



Kimly Limited

(Incorporated in the Republic of Singapore)

(Company Registration No. 201613903R)

Unaudited Condensed Interim Financial Statements For the Half Year Ended 31 March 2022

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Kimly Limited
Unaudited Condensed Interim Financial Statements
For the half year ended 31 March 2022

A. Condensed Interim Statement of Comprehensive Income

	Note	Group	
		1H FY2022 S\$'000	1H FY2021 S\$'000
Revenue	3	156,871	122,649
Cost of sales		(109,108)	(82,351)
Gross profit		47,763	40,298
Other items of income			
Finance income		42	51
Other operating income		1,855	1,981
Other items of expense			
Selling and distribution expenses		(10,468)	(4,795)
Administrative expenses		(12,508)	(9,527)
Finance costs		(2,070)	(2,277)
Other operating expenses		(1,124)	(316)
Share of profit of an associate and joint ventures		314	313
Profit before tax	5	23,804	25,728
Income tax expense	6	(3,697)	(3,957)
Profit for the period, representing total comprehensive income for the period		20,107	21,771
Profit attributable to:			
Owners of the Company		18,537	21,740
Non-controlling interests		1,570	31
		20,107	21,771
Earnings per share			
- Basic	14	1.49	1.83
- Diluted	14	1.49	1.83

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B. Condensed Interim Statements of Financial Position

	Note	Group		Company	
		31.3.2022 S\$'000	30.9.2021 S\$'000	31.3.2022 S\$'000	30.9.2021 S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment owned	7	74,327	72,961	-	-
Investment properties owned	8	6,868	6,939	-	-
Intangible assets and goodwill	9	64,597	4,751	-	-
Right-of-use assets	10	109,382	119,743	-	-
Investment in subsidiaries		-	-	239,297	239,047
Investment in an associate and joint ventures		12,070	12,239	-	-
Deferred tax assets		644	644	-	-
Other receivables		6,957	6,428	-	-
		<u>274,845</u>	<u>223,705</u>	<u>239,297</u>	<u>239,047</u>
Current assets					
Trade and other receivables		9,451	5,667	104,700	51,314
Inventories		3,504	1,456	-	-
Prepayments		827	501	9	39
Cash and cash equivalents		65,167	94,989	25,300	70,241
		<u>78,949</u>	<u>102,613</u>	<u>130,009</u>	<u>121,594</u>
Total assets		<u>353,794</u>	<u>326,318</u>	<u>369,306</u>	<u>360,641</u>
Current liabilities					
Trade and other payables		35,461	23,541	41,926	44,629
Other liabilities		10,915	12,913	388	2,559
Interest-bearing loans and borrowings	11	1,148	1,052	-	-
Lease liabilities	10	36,148	34,553	-	-
Provision for restoration costs		218	263	-	-
Provision for taxation		7,426	6,605	21	21
		<u>91,316</u>	<u>78,927</u>	<u>42,335</u>	<u>47,209</u>
Net current (liabilities)/assets		<u>(12,367)</u>	<u>23,686</u>	<u>87,674</u>	<u>74,385</u>
Non-current liabilities					
Interest-bearing loans and borrowings	11	22,668	23,358	-	-
Lease liabilities	10	76,198	88,128	-	-
Deferred tax liabilities		2,923	336	2	2
Other payables		1,289	1,222	-	-
Provision for restoration costs		796	751	-	-
		<u>103,874</u>	<u>113,795</u>	<u>2</u>	<u>2</u>
Total liabilities		<u>195,190</u>	<u>192,722</u>	<u>42,337</u>	<u>47,211</u>
Net assets		<u>158,604</u>	<u>133,596</u>	<u>326,969</u>	<u>313,430</u>
Equity					
Share capital	12	316,145	297,451	316,145	297,451
Treasury shares	12	(2,004)	(2,187)	(2,004)	(2,187)
Share based compensation reserve	12	140	140	140	140
Other reserves		(120,123)	(120,123)	-	-
Premium paid on acquisition of non-controlling interests		(113,030)	(113,030)	-	-
Retained earnings		71,770	71,124	12,688	18,026
Equity attributable to owners of the Company		<u>152,898</u>	<u>133,375</u>	<u>326,969</u>	<u>313,430</u>
Non-controlling interests		5,706	221	-	-
Total equity		<u>158,604</u>	<u>133,596</u>	<u>326,969</u>	<u>313,430</u>
Total equity and liabilities		<u>353,794</u>	<u>326,318</u>	<u>369,306</u>	<u>360,641</u>

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C. Condensed Interim Statement of Cash Flows

	Group	
	1H FY2022	1H FY2021
	S\$ '000	S\$ '000
Operating activities		
Profit before tax	23,804	25,728
<u>Adjustments for:</u>		
Amortisation of intangible assets	1,106	313
Depreciation of property, plant and equipment	2,782	2,138
Depreciation of investment properties	71	49
Depreciation of right-of-use assets	19,196	17,322
Gain on disposal of property, plant and equipment	(46)	-
Interest expense on lease liabilities	1,885	2,070
Interest expense on loans and borrowings	186	208
Interest income from short-term deposits	(42)	(51)
Loss on derecognition of right-of-use assets and lease liabilities	-	1
Share-based payment expenses (Kimly Performance Share Plan)	183	231
Share of profit of an associate and joint ventures	(314)	(313)
Write-off of property, plant and equipment	11	-
Total adjustments	25,018	21,968
Operating cash flows before changes in working capital	48,822	47,696
<u>Change in working capital</u>		
Decrease in trade and other receivables	4,085	4,705
Increase in inventories	(708)	(148)
Increase in prepayments	(326)	(42)
(Decrease)/increase in trade and other payables	(6,672)	1,741
Decrease in other liabilities	(1,815)	(4,861)
Total changes in working capital	(5,436)	1,395
Cash flows from operations	43,386	49,091
Interest income from short-term deposits received	46	44
Income taxes paid	(3,011)	(2,488)
Net cash generated from operating activities	40,421	46,647
Investing activities		
Dividend income received from associate and joint ventures	482	162
Investment in a joint venture	-	(735)
Net cash outflow on acquisition of subsidiaries (Note 17)	(28,608)	-
Proceeds from disposal of property, plant and equipment	60	-
Purchase of property, plant and equipment (Note A)	(2,516)	(1,357)
Purchase of intangible assets	(2)	(27)
Net cash used in investing activities	(30,584)	(1,957)

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C. Condensed Interim Statement of Cash Flows (cont'd)

	Group	
	1H FY2022	1H FY2021
	S\$'000	S\$'000
Financing activities		
Capital contribution from a non-controlling interest	8	147
Dividends paid on ordinary shares	(17,891)	(9,988)
Interest expense from loans and borrowings paid	(186)	(207)
Interest expense from lease liabilities paid	(1,885)	(2,070)
Repayment of obligations under finance leases	-	(14)
Repayment of lease liabilities	(19,110)	(16,659)
Repayment of loans and borrowings	(595)	(552)
Net cash used in financing activities	(39,659)	(29,343)
Net (decrease)/increase in cash and cash equivalents	(29,822)	15,347
Cash and cash equivalents at the beginning of financial period	94,989	68,324
Cash and cash equivalents at the end of financial period	65,167	83,671
<u>A. Property, plant and equipment</u>		
Current period additions to property, plant and equipment	1,926	1,375
Less: non-cash movement		
Increase/(decrease) in other payables	590	(23)
Reduction of restoration costs	-	5
Net cash outflow for purchase of property, plant and equipment	2,516	1,357

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D. Condensed Interim Statements of Changes in Equity

Group	Note	Attributable to owners of the Company								Non-controlling interests S\$'000	Total equity S\$'000
		Share capital (Note 12) S\$'000	Treasury shares (Note 12) S\$'000	Other Reserves		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		
				Merger reserve S\$'000	Deemed contribution from shareholders of subsidiary under common control S\$'000						
At 1 October 2021		297,451	(2,187)	(120,591)	468	(113,030)	140	71,124	133,375	221	133,596
Profit for the period, representing total comprehensive income for the period		-	-	-	-	-	-	18,537	18,537	1,570	20,107
<u>Contributions by and distributions to owners</u>											
Issuance of ordinary shares for acquisition of subsidiaries	17	18,694	-	-	-	-	-	-	18,694	-	18,694
Capital contribution from non-controlling interest		-	-	-	-	-	-	-	-	8	8
Dividends on ordinary shares	13	-	-	-	-	-	-	(17,891)	(17,891)	-	(17,891)
Share-based payment expenses (Kimly Performance Share Plan)		-	-	-	-	-	183	-	183	-	183
Treasury shares transferred on vesting of share awards granted under the Kimly Performance Share Plan		-	183	-	-	-	(183)	-	-	-	-
Acquisition of subsidiaries		-	-	-	-	-	-	-	-	3,907	3,907
Balance as at 31 March 2022		316,145	(2,004)	(120,591)	468	(113,030)	140	71,770	152,898	5,706	158,604
At 1 October 2020		297,141	(2,424)	(120,591)	468	(113,030)	140	48,501	110,205	-	110,205
Profit for the period, representing total comprehensive income for the period		-	-	-	-	-	-	21,740	21,740	31	21,771
<u>Contributions by and distributions to owners</u>											
Capital contribution from non-controlling interest		-	-	-	-	-	-	-	-	147	147
Dividends on ordinary shares	13	-	-	-	-	-	-	(9,988)	(9,988)	-	(9,988)
Share-based payment expenses (Kimly Performance Share Plan)		-	-	-	-	-	231	-	231	-	231
Treasury shares transferred on vesting of share awards granted under the Kimly Performance Share Plan		-	104	-	-	-	(104)	-	-	-	-
Balance as at 31 March 2021		297,141	(2,320)	(120,591)	468	(113,030)	267	60,253	122,188	178	122,366

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D. Condensed Interim 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
Company					
At 1 October 2021					
Profit for the period, representing total comprehensive income for the period	-	-	12,553	-	12,553
<u>Contributions by and distributions to owners</u>					
Issuance of ordinary shares	18,694	-	-	-	18,694
Dividends on ordinary shares	13	-	(17,891)	-	(17,891)
Share-based payment expenses (Kimly Performance Share Plan)	-	-	-	183	183
Treasury shares transferred on vesting of share awards granted under the Kimly Performance Share Plan	-	183	-	(183)	-
Balance as at 31 March 2022	316,145	(2,004)	12,688	140	326,969
At 1 October 2020					
Profit for the period, representing total comprehensive income for the period	-	-	10,924	-	10,924
<u>Contributions by and distributions to owners</u>					
Dividends on ordinary shares	13	-	(9,988)	-	(9,988)
Share-based payment expenses (Kimly Performance Share Plan)	-	-	-	231	231
Treasury shares transferred on vesting of share awards granted under the Kimly Performance Share Plan	-	104	-	(104)	-
Balance as at 31 March 2021	297,141	(2,320)	11,025	267	306,113

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E. Notes to the Condensed Interim 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 confectionery 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 condensed interim 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 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 condensed interim 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 allocation of the purchase price to the assets and liabilities acquired for the acquisition of Tenderfesh Group Pte. Ltd. and its subsidiaries, including judgement made relating to the identification of the provisional intangible assets and, estimation of fair value of assets and liabilities of the acquired businesses, and the allocation of the resultant provisional goodwill acquired during the purchase price allocation review. The provisional intangible assets and resultant provisional goodwill are as disclosed in Note 17.

E. Notes to the Condensed Interim 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 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 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 confectionery 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 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 condensed interim financial statements.

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

3. Segment and revenue information (cont'd)

Reportable segments

1H FY2022	Outlet		Outlet		Adjustments	Group
	Management	Food Retail	Investment	Others*	and eliminations	
Revenue	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customer	56,873	96,709	3,289	-	-	156,871
Inter-segment revenue	9,695	26,518	397	629	(37,239)	-
Total revenue	66,568	123,227	3,686	629	(37,239)	156,871
Results:						
Amortisation of intangible assets	(275)	(802)	-	(29)	-	(1,106)
Depreciation of investment properties	-	-	(71)	-	-	(71)
Depreciation of property, plant and equipment	(1,015)	(895)	(632)	(240)	-	(2,782)
Depreciation of right-of-use assets	(16,408)	(2,728)	(19)	(41)	-	(19,196)
Employee benefits expense	(13,715)	(26,931)	(640)	(2,421)	-	(43,707)
Finance costs						
- Lease liabilities	(1,734)	(129)	-	(22)	-	(1,885)
- Loans and borrowings	-	-	(186)	-	-	(186)
Gain on disposal of property, plant and equipment	-	3	-	43	-	46
Government grants	285	118	18	24	-	445
Interest income from short-term deposits	-	-	-	42	-	42
Rental expense on short-term leases and low value assets, net of rental rebates received	2,369	(1,152)	(42)	(1)	-	1,174
Share-based payment expenses (Kimly Performance Share Plan)	(183)	-	-	-	-	(183)
Share of profit of an associate and joint ventures	251	-	63	-	-	314
Write-off of property, plant and equipment	-	(11)	-	-	-	(11)
Segment profit/(loss)	6,737	19,737	514	(3,184)	-	23,804

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

3. Segment and revenue information (cont'd)

1H FY2021	Outlet Management \$'000	Food Retail \$'000	Outlet Investment Business \$'000	Others* \$'000	Adjustments and eliminations \$'000	Group \$'000
Revenue						
Revenue from external customer	59,034	59,947	3,668	-	-	122,649
Inter-segment revenue	7,633	12,738	370	540	(21,281)	-
Total revenue	<u>66,667</u>	<u>72,685</u>	<u>4,038</u>	<u>540</u>	<u>(21,281)</u>	<u>122,649</u>
Results:						
Amortisation of intangible assets	(278)	(2)	-	(33)	-	(313)
Depreciation of investment properties	-	-	(49)	-	-	(49)
Depreciation of property, plant and equipment	(889)	(413)	(604)	(232)	-	(2,138)
Depreciation of right-of-use assets	(15,646)	(1,562)	(47)	(67)	-	(17,322)
Employee benefits expense	(8,359)	(14,395)	(493)	(3,359)	-	(26,606)
Finance costs						
- Lease liabilities	(1,966)	(79)	(3)	(22)	-	(2,070)
- Loans and borrowings	-	-	(208)	-	-	(208)
Government grants	825	41	147	40	-	1,053
Interest income from short-term deposits	7	6	-	38	-	51
Rental expense on short-term leases and low value assets	1,661	(386)	(55)	32	-	1,252
Share-based payment expenses (Kimly Performance Share Plan)	(231)	-	-	-	-	(231)
Share of profit of an associate and joint ventures	254	-	59	-	-	313
Segment profit/(loss)	<u>12,534</u>	<u>16,335</u>	<u>1,012</u>	<u>(4,153)</u>	<u>-</u>	<u>25,728</u>

	Segment Assets		Segment Liabilities	
	31.3.2022 S\$'000	30.9.2021 S\$'000	31.3.2022 S\$'000	30.9.2021 S\$'000
Outlet Management	136,588	153,197	(126,333)	(136,917)
Food Retail	104,179	18,801	(36,604)	(17,617)
Outlet Investment Business	76,423	71,127	(20,124)	(26,438)
Others*	36,604	83,193	(12,129)	(11,750)
Total	<u>353,794</u>	<u>326,318</u>	<u>(195,190)</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 Condensed Interim Financial Statements (cont'd)

3. Segment and revenue information (cont'd)

Disaggregation of Revenue

	1H FY2022	1H FY2021
	S\$'000	S\$'000
Types of goods or services:		
Sale of food, beverages and tobacco products	134,926	102,528
Fixed rental income from lease of premises to tenants	13,047	13,363
Contingent rental income from lease of premises to tenants	48	30
Provision of cleaning and utilities services	7,803	5,761
Outlet management fee	1,047	967
	<u>156,871</u>	<u>122,649</u>
Timing of transfer of goods or services:		
At a point in time	134,926	102,528
Over time	21,945	20,121
	<u>156,871</u>	<u>122,649</u>

4. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 31 March 2022 and 30 September 2021:

	Group		Company	
	31.3.2022	30.9.2021	31.3.2022	30.9.2021
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets:				
Trade and other receivables	16,408	11,049	104,700	49,550
Cash and short-term deposits	65,167	94,989	25,300	70,241
	<u>81,575</u>	<u>106,038</u>	<u>130,000</u>	<u>119,791</u>
Financial liabilities:				
Trade and other payables	33,856	22,497	41,926	44,628
Accrued operating expenses	10,915	12,341	388	2,109
Interest-bearing loans and borrowings	23,816	24,410	-	-
Lease liabilities	112,346	122,681	-	-
	<u>180,933</u>	<u>181,929</u>	<u>42,314</u>	<u>46,737</u>

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E. Notes to the Condensed Interim 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	
		1H FY2022 S\$'000	1H FY2021 S\$'000
Amortisation of intangible assets		1,106	313
Depreciation of property, plant and equipment		2,782	2,138
Depreciation of investment properties		71	49
Depreciation of right-of-use assets		19,196	17,322
Directors' fees		100	100
Employee benefits expense	(1)	43,707	26,606
Finance costs			
- Lease liabilities		1,885	2,070
- Loans and borrowings		186	208
Gain on disposal of property, plant and equipment		(46)	-
Government grants		(445)	(1,053)
Interest income from short-term deposits		(42)	(51)
Rental expense on short-term leases and low value assets, net of rental relief received	(2)	(1,174)	(1,252)
Share-based payment expenses (Kimly Performance Share Plan)		183	231
Write-off of property, plant and equipment		11	-

Notes:

- (1) Employee benefits expense was after offset of the government grants received from Jobs Support Scheme of S\$1.4 million (1H FY2021: S\$5.7 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\$4.3 million in 1H FY2022 (1H FY2021: S\$2.7 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 period:

	Group	
	1H FY2022 S\$'000	1H FY2021 S\$'000
Rental paid to corporations related to a substantial shareholder/director-related companies	4,297	3,887
Rental paid to an associate	612	498
Rental paid to joint venture companies	91	53

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E. Notes to the Condensed Interim 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	
	1H FY2022	1H FY2021
	S\$'000	S\$'000
<i>Lease commitment with corporations related to a substantial shareholder/director-related companies</i>		
Not later than one year	8,561	8,561
Later than one year but not later than five years	12,842	25,684
	<u>21,403</u>	<u>34,245</u>
<i>Lease commitment with joint ventures</i>		
Not later than one year	163	42
Later than one year but not later than five years	7	41
	<u>170</u>	<u>83</u>
<i>Lease commitment with an associate</i>		
Not later than one year	1,224	1,224
Later than one year but not later than five years	5,241	7,077
	<u>6,465</u>	<u>8,301</u>

6. Income tax expense

The Group calculates the period 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 condensed interim statement of profit or loss are:

	Group	
	1H FY2022	1H FY2021
	S\$'000	S\$'000
<i>Current income tax</i>		
- Current income taxation, representing total income tax expense recognised in profit or loss	3,833	3,957
	<u>3,833</u>	<u>3,957</u>
<i>Deferred income tax</i>		
- Amortisation and reversal of temporary differences	(136)	-
Income tax expense recognised in profit or loss	<u>3,697</u>	<u>3,957</u>

Kimly Limited
Unaudited Condensed Interim Financial Statements
For the half year ended 31 March 2022

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

7. Property, plant and equipment owned

	Group	
	31.3.2022	30.9.2021
	S\$'000	S\$'000
Cost		
At 1 October 2021 / 1 October 2020	94,369	90,489
Additions	1,926	4,047
Acquisition of subsidiaries	2,247	125
Disposals	(286)	(232)
Written off	(36)	(60)
At 31 March 2022 / 30 September 2021	<u>98,220</u>	<u>94,369</u>
Accumulated depreciation and impairment		
At 1 October 2021 / 1 October 2020	21,408	17,266
Depreciation charge for the period/year	2,782	4,420
Disposals	(272)	(221)
Written off	(25)	(57)
At 31 March 2022 / 30 September 2021	<u>23,893</u>	<u>21,408</u>
Net carrying amount		
At 31 March 2022 / 30 September 2021	<u><u>74,327</u></u>	<u><u>72,961</u></u>

8. Investment properties owned

	Group	
	31.3.2022	30.9.2021
	S\$'000	S\$'000
Cost		
At 1 October 2021 / 1 October 2020, and 31 March 2022 / 30 September 2021	<u>7,130</u>	<u>7,130</u>
Accumulated depreciation and impairment		
At 1 October 2021 / 1 October 2020	191	40
Depreciation charge for the period/year	71	151
At 31 March 2022 / 30 September 2021	<u>262</u>	<u>191</u>
Net carrying amount		
At 31 March 2022 / 30 September 2021	<u><u>6,868</u></u>	<u><u>6,939</u></u>

Kimly Limited
 Unaudited Condensed Interim Financial Statements
 For the half year ended 31 March 2022

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

9. Intangible assets and goodwill

	Group					Total S\$'000
	Goodwill S\$'000	Lease assignment fees S\$'000	Trademarks S\$'000	Computer software S\$'000	Customer contracts S\$'000	
At 1 October 2021						
Cost	1,626	15,140	72	763	50	17,651
Additions	-	-	-	2	-	2
Acquisition of subsidiaries (Note 17)	44,972	-	12,608	-	3,370	60,950
Accumulated amortisation and impairment	(705)	(11,678)	(702)	(703)	(218)	(14,006)
At 31 March 2022	45,893	3,462	11,978	62	3,202	64,597
At 30 September 2021						
Cost	1,626	15,140	72	763	50	17,651
Accumulated amortisation and impairment	(705)	(11,410)	(72)	(663)	(50)	(12,900)
Net carrying amount	921	3,730	-	100	-	4,751

The intangible assets and goodwill arising from the purchase price allocation of the newly acquired Tenderfresh Group Pte. Ltd. and its subsidiaries were provisional (Note 17).

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 31 March 2022.

Kimly Limited
 Unaudited Condensed Interim Financial Statements
 For the half year ended 31 March 2022

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

10. Leases

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

	Group	
	31.3.2022	30.9.2021
	S\$'000	S\$'000
Cost		
At 1 October 2021 / 1 October 2020	187,976	167,288
Acquisition of subsidiaries	4,839	-
Additions	515	5,764
Modifications	3,481	15,144
Cessation	-	(220)
At 31 March 2022 / 30 September 2021	196,811	187,976
Accumulated depreciation		
At 1 October 2021 / 1 October 2020	68,233	31,693
Depreciation charge for the period/year	19,196	36,688
Cessation	-	(148)
At 31 March 2022 / 30 September 2021	87,429	68,233
Net carrying amount		
At 31 March 2022 / 30 September 2021	109,382	119,743

(b) Lease liabilities

	Group	
	31.3.2022	30.9.2021
	S\$'000	S\$'000
At 1 October 2021 / 1 October 2020	122,681	137,134
Acquisition of subsidiaries	4,778	-
Additions	515	5,734
Modifications	3,482	15,083
Accretion of interests	1,885	3,960
Lease payments	(20,995)	(39,160)
Cessation	-	(70)
At 31 March 2022 / 30 September 2021	112,346	122,681
Current	36,148	34,553
Non-current	76,198	88,128
	112,346	122,681

Kimly Limited
Unaudited Condensed Interim Financial Statements
For the half year ended 31 March 2022

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

11. Interest-bearing loans and borrowings

	Group	
	31.3.2022	30.9.2021
	S\$'000	S\$'000
Interest-bearing loans and borrowings (secured)		
Current	1,148	1,052
Non-current	22,668	23,358
	<u>23,816</u>	<u>24,410</u>

As at 31 March 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

	Group and Company			
	31.3.2022		30.9.2021	
	No. of shares		No. of shares	
	'000	S\$'000	'000	S\$'000
Issued and fully paid ordinary shares:				
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 31 March 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

	Group and Company			
	31.3.2022		30.9.2021	
	No. of shares		No. of shares	
	'000	S\$'000	'000	S\$'000
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	(687)	(183)	(886)	(237)
At 31 March 2022 / 30 September 2021	<u>7,547</u>	<u>2,004</u>	<u>8,234</u>	<u>2,187</u>

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

Kimly Limited
Unaudited Condensed Interim Financial Statements
For the half year ended 31 March 2022

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	
	1H FY2022	1H FY2021
	S\$'000	S\$'000
<i>Declared and paid during the financial period:</i>		
Dividends on ordinary shares:		
- Final exempt (one-tier) dividend for 2021: 0.84 (2021: 0.84) cents per share	10,437	9,988
- Special exempt (one-tier) dividend for 2021: 0.60 (2021: Nil) cents per share	7,454	-
	<u>17,891</u>	<u>9,988</u>

14. Earnings per ordinary shares

	Group	
	1H FY2022	1H FY2021
Profit for the period attributable to owners of the Company (S\$'000)	<u>18,537</u>	<u>21,740</u>
Weighted average number of ordinary shares for basic earnings per share computation ('000)	1,240,621	1,188,799
Effect of dilution:		
Share awards granted under the Kimly Performance Share Plan ('000)	708	375
Weighted average number of ordinary shares for basic earnings per share computation ('000)	<u>1,241,329</u>	<u>1,189,174</u>
Basic earnings per shares (cents)	<u>1.49</u>	<u>1.83</u>
Diluted earnings per shares (cents)	<u>1.49</u>	<u>1.83</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 Business.

Kimly Limited
Unaudited Condensed Interim Financial Statements
For the half year ended 31 March 2022

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

15. Net asset value

	Group		Company	
	31.3.2022	30.9.2021	31.3.2022	30.9.2021
Net asset value ("NAV") (S\$'000)	152,898	133,375	326,969	313,430
Number of ordinary shares in issue ('000)	1,242,456	1,190,553	1,242,456	1,190,553
NAV per ordinary share (cents)	12.31	11.20	26.32	26.33

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			
	31.3.2022		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
Assets				
Investment properties owned	6,868	6,800	6,939	6,800
Liabilities				
Non-current interest-bearing loans and borrowings	22,668	22,668	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.

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

17. 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. ("Tenderfresh Group"), which holds the Tenderfresh Business for a total purchase consideration of S\$54,000,000.

Pursuant to the completion, 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.

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

	Provisional fair values recognised on S\$'000
Property, plant and equipment	2,247
Right-of-use assets	4,839
Intangible assets	15,978
Trade and other receivables	8,398
Inventories	1,340
Cash and bank balances	5,392
Trade and other payables	(15,065)
Lease liabilities	(4,778)
Deferred tax liabilities	<u>(2,722)</u>
Net assets acquired and liabilities assumed	15,629
Non-controlling interests	(3,907)
Goodwill arising on acquisition	<u>44,972</u>
Purchase consideration transferred	<u><u>56,694</u></u>
Total purchase consideration satisfied by:	
- Cash	34,000
- Issuance of shares (51,216,389 Consideration Shares at market price of the Share on the date of allotment of S\$0.365)	18,694
- Contingent consideration of liability	<u>4,000</u>
Total purchase consideration	<u><u>56,694</u></u>
Analysis of cash flows on acquisition	
Purchase consideration paid in cash	34,000
Less: Cash and cash equivalents of Tenderfresh Group acquired	<u>(5,392)</u>
Net cash used in acquisition of Tenderfresh Group	<u><u>28,608</u></u>

Provisional goodwill arising from acquisition

The provisional goodwill of S\$44,972,000 comprises the synergistic effects as the Group will be able to leverage on Tenderfresh Business' 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.

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

1. Review of performance of the Group

The condensed interim statement of financial position of Kimly Limited and its subsidiaries as at 31 March 2022 and the related condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the period then ended and certain explanatory notes have not been audited or reviewed.

Condensed Interim Statement of Comprehensive Income

1H FY2022 compared to 1H FY2021

Revenue

Revenue increased by S\$34.2 million or 27.9% from S\$156.9 million in 1H FY2022 as compared to S\$122.6 million in 1H FY2021. This was mainly due to:

- (a) revenue contribution from the Food Retail Division increased by S\$36.8 million from S\$59.9 million in 1H FY2021 to S\$96.7 million in 1H FY2022. This was mainly due to revenue contribution of S\$37.4 million from the newly acquired Tenderfresh Business, offset by decrease in revenue contribution following the closure of 12 underperforming food stalls due largely to manpower shortage.
- (b) revenue from the Outlet Management Division and Outlet Investment Business Division decreased by S\$2.2 million and S\$0.4 million respectively. This was mainly due to the decrease in sales of beverages and tobacco products of S\$4.3 million in 1H FY2022, which was largely contributed by lower footfall at most of our coffeeshops due to COVID-19 restrictions imposed in view of rising cases. Unvaccinated individuals are not allowed to enter shopping malls or dine in at hawker centres and coffeeshops from 13 October 2021. Customers are only allowed to eat at our coffeeshops in groups of up to two because it is challenging to enhance vaccine differentiated controls in coffeeshop setting.

The decrease in revenue was offset by (i) revenue contribution from provision of cleaning services of S\$0.9 million by Klovex Holdings Pte. Ltd. ("Klovex"), which the Group acquired a 60% stake in April 2021; and (ii) increase in revenue from provision of utilities services of S\$0.9 million in line with the increase in the electricity tariff.

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\$26.8 million, to S\$109.1 million in 1H FY2022. Cost of sales as a percentage of revenue has increased by 2.5%, from 67.1% in 1H FY2021 to 69.6% in 1H 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\$3.8 million from S\$5.0 million in 1H FY2021 to S\$1.2 million in 1H FY2022 for wages support; (ii) increase in utilities charges of S\$2.3 million in line with the rise in the electricity tariff; (iii) increase in employee benefits of S\$1.3 million by Klovex in providing the cleaning services, which contributed a lower gross profit margin as compared to other source of revenue; and (iv) increase in depreciation of right-of-use assets of S\$1.4 million, offset by increase in rental rebates of S\$1.6 million.

Gross profit

Overall gross profit increased by S\$7.5 million or 18.5% from S\$40.3 million in 1H FY2021 to S\$47.8 million in 1H FY2022. Gross profit margin decreased by 2.5%, from 32.9% in 1H FY2021 to 30.4% in 1H FY2022.

Selling and distribution expenses

Selling and distribution expenses increased by S\$5.7 million from S\$4.8 million in 1H FY2021 to S\$10.5 million in 1H FY2022. The increase was mainly due to increase in online food delivery fees and packaging materials expenses from the newly acquired Tenderfresh Business.

Administrative expenses

The increase of S\$3.0 million, from S\$9.5 million in 1H FY2021 to S\$12.5 million in 1H FY2022 was mainly due to (i) repair and maintenance, bank charges, depreciation of property, plant and equipment, insurance, rental and general charges of S\$1.6 million incurred by the newly acquired Tenderfresh Business; (ii) increase in depreciation of right-of-use assets of S\$0.5 million; (iii) decrease in government grants received of S\$0.5 million in 1H FY2022 for wage support; (iv) higher repair and maintenance charges of S\$0.2 million; and (v) higher depreciation of property, plant and equipment of S\$0.1 million.

Finance costs

The decrease of S\$0.2 million in finance costs was mainly due to decrease in interest expense from unwinding of lease liabilities.

Other operating expenses

Other operating expenses increased by S\$0.8 million, from S\$0.3 million in 1H FY2021 to S\$1.1 million in 1H FY2022. The increase was due mainly to the amortisation of customer relationships and trademarks arising from the acquisition of 75% stake in Tenderfresh Group.

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

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

Condensed Interim Statement of Comprehensive Income (cont'd)

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 5 joint venture companies.

Income tax expense

Income tax expense decreased by S\$0.3 million mainly due to the decrease in profit before tax. Effective tax rate remained relatively consistent at 15.5% in 1H FY2022 and 15.4% in 1H FY2021.

Condensed Interim Statements of Financial Position

The comparative performance for both the assets and liabilities are based on the Group's financial statements as at 31 March 2022 and 30 September 2021.

Non-current assets

The Group's non-current assets increased by S\$51.1 million from S\$223.7 million as at 30 September 2021 to S\$274.8 million as at 31 March 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\$2.2 million, S\$4.8 million, S\$16.0 million and S\$45.0 million respectively; (ii) recognition of right-of-use assets of S\$4.0 million from the Group's new and renewed leases; and (iii) renovations and additions of equipment for existing coffeeshops and food stalls of S\$1.9 million.

The increase was offset by (i) depreciation of right-of-use assets of S\$19.2 million; (ii) depreciation of property, plant and equipment owned of S\$2.8 million; and (iii) amortisation of intangible assets of S\$1.1 million.

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\$6.4 million (30 September 2021: S\$6.5 million); and (ii) the non-current portion of staff loans amounting to S\$0.1 million (30 September 2021: S\$0.1 million).

As at 31 March 2022, total refundable deposits placed with lessors (non-current and current) amounted to S\$7.3 million (30 September 2021: S\$6.9 million).

Current assets

The Group's current assets decreased by S\$23.7 million due mainly to decrease in cash and balances by S\$29.8 million; offset by trade and other receivables, deposits and inventories of S\$5.9 million from the consolidation of newly acquired Tenderfresh Group.

The decrease in cash and bank balances of S\$29.8 million was mainly due to (i) net cash outflow on acquisition of 75% stake in Tenderfresh Group of S\$28.6 million; (ii) repayment of lease liabilities and related interest expense of S\$21.0 million; (iii) dividend paid on ordinary shares of S\$17.9 million; (iv) repayment of loan and borrowings and related interest expense of S\$0.8 million; and (v) purchase of property, plant and equipment of S\$2.5 million. The decrease was offset by cash generated from operating activities of S\$40.4 million and dividends received from an associate and joint ventures of S\$0.5 million.

Current liabilities

The Group's current liabilities increased by S\$12.4 million due to (i) trade and other payables, other liabilities and lease liabilities from the newly acquired Tenderfresh Group of S\$14.7 million; and (ii) increase in trade payables, other payables and accrued operating expenses by S\$4.8 million in line with the increase in the cost of sales. The increase was offset by (i) payment of staff bonus and incentive bonus of S\$6.4 million; and (ii) decrease in the lease liabilities (current portion and excluding Tenderfresh Group) of S\$0.7 million.

As at 31 March 2022, the Group had a negative working capital of S\$12.4 million due to the accounting of lease liabilities. Excluding the lease liabilities of S\$36.1 million, the Group had a positive working capital of S\$23.8 million as at 31 March 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\$9.9 million mainly due to (i) decrease in the lease liabilities (non-current and excluding Tenderfresh Group) of S\$14.5 million; and (ii) decrease in interest-bearing loans and borrowings of S\$0.7 million due to repayment made during 1H FY2022. The decrease was offset by lease liabilities (non-current portion) and deferred tax liabilities from the newly acquired Tenderfresh Group of S\$5.2 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 31 March 2022, total lease liabilities (non-current and current) amounted to S\$112.3 million (30 September 2021: S\$122.7 million). The decrease in lease liabilities (non-current and current) was due to the repayment made (including interest expense) during 1H FY2022 of S\$21.0 million, partially offset by (i) lease liabilities arising from the newly acquired Tenderfresh Group of S\$4.8 million, and (ii) recognition of lease liabilities and interest expense arising from new and renewed leases of S\$4.0 million and S\$1.9 million respectively.

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

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

Condensed Interim Statements of Cash Flows

The Group's net cash generated from operating activities in 1H FY2022 of S\$40.4 million mainly resulted from operating cash flows before changes in working capital of S\$48.8 million, and offset by (i) net working capital outflows of S\$5.4 million, and (ii) income taxes paid of S\$3.0 million. The net working capital outflows were due to (i) decrease in trade and other payables of S\$6.7 million; (ii) decrease in other liabilities of S\$1.8 million; (iii) increase in inventories of S\$0.7 million; and offset by decrease in trade and other receivables of S\$4.1 million.

The Group's net cash flows used in investing activities during 1H FY2022 of S\$30.6 million were due to (i) net cash outflow on acquisition of Tenderfresh Group of S\$28.6 million (ii) purchase of property, plant and equipment of S\$2.5 million; and offset by dividends received from an associate and joint ventures of S\$0.5 million.

The Group's net cash flows used in financing activities of S\$39.7 million were mainly attributable to (i) repayment of lease liabilities and related interest expense of S\$21.0 million; (ii) dividends paid on ordinary shares of S\$17.9 million; (iii) repayment of loans and borrowings and related interest expense of S\$0.8 million.

2. 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 financial year ended 30 September 2021, dated 25 November 2021.

3. 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 operating environment in the Food and Beverages ("F&B") industry is expected to remain challenging as the local F&B players are facing mounting operating cost pressures brought by the ongoing manpower crunch and rising costs of raw materials, rental and utilities. Intensifying competition has also further exacerbated the situation. Many F&B establishments have been grappling with the shortage of manpower due to the tightening of foreign manpower policy and as a result of border closures.

There will no longer be limits on group sizes or a requirement for safe distancing from 26 April 2022 as Singapore moves to further ease COVID-19 measures. All employees may also return to the workplace whereby working from home will no longer be the default. Lower footfall to the Group's food outlets could be expected following the lifting of the restrictions as the Group's coffeeshops are predominantly located within the heartlands. In addition, demand for food delivery services may taper as more people are expected to dine-in at F&B establishments. Nonetheless, the Group will continue to reinvent, innovate and upgrade its menu offerings to appeal to its patrons.

The Group has always been committed to grow and expand its Food Retail division. The acquisition of the Tenderfresh Group will propel the Food Retail division forward and generate new revenue streams for the Group. In addition, Tenderfresh Group's competitive edge and extensive network in the Halal food market allows the Group to make further inroads into the Halal food segment. Following the opening of the second Kedai Kopi outlet and the third Tenderbest outlet during 1HFY2022, the Group will continue to look for suitable expansion opportunities and create unique dining experiences for different markets in Singapore. Separately, the Group has been managing 9 coffeeshops under the a Third Party Brand. The management agreements of these coffeeshops are expected to be terminated in 2HFY2022 following the completion of an internal reorganisation of the Third Party Brand's owner. However, the Group will be still operating its Dim Sum, Seafood "zi char" and Mixed Vegetables Rice stalls at these coffeeshops. The termination is not expected to have a material impact on the Group's consolidated net tangible assets or earnings per share for the financial year ending 30 September 2022.

There is now light at the end of the tunnel in the fight against COVID-19 as the COVID-19 situation has slowly stabilised in Singapore. However, it is important to stay vigilant and remain cautious of the emergence of new COVID-19 variants which may lead to another round of lockdowns or movement restrictions. As uncertainties persist, the Group will continue to monitor the situation closely and adjust its strategy accordingly especially in light of the rising costs. We expect wages and raw materials costs to continue rising.

The pandemic has presented many challenges and obstacles for the Group over the past two years. However, we have managed to emerge from the pandemic unscathed with the support of our government and the dedication from our employees. The pandemic has caused an unprecedented disruption to businesses and the evolving situation continues to throw up new uncertainties for enterprises across the globe. The government has also slowly reduced their support packages as the COVID-19 restrictions are eased.

Barring unforeseen circumstances, the Group expects to continue growing its revenue base and remain profitable for FY2022.

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

4. Dividend information

4a. Current Financial Period Reported on

Name of Dividend	Interim
Dividend type	Cash
Dividend per share	0.56 Singapore cents (S\$0.0056) per ordinary share
Tax rate	Tax-exempt (one-tier)

Despite a challenging economic environment, the Group remains profitable for 1H FY2022. Therefore, the Group wishes to reward shareholders for their continued loyalty and support by declaring an interim dividend as detailed above.

4b. Corresponding Period of the Immediate Preceding Financial Year

Name of Dividend	Interim
Dividend type	Cash
Dividend per share	0.56 Singapore cents (S\$0.0056) per ordinary share
Tax rate	Tax-exempt (one-tier)

4c. Date Payable

The interim dividend will be paid on or about 15 July 2022.

4d. Books Closure Date

1 July 2022

5. 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 1H FY2022.

6. 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	(2,807)	2,193
Productivity initiatives/IT	2,000	(2,000)	-
Listing expenses	3,087	(3,087)	-
Total	43,450	(41,257)	2,193

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)

7. 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.

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

Incorporation of a new subsidiary

On 3 January 2022, the Company has incorporated a new wholly-owned subsidiary in Singapore, Hawkermania Pte. Ltd. ("Hawkermania") with an initial issued and paid-up share capital of S\$250,000 divided into 250,000 ordinary shares. The principal activities of Hawkermania are those of letting and operating of self-owned or leased food courts, coffeeshops and canteens (with mainly rental income). The incorporation of Hawkermania is funded through internal resources and is not expected to have any material impact on the earnings per share or net tangible assets per share of the Group for the current financial year ending 30 September 2022.

9. 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 half year ended 31 March 2022 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Wong Kok Yoong
Executive Director

11 May 2022