balance as at 30 September 2022	316,145	(1,818)	(120,591)	468	(113,030)	140	80,290	161,604	5,173	166,777

Kimly Limited
Unaudited Consolidated Financial Statements
For the full year ended 30 September 2023

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

		Share capital (Note 12 (a)) S\$'000	Treasury shares (Note 12 (b)) S\$'000	Share based compensation reserve (Note 12 (c)) S\$'000	Retained earnings S\$'000	Total equity S\$'000
Company						
At 1 October 2022		316,145	(1,818)	140	22,933	337,400
Profit for the year, representing total comprehensive income for the year		-	-	-	25,388	25,388
<u>Contributions by and distributions to owners</u>						
Dividends on ordinary shares	13	-	-	-	(20,894)	(20,894)
Purchase of treasury shares	12 (b)	-	(1,249)	-	-	(1,249)
Share-based payment expenses (Kimly Performance Share Plan)	12 (b)	-	-	547	-	547
Treasury shares transferred on vesting of share awards granted under the Kimly Performance Share Plan		-	547	(547)	-	-
Total contributions by and distributions to owners		-	(702)	-	(20,894)	(21,596)
Balance as at 30 September 2023		316,145	(2,520)	140	27,427	341,192
At 1 October 2021		297,451	(2,187)	140	18,026	313,430
Profit for the year, representing total comprehensive income for the year		-	-	-	29,760	29,760
<u>Contributions by and distributions to owners</u>						
Dividends on ordinary shares	13	-	-	-	(24,853)	(24,853)
Issuance of ordinary shares	12(a)	18,694	-	-	-	18,694
Share-based payment expenses (Kimly Performance Share Plan)	12 (b)	-	-	369	-	369
Treasury shares transferred on vesting of share awards granted under the Kimly Performance Share Plan		-	369	(369)	-	-
Total contributions by and distributions to owners		18,694	369	-	(24,853)	(5,790)
Balance as at 30 September 2022		316,145	(1,818)	140	22,933	337,400

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 financial information contained in this announcement has neither been audited nor reviewed by the auditors.

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 shops, operating of restaurants, 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 2022.

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 ("S'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 2022. 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.

E. Notes to the Consolidated Financial Statements

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.

(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 (up to 15 December 2022) 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 (up to 15 December 2022). 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 S\$'000	Food Retail S\$'000	Outlet Investment Business S\$'000	Others* S\$'000	Adjustments and eliminations S\$'000	Group S\$'000
FY2023						
Revenue						
Revenue from external customer	122,766	183,832	7,254	-	-	313,852
Inter-segment revenue	21,359	64,549	969	53,127	(140,004)	-
Total revenue	144,125	248,381	8,223	53,127	(140,004)	313,852
Results:						
Amortisation of intangible assets	(550)	(1,028)	-	-	-	(1,578)
Depreciation of investment properties	-	-	(143)	-	-	(143)
Depreciation of property, plant and equipment	(2,470)	(1,734)	(1,297)	(509)	-	(6,010)
Depreciation of right-of-use assets	(30,477)	(7,017)	(50)	(111)	-	(37,655)
Employee benefits expense (gross)	(31,039)	(54,733)	(1,421)	(5,769)	-	(92,962)
Employee benefits expense (net)	(30,039)	(54,183)	(1,372)	(5,699)	-	(91,293)
Finance costs						
- Lease liabilities	(2,835)	(393)	(3)	(41)	-	(3,272)
- Loans and borrowings	-	-	(483)	-	-	(483)
Gain on derecognition of right-of-use assets and lease liabilities	111	4	-	-	-	115
Gain on disposal of property, plant and equipment	(154)	-	-	-	-	(154)
Gain on disposal of Confectionary Business	-	2,514	-	-	-	2,514
Government grants	1,621	432	84	18	-	2,155
Impairment loss on right-of-use assets	285	-	-	-	-	285
Interest income from short-term deposits	125	220	10	1,045	-	1,400
Rental expense on short-term leases and low value assets	(1,492)	(1,842)	(81)	(4)	-	(3,419)
Reversal of impairment loss on property, plant and equipment	-	185	-	-	-	185
Share-based payment expenses (Kimly Performance Share Plan)	(188)	(146)	-	(213)	-	(547)
Share of profit of an associate and joint ventures	604	-	91	-	-	695
Write-off of property, plant and equipment	-	(2)	-	-	-	(2)
Segment profit/(loss)	17,569	35,526	1,206	(7,129)	-	47,172

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

3. Segment and revenue information (cont'd)

	Outlet Management S\$'000	Food Retail S\$'000	Outlet Investment Business S\$'000	Others* S\$'000	Adjustments and eliminations S\$'000	Group S\$'000
FY2022						
Revenue						
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	154,188	260,013	7,918	63,274	(167,645)	317,748
Results:						
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 (gross)	(30,220)	(1,839)	(53,350)	(5,915)	-	(91,324)
Employee benefits expense (net)	(29,257)	(1,348)	(53,296)	(5,796)	-	(89,697)
Finance costs						
- Lease liabilities	(3,289)	(312)	(2)	(41)	-	(3,644)
- Loans and borrowings	-	-	(364)	-	-	(364)
Gain on disposal of property, plant and equipment	44	22	-	43	-	109
Government grants	782	362	53	77	-	1,274
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	572	-	102	-	-	674
Write-off of property, plant and equipment	-	(13)	-	-	-	(13)
Segment profit/(loss)	13,405	36,812	1,210	(7,557)	-	43,870

	Segment Assets		Segment Liabilities	
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
	S\$'000	S\$'000	S\$'000	S\$'000
Outlet Management	108,979	130,769	(85,074)	(114,069)
Food Retail	107,054	105,214	(35,303)	(35,898)
Outlet Investment Business	75,209	76,178	(19,880)	(25,274)
Others*	42,588	45,095	(10,993)	(15,238)
Total	333,830	357,256	(151,250)	(190,479)

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

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

3. Segment and revenue information (cont'd)

Disaggregation of Revenue

	FY2023	FY2022
	S\$'000	S\$'000
Types of goods or services:		
Sale of food, beverages and tobacco products	263,274	270,625
Fixed rental income from lease of premises to tenants	29,938	28,446
Contingent rental income from lease of premises to tenants	284	119
Provision of cleaning and utilities services	19,185	16,553
Outlet management fee	1,171	2,005
	<u>313,852</u>	<u>317,748</u>
Timing of transfer of goods or services:		
At a point in time	263,274	270,625
Over time	50,578	47,123
	<u>313,852</u>	<u>317,748</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 2023 and 30 September 2022:

	Group		Company	
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets:				
Trade and other receivables	15,555	15,625	106,081	102,814
Cash and short-term deposits	89,062	77,622	32,183	34,825
	<u>104,617</u>	<u>93,247</u>	<u>138,264</u>	<u>137,639</u>
Financial liabilities:				
Trade and other payables	25,184	30,750	35,531	38,970
Accrued operating expenses	16,016	14,701	626	583
Interest-bearing loans and borrowings	17,692	23,245	-	-
	<u>58,892</u>	<u>68,696</u>	<u>36,157</u>	<u>39,553</u>

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:

		Group	
	Note	FY2023	FY2022
		S\$'000	S\$'000
Amortisation of intangible assets		1,578	1,634
Depreciation of investment properties		143	143
Depreciation of property, plant and equipment		6,010	6,012
Depreciation of right-of-use assets		37,655	40,567
Directors' fees		200	200
Employee benefits expense	(1)	91,293	89,697
Finance costs			
- Lease liabilities		3,272	3,644
- Loans and borrowings		483	364
Gain on derecognition of right-of-use assets and lease liabilities		(115)	(376)
Gain on disposal of property, plant and equipment		(154)	(109)
Gain on disposal of Confectionary Business		(2,514)	-
Gain on reversal of impairment loss on property, plant and equipment		(185)	-
Government grants		(2,155)	(1,274)
Impairment loss on right-of-use assets		285	-
Interest income arising from discount implicit in non-current receivables		(206)	(27)
Interest income from short-term deposits		(1,400)	(147)
Rental expense on short-term leases and low value assets, net of rental relief received	(2)	3,419	178
Share-based payment expenses (Kimly Performance Share Plan)		547	369
Write-off of property, plant and equipment		2	13

Notes:

- (1) Employee benefits expense was after offset of the government grants received under the Progressive Wage Credit Scheme and Jobs Support Scheme.

	FY2023	FY2022
	S\$'000	S\$'000
Progressive Wage Credit Scheme	1,669	-
Jobs Support Scheme	-	1,627

- (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\$0.2 million in FY2023 (FY2022: S\$4.6 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	
	FY2023	FY2022
	S\$'000	S\$'000
Rental paid to corporations related to a substantial shareholder	9,531	8,569
Rental paid to an associate	1,233	1,224
Rental paid to joint venture companies	386	198

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.

	Group	
	FY2023	FY2022
	S\$'000	S\$'000
<i>Lease commitment with corporations related to a substantial shareholder*</i>		
Not later than one year	9,611	9,269
Later than one year but not later than five years	1,832	10,358
	<u>11,443</u>	<u>19,627</u>
<i>Lease commitment with joint ventures</i>		
Not later than one year	76	175
	<u>76</u>	<u>175</u>
<i>Lease commitment with an associate*</i>		
Not later than one year	1,260	1,233
Later than one year but not later than five years	3,360	4,620
	<u>4,620</u>	<u>5,853</u>

* These leases have been capitalised as right-of-use assets in accordance with SFRS(I) 16 Leases.

6. Income tax expense

The Group calculates the income tax expense 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:

	Group	
	FY2023	FY2022
	S\$'000	S\$'000
<i>Current income tax</i>		
- Current income taxation, representing total income tax expense recognised in profit or loss	7,764	7,482
- Under provision in respect of previous years	329	-
	<u>8,093</u>	<u>7,482</u>
<i>Deferred income tax</i>		
- Amortisation and reversal of temporary differences	(195)	(324)
Income tax expense recognised in profit or loss	<u>7,898</u>	<u>7,158</u>

Kimly Limited
Unaudited Consolidated Financial Statements
For the full year ended 30 September 2023

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

7. Property, plant and equipment

	Group	
	30.9.2023	30.9.2022
	S\$'000	S\$'000
Cost		
At 1 October 2022 / 1 October 2021	98,422	94,369
Additions	5,461	3,998
Acquisition of subsidiaries	-	2,644
Disposals	(377)	(1,438)
Written off	(1,360)	(698)
Reclassified as assets held for sale	-	(453)
At 30 September 2023 / 30 September 2022	<u>102,146</u>	<u>98,422</u>
Accumulated depreciation and impairment		
At 1 October 2022 / 1 October 2021	25,025	21,408
Depreciation charge for the year	6,010	6,012
Reversal of impairment loss	(185)	-
Disposals	(353)	(1,418)
Written off	(1,358)	(685)
Reclassified as assets held for sale	-	(292)
At 30 September 2023 / 30 September 2022	<u>29,139</u>	<u>25,025</u>
Net carrying amount		
At 30 September 2023 / 30 September 2022	<u><u>73,007</u></u>	<u><u>73,397</u></u>

8. Investment properties

	Group	
	30.9.2023	30.9.2022
	S\$'000	S\$'000
Cost		
At 1 October 2022 / 1 October 2021, and 30 September 2023 / 30 September 2022	<u>7,130</u>	<u>7,130</u>
Accumulated depreciation		
At 1 October 2022 / 1 October 2021	334	191
Depreciation charge for the year	143	143
At 30 September 2023 / 30 September 2022	<u>477</u>	<u>334</u>
Net carrying amount		
At 30 September 2023 / 30 September 2022	<u><u>6,653</u></u>	<u><u>6,796</u></u>

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

9. Intangible assets and goodwill

	Group				
	Goodwill	Customer contracts	Lease assignment fees	Trademarks	Computer software
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Cost					
At 1 October 2021	1,626	50	15,140	72	763
Additions	-	-	-	-	14
Acquisition of subsidiaries	48,436	1,428	-	8,805	-
Reclassified as assets held for sale	-	-	-	-	(6)
At 30 September 2022 and 1 October 2022	50,062	1,478	15,140	8,877	771
Additions	-	-	-	-	7
Written off	-	-	-	-	(21)
At 30 September 2023	50,062	1,478	15,140	8,877	757
Accumulated amortisation and impairment					
At 1 October 2021	705	50	11,410	72	663
Charge for the year	-	143	535	880	76
Reclassified as assets held for sale	-	-	-	-	(6)
At 30 September 2022 and 1 October 2022	705	193	11,945	952	733
Charge for the year	-	143	535	881	19
Written off	-	-	-	-	(21)
At 30 September 2023	705	336	12,480	1,833	731
Net carrying amount					
At 30 September 2023	49,357	1,142	2,660	7,044	26
At 30 September 2022	49,357	1,285	3,195	7,925	38

Impairment testing of goodwill and trademarks

There were no significant events and conditions that indicated impairment in respect of intangible assets and goodwill existed as at 30 September 2023.

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

10. Leases

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

	Group	
	30.9.2023	30.9.2022
	S\$'000	S\$'000
Cost		
At 1 October 2022 / 1 October 2021	202,802	187,976
Acquisition of subsidiaries	-	5,835
Additions	6,687	10,675
Modifications	12,044	17,317
Derecognition	(21,891)	(16,921)
Reclassified as assets held for sale	-	(2,080)
At 30 September 2023 / 30 September 2022	<u>199,642</u>	<u>202,802</u>
Accumulated depreciation and impairment		
At 1 October 2022 / 1 October 2021	100,820	68,233
Depreciation charge for the year	37,655	40,567
Derecognition	(11,730)	(7,358)
Impairment loss recognised	285	-
Reclassified as assets held for sale	-	(622)
At 30 September 2023 / 30 September 2022	<u>127,030</u>	<u>100,820</u>
Net carrying amount		
At 30 September 2023 / 30 September 2022	<u>72,612</u>	<u>101,982</u>

(b) Lease liabilities

	Group	
	30.9.2023	30.9.2022
	S\$'000	S\$'000
At 1 October 2022 / 1 October 2021	105,424	122,681
Acquisition of subsidiaries	-	5,927
Additions	6,687	10,675
Modifications	12,044	17,317
Accretion of interests	3,272	3,644
Lease payments	(40,495)	(43,382)
Derecognition	(10,276)	(9,939)
Liabilities directly associated with the assets held for sale	-	(1,499)
At 30 September 2023 / 30 September 2022	<u>76,656</u>	<u>105,424</u>
Current	35,527	37,237
Non-current	41,129	68,187
	<u>76,656</u>	<u>105,424</u>

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

11. Interest-bearing loans and borrowings

	Group	
	30.9.2023	30.9.2022
	S\$'000	S\$'000
Interest-bearing loans and borrowings (secured)		
Current	786	1,138
Non-current	16,906	22,107
	17,692	23,245

As at 30 September 2023 and 30 September 2022, 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

	Group and Company			
	30.9.2023		30.9.2022	
	No. of shares		No. of shares	
	'000	S\$'000	'000	S\$'000
Issued and fully paid ordinary shares:				
At 1 October 2022 / 1 October 2021	1,250,003	316,145	1,198,787	297,451
Issuance of ordinary shares	-	-	51,216	18,694
At 30 September 2023 / 30 September 2022	1,250,003	316,145	1,250,003	316,145

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

	Group and Company			
	30.9.2023		30.9.2022	
	No. of shares		No. of shares	
	'000	S\$'000	'000	S\$'000
At 1 October 2022 / 1 October 2021	6,849	1,818	8,234	2,187
Treasury shares transferred on vesting of share awards granted under the Kimly Performance Share Plan	(2,004)	(547)	(1,385)	(369)
Purchase of treasury shares	3,772	1,249	-	-
At 30 September 2023 / 30 September 2022	8,617	2,520	6,849	1,818

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

E. Notes to the Condensed Interim 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	
	FY2023	FY2022
	S\$'000	S\$'000
Declared and paid during the financial year:		
Dividends on ordinary shares:		
- Final exempt (one-tier) dividend for 2022: 1.12 (2021: 0.84) cents per share	13,936	10,437
- Special exempt (one-tier) dividend for 2022: Nil (2021: 0.60) cents per share	-	7,454
- Interim exempt (one-tier) dividend for 2023: 0.56 (2022: 0.56) cents per share	6,958	6,962
	20,894	24,853

14. Earnings per ordinary shares

	Group	
	FY2023	FY2022
Profit for the year attributable to owners of the Company (S\$'000)	36,474	34,019
Weighted average number of ordinary shares for basic earnings per share computation ('000)	1,242,563	1,240,419
Effect of dilution:		
Share awards granted under the Kimly Performance Share Plan ('000)	1,412	926
Weighted average number of ordinary shares for basic earnings per share computation ('000)	1,243,975	1,241,345
Basic earnings per shares (cents)	2.94	2.74
Diluted earnings per shares (cents)	2.93	2.74

15. Net asset value

	Group		Company	
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
Net asset value ("NAV") (S\$'000)	176,482	161,604	341,192	337,400
Number of ordinary shares in issue ('000)	1,241,386	1,243,154	1,241,386	1,243,154
NAV per ordinary share (cents)	14.22	13.00	27.48	27.14

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.

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

16. Fair value of assets and liabilities (cont'd)

Fair value hierarchy (cont'd)

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 amounts 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 amounts 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			
	30.9.2023		30.9.2022	
	Carrying amount	Fair value measurement using significant unobservable inputs (Level 3)	Carrying amount	Fair value measurement using significant unobservable inputs (Level 3)
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Investment properties	6,653	7,000	6,796	7,000
Liabilities				
Interest-bearing loans and borrowings	17,692	17,692	23,245	23,608

Determination of fair value

Management estimates the fair value of the investment properties based on inputs provided by a financial institution. Management corroborated the fair values by obtaining the valuation from an independent valuer on a sample basis for properties owned by the Group. The independent valuer used the direct comparison method as well as the income approach using inputs such as location, tenure, age, size, design, layout, exposure to shoppers' traffic condition and standard of finished.

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 Group's borrowing rate as at the end of the reporting period.

17. Comparatives

The Cost of Sales and Administrative Expenses in Consolidated Statement of Comprehensive Income for the full year ended 30 September 2022 have been reclassified to conform with current year's presentation.

	As previously stated	Reclassification*	As restated
	S\$'000	S\$'000	S\$'000
Consolidated Statement of Comprehensive Income			
Cost of Sales	225,099	1,107	226,206
Administrative Expenses	28,897	(1,107)	27,790

* Reclassification of Tenderfresh Group's certain operations management team's payroll expense

18. Subsequent events

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

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

1. Review of performance of the Group

Consolidated Statement of Comprehensive Income

FY2023 compared to FY2022

Revenue

Revenue decreased by S\$3.9 million or 1.2% from S\$317.7 million in FY2022 to S\$313.9 million in FY2023. This was mainly due to:

- (a) Revenue contribution from the Food Retail Division decreased by S\$7.4 million from S\$191.2 million in FY2022 to S\$183.8 million in FY2023. This was mainly due to (i) decrease in revenue contribution from existing food stalls/outlets of S\$7.6 million, mainly due to the decline in delivery sales of S\$6.5 million as demand for food delivery tapered to a new normal following the easing of Covid-19 restrictions; (ii) decrease in revenue contribution of S\$5.8 million from the closure of Tenderfresh Group's five (5) restaurants and two (2) stalls during FY2022 which resulted from the post-acquisition outlet/stall repositioning to rationalise manpower resources by redeploying the same pool of employees from these underperforming restaurants/stalls to newly-opened food stalls; (iii) the decrease in revenue of S\$4.1 million from the closure of underperforming food stalls, seven (7) stalls during FY2022 and six (6) stalls in FY2023; and (iv) completion of disposal of the Confectionary Business in December 2022 which resulted in a decrease in revenue contribution of S\$3.6 million.

The decrease in revenue was offset by the revenue contribution of S\$13.7 million from 15 food stalls which opened during FY2022, and 14 food stalls and one (1) kiosk and one (1) restaurant which opened during FY2023.

- (b) Revenue from the Outlet Management Division and Outlet Investment Business Division increased by S\$3.3 million and S\$0.2 million respectively. The increase was mainly due to (i) revenue contribution from three (3) coffeeshops opened during FY2023 and FY2022 respectively of S\$6.5 million; (ii) increase in rental income of S\$1.9 million mainly due to the decrease in rental rebates given to tenants of S\$2.3 million; (iii) increase in revenue from sale of beverages and tobacco products of S\$1.5 million, mainly attributed by the relaxation of Covid-19 measures which restricted dine-in to 2 pax until 21 November 2021 as well as the eventually lifting of dine-in restriction on 26 April 2022; and (iv) increase in revenue from the provision of cleaning and utilities services of S\$3.5 million.

The increase was offset by the decrease in contribution of S\$9.9 million following (i) the termination of management agreements of four (4) coffeeshops in 1H FY2023 and five (5) coffeeshops in 2H FY2022 and (ii) closure of a coffeeshop in 2H FY2023.

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 confectionary shops, rental expense on short term leases and low value assets, utilities and cleaning charges, decreased by S\$1.2 million, to S\$225.0 million in FY2023. Cost of sales as a percentage of revenue has increased by 0.5%, from 71.2% in FY2022 to 71.7% in FY2023.

The decrease in the cost of sales was mainly due to decrease in food ingredient expense and utilities cost of S\$3.8 million and S\$0.5 million respectively, in line with the decrease in revenue. The decrease was offset by the increase in employee benefits expenses of S\$1.8 million, due mainly to salary adjustment across the board; and (ii) higher cleaning expenses and gas expenses of S\$0.9 million and S\$0.2 million respectively.

Gross profit

Overall gross profit decreased by S\$2.7 million or 2.9% from S\$91.5 million in FY2022 to S\$88.9 million in FY2023. Gross profit margin decreased by 0.5 percentage point, from 28.8% in FY2022 to 28.3% in FY2023.

Finance income

Finance income increased by S\$1.4 million due mainly to increase in interest income, in line with higher interest rates.

Other operating income

Other operating income increased from S\$4.0 million in FY2022 to S\$6.6 million in FY2023. The increase was due to (i) gain on disposal of the Confectionary Business of S\$2.5 million; and (ii) gain on reversal of impairment loss on property, plant and equipment of S\$0.2 million.

Selling and distribution expenses

Selling and distribution expenses decreased by S\$2.1 million from S\$19.1 million in FY2022 to S\$17.0 million in FY2023. The decrease was mainly due to lower online food delivery fees and packaging material expenses incurred, in line with the decrease in food delivery sales.

Finance costs

Finance costs pertains to interest expense from loans and borrowings and interest expense from unwinding of lease liabilities. The decrease of S\$0.3 million in finance cost was due to decrease in interest expense of S\$0.4 million from the unwinding of lease liabilities and offset by the increase in interest arising from loans and borrowings of S\$0.1 million.

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

1. Review of performance of the Group (cont'd)

Consolidated Statement of Comprehensive Income (cont'd)

Other operating expenses

Other operating expenses increased from S\$1.7 million in FY2022 to S\$1.9 million in FY2023. The increase was due mainly to impairment loss recognised on right-of-use assets of an underperforming food outlet.

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 joint venture companies.

Income tax expense

Income tax expense increased by S\$0.7 million from S\$7.2 million in FY2022 to S\$7.9 million in FY2023. Effective tax rate increased from 16.3% in FY2022 to 16.7% in FY2023 due mainly to under provision of income tax expense in respect of previous years of S\$0.3 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 2023 and 30 September 2022

Non-current assets

The Group's non-current assets decreased by S\$34.4 million from S\$263.2 million as at 30 September 2022 to S\$228.8 million as at 30 September 2023 mainly due to (i) depreciation of right-of-use assets of S\$37.7 million; (ii) derecognition of right-of-use assets of S\$10.2 million, mainly in relation to coffeeshop leases following the termination of management agreements of four (4) coffeeshops under a Third Party Brand in FY2023; (iii) depreciation of property, plant and equipment of S\$6.0 million; (iv) amortisation of intangible assets of S\$1.6 million; (v) decrease in other receivables (non-current) of S\$2.5 million due to reclassification of refundable deposits which the leases are due to expire within one year to other receivables (current assets); (vi) decrease in investment in an associate and joint ventures of S\$0.5 million; and (vii) impairment loss recognised on right-of-use assets of an underperforming food outlet of S\$0.3 million.

The decrease was offset by (i) the recognition of right-of-use assets of S\$18.7 million arising from the Group's new and renewed leases; and (ii) renovations and additions of equipment for existing and new coffeeshops and food stalls of S\$5.5 million.

Other receivables (non-current) comprised (i) the refundable deposits relating to rental deposits placed with lessors for the leases of coffeeshops, restaurants and confectionary shops which are due to expire in more than one year and recoverable upon termination or expiration of the leases, amounting to S\$3.4 million (30 September 2022: S\$5.9 million); and (ii) the non-current portion of staff loans amounting to S\$0.1 million (30 September 2022: S\$43,000).

As at 30 September 2023, total refundable deposits placed with lessors (non-current and current) amounted to S\$7.1 million (30 September 2022: S\$6.9 million).

Current assets

The Group's current assets increased by S\$11.0 million mainly due to (i) increase in cash and bank balances of S\$11.4 million; (ii) increase in trade and other receivables of S\$2.4 million; and offset by (i) decrease in assets held for sale of S\$1.9 million following the completion of disposal of the Confectionary Business on 15 December 2022; and (ii) decrease in inventories and prepayment of S\$0.5 million and S\$0.4 million respectively.

The increase in cash and cash equivalents of S\$11.4 million was mainly due to (i) cash generated from operating activities of S\$82.8 million; (ii) proceeds from disposal of Confectionary Business and property, plant and equipment of S\$2.8 million and S\$0.2 million respectively; (iii) dividend income from associate and joint ventures of S\$1.1 million. The increase was offset by (i) purchase of property, plant and equipment of S\$5.0 million; (ii) dividend paid to equity holders of the Company of S\$20.9 million and non-controlling interests of S\$1.9 million respectively; (iii) repayment of lease liabilities and related interest expense of S\$40.5 million; (iv) repayment of loan and borrowings and related interest expense of S\$6.0 million; and (v) purchase of treasury shares of S\$1.2 million.

The increase in trade and other receivables of S\$2.4 million was due mainly to the current portion of refundable deposits placed with lessors.

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 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.

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

1. Review of performance of the Group (cont'd)

Consolidated Statements of Financial Position (cont'd)

Non-current liabilities

The Group's non-current liabilities decreased by S\$32.9 million from S\$94.4 million as at 30 September 2022 to S\$61.5 million as at 30 September 2023. The decrease was mainly due to (i) decrease in lease liabilities (non-current) of S\$27.1 million; (ii) decrease in interest-bearing loans and borrowings of S\$5.2 million due to repayment made during FY2023; (iii) decrease in provision for restoration costs (non-current) of S\$0.5 million; and (iv) decrease in deferred tax liabilities of S\$0.2 million.

The decrease in lease liabilities was mainly due to the derecognition of lease liabilities and reclassification of lease liabilities which are due within one year to current liabilities. As at 30 September 2023, total lease liabilities (current and non-current) amounted to S\$76.7 million (30 September 2022: S\$105.4 million). The decrease in lease liabilities (current and non-current) of S\$28.8 million was due to the repayment made (including interest expense) during FY2023 of S\$40.5 million; (ii) derecognition of lease liabilities of S\$10.3 million mainly for coffeeshops leases following the termination of management agreements of four (4) coffeeshops under a Third Party Brand in FY2023; offset by the recognition of lease liabilities from the Group's new and renewed leases and interest expenses of S\$18.7 million and S\$3.3 million respectively.

Consolidated Statements of Cash Flows

The Group's net cash generated from operating activities in FY2023 of S\$82.8 million mainly resulted from (i) operating cash flows before changes in working capital of S\$91.9 million and (ii) interest income from short-term deposits of S\$1.2 million; and offset by (i) net working capital outflows of S\$2.9 million; and (ii) income taxes paid of S\$7.3 million. The net working capital outflows of S\$2.9 million was due to the decrease in trade and other payables of S\$5.7 million; and offset by (i) increase in other liabilities of S\$1.1 million; (ii) decrease in trade and other receivables of S\$0.8 million; (iii) decrease in inventories of S\$0.5 million and (iii) decrease in prepayments of S\$0.4 million.

The Group's net cash flows used in investing activities during FY2023 of S\$0.9 million were due to purchase of property, plant and equipment of S\$5.0 million; offset by (i) proceeds from disposal of the Confectionary Business and property, plant and equipment of S\$2.8 million and S\$0.2 million respectively; (ii) dividend income received from associate and joint ventures of S\$1.1 million.

The Group's net cash flows used in financing activities during FY2023 of S\$70.5 million were due to (i) repayment of lease liabilities and related interest of S\$40.5 million; (ii) dividends paid to equity holders of the parents and non-controlling interests of S\$20.9 million and S\$1.9 million respectively; (iii) repayment of loans and borrowings and related interest expense of S\$6.0 million; and purchase of treasury shares of S\$1.2 million.

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) %
	FY2023 S\$'000	FY2022 S\$'000	
Sales reported for first half year	155,482	156,871	(0.9)
Operating profit after tax before deducting non-controlling interests reported for first half year	19,786	20,107	(1.6)
Sales reported for second half year	158,370	160,877	(1.6)
Operating profit after tax before deducting non-controlling interests reported for second half year	19,488	16,605	17.4

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 2023, dated 11 May 2023.

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

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 in Singapore is currently grappling with multiple challenges, including high inflationary pressure on raw materials and utilities, which are driving up operational costs. Additionally, the ongoing manpower shortage and the implementation of progressive wage model which mandates increases in the minimum wages of workers remain significant challenges within the F&B industry in Singapore. Given these hurdles coupled with the intense competition, the Group expects the operating environment in F&B industry to remain tough.

Despite the challenges, the Group is taking proactive measures to optimise resources, ensuring sustainable returns for shareholders. Leveraging on its resources and capabilities, the Group is committed to achieving organic growth. This also involves actively exploring new outlet opportunities to expand its footprints. The Group opened its fifth Halal Coffeeshop, Kedai Kopi at Blk 376 Bukit Batok in September 2023. This Kedai Kopi, together with the Kimly Coffeeshop next door, is the Group's flagship outlet as it is the biggest non-air-conditioned coffeeshop in Singapore, which serves both Halal and non-Halal food varieties and could accommodate over 420 guests.

Riding on the growing demand in the Halal market, the Group will be opening a Tenderfresh restaurant at 71 Geylang Bahru in December 2023 and its third Makcik Tuckshop restaurant at Punggol Park in 1HFY2024. Through the Group's dedicated efforts and a series of determined initiatives, the Group has successfully opened three (3) coffeeshops, 14 food stalls, one (1) kiosk and one (1) restaurant in FY2023.

Tenderfresh Group continued to exhibit robust performance throughout the year and made significant strides in strengthening the Group's presence within Singapore's Halal market. In FY2023, the Group has opened a total of one (1) Tenderfresh restaurant, five (5) food stalls and one (1) kiosk under the Tenderfresh's brands.

Moving ahead, the Group remains steadfast in its pursuit of suitable expansion opportunities, aiming to curate distinctive dining experiences tailored to various market segments across Singapore, to broaden its revenue base and focus on strengthening its core competencies to improve operational efficiency and productivity.

5. Dividend information

5a. Current Financial Period Reported on

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

In view of the Group's performance in FY2023, the Board of Directors has proposed and recommended a final dividend (one-tier tax exempt) of 1.12 Singapore cents (\$\$0.0112) per ordinary share for FY2023. The proposed final dividend will be subject to shareholders' approval at the forthcoming FY2023 Annual General Meeting.

5b. Corresponding Period of the Immediate Preceding Financial Year

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

5c. Date Payable

Subject to shareholders' approval at the FY2023 Annual General Meeting, the date payable will be announced in due course.

5d. Books Closure Date

Subject to shareholders' approval at the FY2023 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 18 January 2023.

There were no interested person transactions entered into that exceeded \$S100,000 for FY2023.

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

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	(3,367)	1,633
Productivity initiatives/IT	2,000	(2,000)	-
Listing expenses	3,087	(3,087)	-
Total	43,450	(41,817)	1,633

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

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	55	Brother of Peh Oon Kee (substantial shareholder)	Outlet supervisor since FY2006	No change
Ng Han Keow	62	Brother of Ng Lay Beng (substantial shareholder)	Operation Manager since FY2001, resigned on 30 June 2019, rejoined on 1 October 2019	No change
Daranee Lim	26	Daughter of Lim Hee Liat (substantial shareholder)	Assistant Brand Manager since FY2022	No change

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 Listing Manual

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 Listing Manual.

10 Disclosure on Incorporation of Entities, Acquisition and Realisation of Shares pursuant to Catalist Rule 706A

During FY2023, the Company did not incorporate or acquire any shares resulting in any company becoming a subsidiary and/or associated company or increase its shareholdings in any subsidiary. The Company also did not dispose any shares resulting in a company ceasing to be a subsidiary or associated company or decreasing its shareholding percentage in any subsidiary.

11. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

Please refer to Note 13 of "Notes to the Consolidated Financial Statements".

12. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to Section 1 of "Other information required by Catalist Rule Appendix 7C".

BY ORDER OF THE BOARD

Wong Kok Yoong
Executive Director
27 November 2023