



Kimly Limited

(Incorporated in the Republic of Singapore)

(Company Registration No. 201613903R)

Unaudited Consolidated Financial Statements For the Full Year Ended 30 September 2021

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This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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Kimly Limited

Unaudited consolidated financial statements

For the full year ended 30 September 2021

A. Consolidated Statement of Comprehensive Income

| | Note | Group | |
|---|------|-------------------|-------------------|
| | | FY2021 S\$'000 | FY2020 S\$'000 |
| Revenue | 3 | 238,642 | 210,773 |
| Cost of sales | | (160,470) | (154,258) |
| Gross profit | | 78,172 | 56,515 |
| Other item of income | | | |
| Finance income | | 208 | 985 |
| Other operating income | | 3,253 | 3,266 |
| Other items of expense | | | |
| Selling and distribution expenses | | (10,183) | (7,611) |
| Administrative expenses | | (22,230) | (18,058) |
| Finance costs | | (4,374) | (3,671) |
| Other operating expenses | | (679) | (1,779) |
| Share of profit of an associate and joint ventures | | 318 | 49 |
| Profit before tax | 5 | 44,485 | 29,696 |
| Income tax expense | 6 | (5,193) | (4,471) |
| Profit for the year, representing total comprehensive income for the year | | 39,292 | 25,225 |
| Attributable to: | | | |
| Owners of the Company | | 39,278 | 25,225 |
| Non-controlling interests | | 14 | - |
| | | 39,292 | 25,225 |
| Earnings per share for profit for the year attributable to the owners of the Company during the year | | | |
| - Basic | 14 | 3.30 | 2.18 |
| - Diluted | 14 | 3.30 | 2.18 |

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B. Consolidated Statements of Financial Position

| | Note | Group | | Company | |
|--|------|----------------------|----------------------|----------------------|----------------------|
| | | 30/9/2021 S\$'000 | 30/9/2020 S\$'000 | 30/9/2021 S\$'000 | 30/9/2020 S\$'000 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment owned | 7 | 72,961 | 73,223 | - | - |
| Investment properties owned | 8 | 6,939 | 7,090 | - | - |
| Intangible assets and goodwill | 9 | 4,751 | 4,409 | - | - |
| Right-of-use assets | 10 | 119,743 | 135,595 | - | - |
| Investment in subsidiaries | | - | - | 239,047 | 239,047 |
| Investment in an associate and joint ventures | | 12,239 | 9,733 | - | - |
| Deferred tax assets | | 644 | 240 | - | - |
| Other receivables | | 6,428 | 5,815 | - | - |
| | | <u>223,705</u> | <u>236,105</u> | <u>239,047</u> | <u>239,047</u> |
| Current assets | | | | | |
| Trade and other receivables | | 5,667 | 13,381 | 51,314 | 57,284 |
| Inventories | | 1,456 | 1,701 | - | - |
| Prepayments | | 501 | 316 | 39 | 13 |
| Cash and cash equivalents | | 94,989 | 68,324 | 70,241 | 14,536 |
| | | <u>102,613</u> | <u>83,722</u> | <u>121,594</u> | <u>71,833</u> |
| Total assets | | <u>326,318</u> | <u>319,827</u> | <u>360,641</u> | <u>310,880</u> |
| Current liabilities | | | | | |
| Trade and other payables | | 23,541 | 23,475 | 44,629 | 4,250 |
| Other liabilities | | 12,913 | 15,408 | 2,559 | 1,612 |
| Interest-bearing loans and borrowings | 11 | 1,052 | 1,104 | - | - |
| Lease liabilities | 10 | 34,553 | 33,181 | - | - |
| Provision for restoration costs | | 263 | 177 | - | - |
| Provision for taxation | | 6,605 | 5,788 | 21 | 72 |
| | | <u>78,927</u> | <u>79,133</u> | <u>47,209</u> | <u>5,934</u> |
| Net current assets | | <u>23,686</u> | <u>4,589</u> | <u>74,385</u> | <u>65,899</u> |
| Non-current liabilities | | | | | |
| Interest-bearing loans and borrowings | 11 | 23,358 | 24,410 | - | - |
| Lease liabilities | 10 | 88,128 | 103,953 | - | - |
| Deferred tax liabilities | | 336 | 447 | 2 | - |
| Other payables | | 1,222 | 963 | - | - |
| Provision for restoration costs | | 751 | 716 | - | - |
| | | <u>113,795</u> | <u>130,489</u> | <u>2</u> | <u>-</u> |
| Total liabilities | | <u>192,722</u> | <u>209,622</u> | <u>47,211</u> | <u>5,934</u> |
| Net assets | | <u>133,596</u> | <u>110,205</u> | <u>313,430</u> | <u>304,946</u> |
| Equity | | | | | |
| Share capital | 12 | 297,451 | 297,141 | 297,451 | 297,141 |
| Treasury shares | 12 | (2,187) | (2,424) | (2,187) | (2,424) |
| 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 | | 71,124 | 48,501 | 18,026 | 10,089 |
| Equity attributable to owners of the Company | | <u>133,375</u> | <u>110,205</u> | <u>313,430</u> | <u>304,946</u> |
| Non-controlling interests | | 221 | - | - | - |
| Total equity | | <u>133,596</u> | <u>110,205</u> | <u>313,430</u> | <u>304,946</u> |
| Total equity and liabilities | | <u>326,318</u> | <u>319,827</u> | <u>360,641</u> | <u>310,880</u> |

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C. Consolidated Statement of Cash Flows

| | Group | |
|---|-------------------|-------------------|
| | FY2021 S\$'000 | FY2020 S\$'000 |
| Operating activities | | |
| Profit before tax | 44,485 | 29,696 |
| <u>Adjustments for:</u> | | |
| Amortisation of intangible assets | 675 | 807 |
| Depreciation of property, plant and equipment | 4,420 | 3,925 |
| Depreciation of investment properties | 151 | 40 |
| Depreciation of right-of-use assets | 36,688 | 31,656 |
| Gain on disposal of property, plant and equipment | (19) | - |
| Impairment loss on property, plant and equipment | - | 185 |
| Impairment loss on intangible assets | - | 777 |
| Interest expense on lease liabilities | 3,960 | 3,499 |
| Interest expense on loans and borrowings | 415 | 172 |
| Interest income from short-term deposits | (97) | (771) |
| Interest income arising from the discount implicit in non-current receivables | (111) | (214) |
| Loss on derecognition of right-of-use assets and lease liabilities | 2 | - |
| Share-based payment expenses (Kimly Performance Share Plan) | 237 | 166 |
| Share of profit of an associate and joint ventures | (318) | (49) |
| Write-off of property, plant and equipment | 3 | 10 |
| Total adjustments | 46,006 | 40,203 |
| Operating cash flows before changes in working capital | 90,491 | 69,899 |
| <u>Change in working capital</u> | | |
| Decrease/(increase) in trade and other receivables | 7,125 | (5,097) |
| Decrease/(increase) in inventories | 245 | (572) |
| (Increase)/decrease in prepayments | (185) | 68 |
| (Decrease)/increase in trade and other payables | (493) | 4,262 |
| (Decrease)/increase in other liabilities | (2,259) | 7,789 |
| Total changes in working capital | 4,433 | 6,450 |
| Cash flows from operations | 94,924 | 76,349 |
| Interest income from short-term deposits received | 93 | 925 |
| Income taxes paid | (4,920) | (2,389) |
| Net cash generated from operating activities | 90,097 | 74,885 |
| Investing activities | | |
| Dividend income received from associate and joint ventures | 409 | - |
| Investment in an associate and joint ventures | - | (9,684) |
| Investment in joint ventures | (2,597) | - |
| Net cash outflow on acquisition of a subsidiary (Note 17) | (695) | - |
| Proceeds from disposal of property, plant and equipment | 30 | - |
| Purchase of property, plant and equipment (Note A) | (3,347) | (56,029) |
| Purchase of investment properties | - | (7,130) |
| Purchase of intangible assets (Note B) | (46) | (90) |
| Net cash used in investing activities | (6,246) | (72,933) |

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

| | Group | |
|---|-----------------|-----------------|
| | FY2021 | FY2020 |
| | S\$'000 | S\$'000 |
| Financing activities | | |
| Capital contribution from a non-controlling interest | 147 | - |
| Dividends paid on ordinary shares | (16,655) | (12,929) |
| Interest expense from loans and borrowings paid | (415) | (172) |
| Interest expense from lease liabilities paid | (3,959) | (3,499) |
| Proceeds from loans and borrowings | - | 25,815 |
| Purchase of treasury shares | - | (150) |
| Repayment of lease liabilities | (35,200) | (29,581) |
| Repayment of loans and borrowings | (1,104) | (301) |
| Net cash used in financing activities | <u>(57,186)</u> | <u>(20,817)</u> |
| Net increase/(decrease) in cash and cash equivalents | 26,665 | (18,865) |
| Cash and cash equivalents at the beginning of financial year | 68,324 | 87,189 |
| Cash and cash equivalents at the end of financial year | <u>94,989</u> | <u>68,324</u> |
| | | |
| <u>A. Property, plant and equipment</u> | | |
| Current period/year additions to property, plant and equipment | 4,047 | 67,749 |
| Less: non-cash movement | | |
| (Increase)/decrease in other payables | (579) | 108 |
| Provision for restoration costs | (121) | (13) |
| Increase in prepayments | - | (1,815) |
| Settled via issuance of shares | - | (10,000) |
| Net cash outflow for purchase of property, plant and equipment | <u>3,347</u> | <u>56,029</u> |
| | | |
| <u>B. Intangible assets</u> | | |
| Current period/year additions to intangible assets | 46 | 32 |
| Less: non-cash movement | | |
| Decrease in other payables | - | 58 |
| Net cash outflow for purchase of intangible assets | <u>46</u> | <u>90</u> |

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D. Consolidated Statements of Changes in Equity

| Note | Share capital (Note 12) S\$'000 | Treasury shares (Note 12) S\$'000 | Attributable to owners of the Company | | | | Retained earnings S\$'000 | Total S\$'000 | Non-controlling interests | Total equity |
|---|---------------------------------------|---|---------------------------------------|---|---|--|------------------------------|------------------|---------------------------|----------------|
| | | | Merger reserve S\$'000 | Deemed contribution from shareholders of subsidiary under common control S\$'000 | Premium paid on acquisition of non-controlling interests S\$'000 | Share based compensation reserve (Note 12) S\$'000 | | | | |
| Group | | | | | | | | | | |
| 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> | | | | | | | | | | |
| Acquisition of a subsidiary | - | - | - | - | - | - | - | - | 60 | 60 |
| 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 | 238 | 122,426 |
| Profit for the period, representing total comprehensive income for the period | - | - | - | - | - | - | 17,538 | 17,538 | (17) | 17,521 |
| <u>Contributions by and distributions to owners</u> | | | | | | | | | | |
| Dividends on ordinary shares | 13 | - | - | - | - | - | (6,667) | (6,667) | - | (6,667) |
| Share-based payment expenses (Kimly Performance Share Plan) | - | - | - | - | - | 6 | - | 6 | - | 6 |
| Treasury shares transferred on vesting of share awards granted under the Kimly Performance Share Plan | - | 133 | - | - | - | (133) | - | - | - | - |
| Issuance of ordinary shares | 310 | - | - | - | - | - | - | 310 | - | 310 |
| Balance as at 30 September 2021 | 297,451 | (2,187) | (120,591) | 468 | (113,030) | 140 | 71,124 | 133,375 | 221 | 133,596 |

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

| Note | ← Attributable to owners of the Company → | | | | | | | |
|---|---|---|---------------------------|---|---|--|------------------------------|-------------------------|
| | Share capital (Note 12) S\$'000 | Treasury shares (Note 12) S\$'000 | Merger reserve S\$'000 | Deemed contribution from shareholders of subsidiary under common control S\$'000 | Premium paid on acquisition of non-controlling interests S\$'000 | Share based compensation reserve (Note 12) S\$'000 | Retained earnings S\$'000 | Total equity S\$'000 |
| Group | | | | | | | | |
| At 1 October 2019 | 287,141 | (2,334) | (120,591) | 468 | (113,030) | 34 | 36,205 | 87,893 |
| Profit for the period, representing total comprehensive income for the period | - | - | - | - | - | - | 10,542 | 10,542 |
| <u>Contributions by and distributions to owners</u> | | | | | | | | |
| Dividends on ordinary shares | - | - | - | - | - | - | (9,651) | (9,651) |
| Share-based payment expenses (Kimly Performance Share Plan) | - | - | - | - | - | 67 | - | 67 |
| Purchase of treasury shares | - | (150) | - | - | - | - | - | (150) |
| Balance as at 31 March 2020 | 287,141 | (2,484) | (120,591) | 468 | (113,030) | 101 | 37,096 | 88,701 |
| Profit for the period, representing total comprehensive income for the period | - | - | - | - | - | - | 14,683 | 14,683 |
| <u>Contributions by and distributions to owners</u> | | | | | | | | |
| Dividends on ordinary shares | - | - | - | - | - | - | (3,278) | (3,278) |
| Share-based payment expenses (Kimly Performance Share Plan) | - | - | - | - | - | 99 | - | 99 |
| Treasury shares transferred on vesting of share awards granted under the Kimly Performance Share Plan | - | 60 | - | - | - | (60) | - | - |
| Issuance of ordinary shares | 10,000 | - | - | - | - | - | - | 10,000 |
| Balance as at 30 September 2020 | 297,141 | (2,424) | (120,591) | 468 | (113,030) | 140 | 48,501 | 110,205 |

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D. 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) (Note 12) S\$'000 | Total equity S\$'000 |
|---|------|---------------------------------------|---|------------------------------|---|-------------------------|
| Company | | | | | | |
| At 1 October 2020 | | 297,141 | (2,424) | 10,089 | 140 | 304,946 |
| 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 |
| Profit for the period, representing total comprehensive income for the period | | - | - | 13,668 | - | 13,668 |
| <u>Contributions by and distributions to owners</u> | | | | | | |
| Dividends on ordinary shares | 13 | - | - | (6,667) | - | (6,667) |
| Share-based payment expenses (Kimly Performance Share Plan) | | - | - | - | 6 | 6 |
| Treasury shares transferred on vesting of share awards granted under the Kimly Performance Share Plan | | - | 133 | - | (133) | - |
| Issuance of ordinary shares | | 310 | - | - | - | 310 |
| Balance as at 30 September 2021 | | 297,451 | (2,187) | 18,026 | 140 | 313,430 |
| At 1 October 2019 | | 287,141 | (2,334) | 10,068 | 34 | 294,909 |
| Profit for the period, representing total comprehensive income for the period | | - | - | 11,942 | - | 11,942 |
| <u>Contributions by and distributions to owners</u> | | | | | | |
| Dividends on ordinary shares | 13 | - | - | (9,651) | - | (9,651) |
| Share-based payment expenses (Kimly Performance Share Plan) | | - | - | - | 67 | 67 |
| Purchase of treasury shares | | - | (150) | - | - | (150) |
| Balance as at 31 March 2020 | | 287,141 | (2,484) | 12,359 | 101 | 297,117 |
| Profit for the period, representing total comprehensive income for the period | | - | - | 10,659 | - | 10,659 |
| <u>Contributions by and distributions to owners</u> | | | | | | |
| Dividends on ordinary shares | 13 | - | - | (12,929) | - | (12,929) |
| Share-based payment expenses (Kimly Performance Share Plan) | | - | - | - | 99 | 99 |
| Treasury shares transferred on vesting of share awards granted under the Kimly Performance Share Plan | | - | 60 | - | (60) | - |
| Issuance of ordinary shares | | 10,000 | - | - | - | 10,000 |
| Purchase of treasury shares | | - | - | - | - | - |
| Balance as at 30 September 2020 | | 297,141 | (2,424) | 10,089 | 140 | 304,946 |

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E. Notes to the Consolidated Financial Statements

1. Corporate information

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

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

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

The principal activities of the Group consist of the business of investment holding, manufacture of cooked food preparations, provision of management services, letting and operating of coffee shop, operating of restaurant and confectionery shop, sale of food products, central food processing centre 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 2020.

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

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

2.1 New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 October 2020. Except for the adoption of the Amendments to SFRS(I) 16: Covid-19-Related Rent Concessions beyond 30 June 2021, the adoption of these new standards did not have any material effect on the financial performance or position of the Group.

SFRS(I) 16: Covid-19-Related Rent Concessions beyond 30 June 2021

The Group early adopted Amendment to SFRS(I) 16: Covid-19-Related Rent Concessions beyond 30 June 2021 and has applied the practical expedient applicable in this amendment that is effective for annual periods beginning on or after 1 April 2021.

The standard allows the lessee to account for any COVID-19 related rent concessions received as a variable lease payment with the effect of the rent concession recognised directly in the consolidated statement of comprehensive income, rather than a lease modification, which generally requires a lessee to remeasure the lease liability by discounting the revised lease payments using a new discount rate under SFRS(I) 16 Leases.

Accounting for any COVID-19 related rent concessions directly in the consolidated statement of comprehensive income is permissible provided the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- There is no substantive change to other terms and conditions of the lease.

The amendment is applicable for annual reporting periods beginning on or after 1 April 2021 and earlier application is permitted. The Group has early adopted this amendment for the year ended 30 September 2021 and has applied the practical expedient available in the standard.

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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. Management is of opinion that there is no significant judgement made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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, the sale of food, beverages and tobacco products, the provision of cleaning and utilities services to tenants, and the 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, Tonkichi restaurants, Kanaaji Japanese Tonkatsu stall and Rive Gauche shops.

(d) Others

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

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

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

3. Segment and revenue information (cont'd)

Reportable segments

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

3. Segment and revenue information (cont'd)

| | Outlet management | Food retail | Outlet Investment Business | Others* | Adjustments and eliminations | Group |
|---|----------------------|-----------------|----------------------------------|-----------------|------------------------------------|------------------|
| FY2020 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Revenue | | | | | | |
| Revenue from external customer | 103,315 | 104,373 | 3,085 | - | - | 210,773 |
| Inter-segment revenue | 20,819 | 28,235 | 192 | 28,265 | (77,511) | - |
| Total revenue | <u>124,134</u> | <u>132,608</u> | <u>3,277</u> | <u>28,265</u> | <u>(77,511)</u> | <u>210,773</u> |
| Results: | | | | | | |
| Amortisation of intangible assets | (575) | (37) | - | (195) | - | (807) |
| Depreciation of investment properties | - | - | (40) | - | - | (40) |
| Depreciation of property, plant and equipment | (1,933) | (951) | (539) | (502) | - | (3,925) |
| Depreciation of right-of-use assets | (28,970) | (2,517) | (33) | (136) | - | (31,656) |
| Employee benefits expense | (18,403) | (25,971) | (525) | (5,594) | - | (50,493) |
| Finance costs | | | | | | |
| - Lease liabilities | (3,334) | (121) | (2) | (42) | - | (3,499) |
| - Loans and borrowings | - | - | (172) | - | - | (172) |
| Government grants | (1,276) | (190) | (13) | (41) | - | (1,520) |
| Impairment loss on intangible assets | - | (777) | - | - | - | (777) |
| Impairment loss on property, plant and equipment | - | (185) | - | - | - | (185) |
| Interest income from short-term deposits | 73 | 76 | 1 | 621 | - | 771 |
| Rental expense on short-term leases and low value assets | (704) | (576) | 61 | 51 | - | (1,168) |
| Share-based payment expenses (Kimly Performance Share Plan) | (166) | - | - | - | - | (166) |
| Share of profit of an associate and joint ventures | 26 | - | 23 | - | - | 49 |
| Segment profit/(loss) | <u>11,350</u> | <u>24,909</u> | <u>190</u> | <u>(6,753)</u> | <u>-</u> | <u>29,696</u> |
| Assets: | | | | | | |
| Segment assets | <u>176,045</u> | <u>32,649</u> | <u>78,989</u> | <u>32,144</u> | <u>-</u> | <u>319,827</u> |
| Segment liabilities | <u>(153,998)</u> | <u>(17,812)</u> | <u>(27,052)</u> | <u>(10,760)</u> | <u>-</u> | <u>(209,622)</u> |

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

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E. Notes to the Consolidated Financial Statements (cont'd)**3. Segment and revenue information (cont'd)****Disaggregation of Revenue**

| | FY2021 S\$'000 | FY2020 S\$'000 |
|--|-------------------|-------------------|
| Types of goods or services: | | |
| Sale of food, beverages and tobacco products | 196,415 | 174,463 |
| Fixed rental income from lease of premises to tenants | 28,048 | 24,627 |
| Contingent rental income from lease of premises to tenants | 58 | 219 |
| Provision of cleaning and utilities services | 12,155 | 9,648 |
| Outlet management fee | 1,966 | 1,816 |
| | <u>238,642</u> | <u>210,773</u> |
| Timing of transfer of goods or services: | | |
| At a point in time | 196,415 | 174,463 |
| Over time | 42,227 | 36,310 |
| | <u>238,642</u> | <u>210,773</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 30 September 2021 and 30 September 2020:

| | Group | | Company | |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | FY2021 S\$'000 | FY2020 S\$'000 | FY2021 S\$'000 | FY2020 S\$'000 |
| Financial assets: | | | | |
| Trade and other receivables | 11,049 | 14,411 | 49,550 | 52,273 |
| Cash and short-term deposits | 94,989 | 68,324 | 70,241 | 14,536 |
| | <u>106,038</u> | <u>82,735</u> | <u>119,791</u> | <u>66,809</u> |
| Financial liabilities: | | | | |
| Trade and other payables | 22,497 | 22,705 | 44,628 | 4,250 |
| Accrued operating expenses | 12,341 | 9,372 | 2,109 | 1,612 |
| Interest-bearing loans and borrowings | 24,410 | 25,514 | - | - |
| Lease liabilities | 122,681 | 137,134 | - | - |
| | <u>181,929</u> | <u>194,725</u> | <u>46,737</u> | <u>5,862</u> |

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E. Notes to the Consolidated Financial Statements (cont'd)**5. Profit before tax****5.1 Significant items**

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

| | Note | Group | |
|--|------|-------------------|-------------------|
| | | FY2021 S\$'000 | FY2020 S\$'000 |
| Amortisation of intangible assets | | 675 | 807 |
| Depreciation of property, plant and equipment | | 4,420 | 3,925 |
| Depreciation of investment properties | | 151 | 40 |
| Depreciation of right-of-use assets | | 36,688 | 31,656 |
| Directors' fees | | 200 | 200 |
| Employee benefits expense | (1) | 53,223 | 50,495 |
| Finance costs | | | |
| - Lease liabilities | | 3,960 | 3,499 |
| - Loans and borrowings | | 415 | 172 |
| Gain on disposal of property, plant and equipment | | (19) | - |
| Government grants | | (1,452) | (1,520) |
| Impairment loss on | | | |
| - Property, plant and equipment | | - | 185 |
| - Intangible assets | | - | 777 |
| Interest income from short-term deposits | | (97) | (771) |
| Interest income arising from discount implicit in non-current receivables | | (112) | (214) |
| Rental expense on short-term leases and low value assets, net of rental relief received | (2) | (1,376) | 1,674 |
| Share-based payment expenses (Kimly Performance Share Plan) | | 237 | 166 |
| Write-off of property, plant and equipment | | 3 | 10 |

Note:

- (1) Employee benefits expense was after offset of the government grants received from Jobs Support Scheme of S\$13.5 million (FY2020: S\$7.2 mil).
- (2) The Group applied the recognition exemption for short-term leases and leases for low value assets in accordance with SFRS(I) 16: Covid-19-Related Rent Concessions beyond 30 June 2021. The amount was after offset of rental relief from landlords of S\$3.6 million in FY2021 (FY2020: S\$5.3 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 | |
|---|-------------------|-------------------|
| | FY2021 S\$'000 | FY2020 S\$'000 |
| Rental paid to director-related companies | 8,140 | 7,284 |
| Rental paid to an associate | 1,124 | 306 |
| Rental paid to joint venture companies | 146 | - |

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E. Notes to the Consolidated Financial Statements (cont'd)**5. Profit before tax****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 | |
|---|----------------|----------------|
| | FY2021 | FY2020 |
| | S\$'000 | S\$'000 |
| <i>Lease commitment with director-related companies</i> | | |
| Not later than one year | 8,561 | 8,561 |
| Later than one year but not later than five years | 17,123 | 25,684 |
| | <u>25,684</u> | <u>34,245</u> |
| <i>Lease commitment with joint ventures</i> | | |
| Not later than one year | 220 | 42 |
| Later than one year but not later than five years | 162 | 41 |
| | <u>382</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 | 5,853 | 7,077 |
| | <u>7,077</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 consolidated statement of profit or loss are:

| | Group | |
|---|----------------|----------------|
| | FY2021 | FY2020 |
| | S\$'000 | S\$'000 |
| <i>Current income tax</i> | | |
| - Current income taxation, representing total income tax expense recognised in profit or loss | 5,894 | 4,372 |
| - Over provision in respect of previous years | - | (95) |
| | <u>5,894</u> | <u>4,277</u> |
| <i>Deferred income tax</i> | | |
| - Amortisation and reversal of temporary differences | (432) | 194 |
| - Over provision in respect of previous years | (269) | - |
| Income tax expense recognised in profit or loss | <u>5,193</u> | <u>4,471</u> |

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E. Notes to the Consolidated Financial Statements (cont'd)**7. Property, plant and equipment owned**

| | Group | |
|--|----------------------|----------------------|
| | 30.9.2021 | 30.9.2020 |
| | S\$'000 | S\$'000 |
| Cost | | |
| At 1 October | 90,489 | 23,149 |
| Reclassified as right-of-use assets | - | (167) |
| Additions | 4,047 | 67,749 |
| Acquisition of a subsidiary | 125 | - |
| Disposals | (232) | (63) |
| Written off | (60) | (179) |
| At 30 September | <u>94,369</u> | <u>90,489</u> |
| Accumulated depreciation and impairment | | |
| At 1 October | 17,266 | 13,425 |
| Reclassified as right-of-use assets | - | (37) |
| Depreciation charge for the year | 4,420 | 3,925 |
| Disposals | (221) | (63) |
| Written off | (57) | (169) |
| Impairment | - | 185 |
| At 30 September | <u>21,408</u> | <u>17,266</u> |
| Net carrying amount | | |
| At 30 September | <u><u>72,961</u></u> | <u><u>73,223</u></u> |

8. Investment properties owned

| | Group | |
|--|---------------------|---------------------|
| | 30.9.2021 | 30.9.2020 |
| | S\$'000 | S\$'000 |
| Cost | | |
| At 1 October | 7,130 | - |
| Additions | - | 7,130 |
| At 30 September | <u>7,130</u> | <u>7,130</u> |
| Accumulated depreciation and impairment | | |
| At 1 October | 40 | - |
| Depreciation charge for the year | 151 | 40 |
| At 30 September | <u>191</u> | <u>40</u> |
| Net carrying amount | | |
| At 30 September | <u><u>6,939</u></u> | <u><u>7,090</u></u> |

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E. Notes to the Consolidated Financial Statements (cont'd)**9. Intangible assets and goodwill**

| | Group | | | | | |
|--|-----------------|--------------------------------------|-------------------|------------------------------|-------------------------------|----------------|
| | Goodwill | Lease assignment fees | Trademarks | Computer software | Customer contracts | Total |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| At 1 October 2020 | | | | | | |
| Cost | 705 | 15,140 | 72 | 717 | - | 16,634 |
| Additions | - | - | - | 46 | - | 46 |
| Acquisition of a subsidiary | 921 | - | - | - | 50 | 971 |
| Accumulated amortisation and impairment | (705) | (11,410) | (72) | (663) | (50) | (12,900) |
| At 30 September 2021 | 921 | 3,730 | - | 100 | - | 4,751 |
| At 30 September 2020 | | | | | | |
| Cost | 705 | 15,140 | 72 | 717 | - | 16,634 |
| Accumulated amortisation and impairment | (705) | (10,875) | (72) | (573) | - | (12,225) |
| Net carrying amount | - | 4,265 | - | 144 | - | 4,409 |

Impairment testing of goodwill and trademarks

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

There were no significant events and conditions that indicated impairment indicators existed as at 30 September 2021.

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E. Notes to the Consolidated Financial Statements (cont'd)**10. Leases****(a) Carrying amount of right-of-use assets**

| | Group | |
|--|-----------------------|-----------------------|
| | 30.9.2021 | 30.9.2020 |
| | S\$'000 | S\$'000 |
| Cost | | |
| At 1 October | 167,288 | 100,486 |
| Additions | 5,764 | 51,482 |
| Modifications | 15,144 | 15,320 |
| Cessation | (220) | - |
| At 30 September | <u>187,976</u> | <u>167,288</u> |
| Accumulated depreciation and impairment | | |
| At 1 October | 31,693 | 37 |
| Depreciation charge for the year | 36,688 | 31,656 |
| Cessation | (148) | - |
| At 30 September | <u>68,233</u> | <u>31,693</u> |
| Net carrying amount | | |
| At 30 September | <u><u>119,743</u></u> | <u><u>135,595</u></u> |

(b) Lease liabilities

| | Group | |
|------------------------|-----------------------|-----------------------|
| | 30.9.2021 | 30.9.2020 |
| | S\$'000 | S\$'000 |
| At 1 October | 137,134 | 100,366 |
| Additions | 5,734 | 51,029 |
| Modifications | 15,083 | 15,320 |
| Accretion of interests | 3,960 | 3,499 |
| Lease payments | (39,160) | (33,080) |
| Cessation | (70) | - |
| At 30 September | <u>122,681</u> | <u>137,134</u> |
| Current | 34,553 | 33,181 |
| Non-current | 88,128 | 103,953 |
| | <u><u>122,681</u></u> | <u><u>137,134</u></u> |

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E. Notes to the Consolidated Financial Statements (cont'd)**11. Interest-bearing loans and borrowings**

| | Group | |
|--|------------------|------------------|
| | 30.9.2021 | 30.9.2020 |
| | S\$'000 | S\$'000 |
| Interest-bearing loans and borrowings (secured) | | |
| Current | 1,052 | 1,104 |
| Non-current | 23,358 | 24,410 |
| | <u>24,410</u> | <u>25,514</u> |

As at 30 September 2021 and 30 September 2020, 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 | | | |
|---|--------------------------|----------------|----------------------|----------------|
| | 30.9.2021 | | 30.9.2020 | |
| | No. of shares | | No. of shares | |
| | '000 | S\$'000 | '000 | S\$'000 |
| Issued and fully paid ordinary shares: | | | | |
| At 1 October | 1,197,787 | 297,141 | 1,157,787 | 287,141 |
| Issuance of ordinary shares | 1,000 | 310 | 40,000 | 10,000 |
| At 30 September | <u>1,198,787</u> | <u>297,451</u> | <u>1,197,787</u> | <u>297,141</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 | | | |
|---|--------------------------|----------------|----------------------|----------------|
| | 30.9.2021 | | 30.9.2020 | |
| | No. of shares | | No. of shares | |
| | '000 | S\$'000 | '000 | S\$'000 |
| At 1 October | 9,120 | 2,424 | 8,604 | 2,334 |
| Purchase of treasury shares during the year | - | - | 740 | 150 |
| Treasury shares transferred on vesting of share awards granted under the Kimly Performance Share Plan | (886) | (237) | (224) | (60) |
| At 30 September | <u>8,234</u> | <u>2,187</u> | <u>9,120</u> | <u>2,424</u> |

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

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E. Notes to the Consolidated Financial Statements (cont'd)**12. Share capital, treasury shares and share-based compensation reserve (cont'd)****(b) Treasury shares (cont'd)**

The Company acquired 740,000 shares in the Company through purchases on the Singapore Exchange during the financial year ended 30 September 2020. The total amount paid to acquire the shares was \$150,000 and this was presented as a component within shareholders' equity.

The Company transferred 885,889 (2020: 224,280) treasury shares during the year pursuant to the Kimly Performance Share Plan at a weighted average price of approximately \$0.48 (2020: \$0.27) each.

(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**Declared and paid during the financial year:***Dividends on ordinary shares:*

- Final exempt (one-tier) dividend for 2020: 0.84 (2019: 0.84) cents per share
- Interim exempt (one-tier) dividend for 2021: 0.56 (2020: 0.28) cents per share

| Group and Company | |
|--------------------------|----------------|
| FY2021 | FY2020 |
| S\$'000 | S\$'000 |
| | |
| 9,988 | 9,651 |
| 6,667 | 3,278 |
| <u>16,655</u> | <u>12,929</u> |

14. Earnings per ordinary shares

| | Group | |
|--|------------------|------------------|
| | FY2021 | FY2020 |
| Profit for the year attributable to owners of the Company (S\$'000) | 39,278 | 25,225 |
| Weighted average number of ordinary shares for basic earnings per share computation ('000) | 1,189,502 | 1,157,275 |
| Effect of dilution: | | |
| Share awards granted under the Kimly Performance Share Plan ('000) | 315 | 285 |
| Weighted average number of ordinary shares for basic earnings per share computation ('000) | <u>1,189,817</u> | <u>1,157,560</u> |
| Basic earnings per shares (cents) | <u>3.30</u> | <u>2.18</u> |
| Diluted earnings per shares (cents) | <u>3.30</u> | <u>2.18</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 a subsidiary, Klovex Holdings Pte. Ltd.

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E. Notes to the Consolidated Financial Statements (cont'd)**15. Net asset value**

| | Group | | Company | |
|---|--------------|-------------|--------------|--------------|
| | 30.9.2021 | 30.9.2020 | 30.9.2021 | 30.9.2020 |
| Net asset value ("NAV") (S\$'000) | 133,375 | 110,205 | 313,430 | 304,946 |
| Number of ordinary shares in issue ('000) | 1,190,553 | 1,188,667 | 1,190,553 | 1,188,667 |
| NAV per ordinary share (cents) | 11.20 | 9.27 | 26.33 | 25.65 |

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 | | | |
|--|----------------------------|---|----------------------------|---|
| | FY2021 | | FY2020 | |
| | 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 | 6,939 | 6,800 | 7,090 | 7,130 |
| Liabilities | | | | |
| Non-current fixed rate interest-bearing loans and borrowings | 23,358 | 23,358 | 24,410 | 24,410 |

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.

Kimly Limited

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E. Notes to the Consolidated Financial Statements (cont'd)**17. Acquisition of a subsidiary**

On 1 April 2021, the Company acquired 60% of the issued share capital in Klovex Holdings Pte. Ltd. ("Klovex"). Klovex is principally engaged in the business of providing general cleaning services.

Fair value of assets acquired and liabilities assumed at the date of acquisition

| | S\$'000 |
|---|---------------------|
| Non-current assets | 175 |
| Current liabilities | (1) |
| Non-current liabilities | (30) |
| Net assets acquired and liabilities assumed | <u>144</u> |
| Non-controlling interests | (60) |
| Goodwill arising on acquisition | 921 |
| Add: Cash and cash equivalent balances acquired | <u>5</u> |
| Purchase consideration transferred | <u><u>1,010</u></u> |
| Total purchase consideration satisfied by: | |
| -Cash | 700 |
| -Issuance of shares | <u>310</u> |
| | <u><u>1,010</u></u> |
| Purchase consideration paid in cash | 700 |
| Less: Cash and cash equivalent balances acquired | <u>(5)</u> |
| Net cash used in acquisition of a subsidiary, Klovex Holdings Pte Ltd | <u><u>695</u></u> |

From the acquisition date, the acquired subsidiary has contributed S\$1,607,000 of revenue and loss of S\$78,000 to the Group's profit after tax for the financial year. If the acquisition had taken place at the beginning of the financial year, the contribution to the Group's revenue would have been S\$3,189,000 and the contribution to the Group's profit after tax would have been loss of S\$160,000.

18. Events occurring after the reporting period***Completion of acquisition of 75% stake in Tenderfresh Business***

On 1 October 2021, the Group has completed its acquisition of 75% stake of the issued shares in Tenderfresh Group Pte. Ltd. ("Tenderfresh Group"), which holds the Tenderfresh Business.

Following the completion, Tenderfresh Group and its subsidiaries, comprising Tenderfresh Fried & BBQ Chiecken Pte Ltd, Tenderbest Restaurants Pte. Ltd., Ke Ai Ji F&B Pte. Ltd., TDF Food Pte. Ltd., Sultan Burger Enterprise Pte Ltd, Caterfresh Pte. Ltd., Tenderbest (East) Pte. Ltd., Tenderbest (West) Pte. Ltd., Ke Ai Ji (East) Pte. Ltd., Ke Ai Ji (North) Pte. Ltd. and Ke Ai Ji (West) Pte. Ltd., are therefore subsidiaries of the Company.

Pursuant to 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 Group; and
- (ii) S\$16,000,000 through the allotment and issuance of 51,216,389 Consideration Shares to the Vendors and their nominees, being minority vendors to the Proposed Acquisition and comprising Chee Kok Chew Gabriel, Chua Yong Chuan Kelvin, Leow Xian Zhao, Lim Wei Qiang Cyril, and Norhuda Binte Rabani (collectively, the "Minority Vendors"), at the Issue Price of S\$0.3124 per Consideration Share.

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.

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

1. Review of performance of the Group

The consolidated statement of financial position of Kimly Limited and its subsidiaries as at 30 September 2021 and the related consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and certain explanatory notes have not been audited or reviewed.

Consolidated Statement of Comprehensive Income

FY2021 compared to FY2020

Revenue

The Group recorded revenue of S\$238.6 million in FY2021 as compared to S\$210.8 million in FY2020. The increase of S\$27.9 million or 13.2% was mainly due to:

- (a) revenue contribution from the Food Retail Division increased by S\$15.0 million from S\$104.4 million in FY2020 to S\$119.4 million in FY2021 due mainly to (i) higher revenue contribution of S\$9.3 million from existing food stalls; (ii) increase in food delivery sales by S\$4.7 million; (iii) revenue contribution of S\$2.0 million from the six (6) food stalls and one (1) confectionery shop opened during FY2021. The strategic locations of the Group's food outlets in the HDB heartlands that span across Singapore, provides the Group with a competitive advantage to serve an increased footfall arising from the working-from-home and dining-in at the F&B establishment which has been allowed since 19 June 2020 with the lifting of COVID-19 restrictions. The increase was partially offset by decrease in revenue due to closure of non-performing food stalls/confectionery shops of S\$1.0 million.
- (b) revenue contribution from the the Outlet Management Division increased by S\$9.2 million from S\$103.3 million in FY2020 to S\$112.5 million in FY2021. This was mainly due to revenue contribution of S\$3.1 million from three (3) new coffee shops opened during FY2021, and improvement in footfall at our coffee shops notwithstanding revenue was impacted during circuit breaker in FY2020. Rental rebates passed on to tenants for FY2021 amounted to S\$1.7 million (FY2020: S\$2.5 million).
- (c) revenue contribution from Outlet Investment Business Division increased by S\$3.7 million from S\$3.1 million in FY2020 to S\$6.8 million in FY2021. This was mainly contributed by the sale of beverages and tobacco products, rental income and provision of cleaning and utilities services from the food outlet properties acquired in 2H FY2020.

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\$6.2 million, to S\$160.5 million in FY2021. Cost of sales as a percentage of revenue has decreased by 6.0%, from 73.2% in FY2020 to 67.2% in FY2021.

The increase was in line with the increase in the revenue from sales of cooked food. The reduction in cost of sales as a percentage of revenue was largely attributed to government grants received of S\$12.2 million (FY2020: S\$6.5 million) for wages support and rental rebates passed down by landlords of S\$3.6 million (FY2020: S\$5.3 million).

Gross profit

Overall gross profit increased by S\$21.7 million or 38.3% from S\$56.5 million in FY2020 to S\$78.2 million in FY2021. Gross profit margin increased by 6.0%, from 26.8% in FY2020 to 32.8% in FY2021.

Finance income

Interest income decreased by S\$0.8 million, in line with lower interest rate.

Selling and distribution expenses

Selling and distribution expenses increased by S\$2.6 million from S\$7.6 million in FY2020 to S\$10.2 million in FY2021. The increase was mainly due to increase in online food delivery fees of S\$1.5 million, and packaging materials expenses of S\$1.0 million, in line with the increase in the revenue.

Administrative expenses

The increase of S\$4.1 million, from S\$18.1 million in FY2020 to S\$22.2 million in FY2021 was due to (i) higher employee benefits expenses of S\$2.5 million due to increase in headcount, salary adjustment and higher incentive bonus for staff and management in line with higher profit recorded in FY2021, (ii) higher repair and maintenance expenses of S\$0.8 million, (iii) increase in depreciation of rights-of-use assets, property, plant and equipment owned and investment property owned of S\$0.6 million, S\$0.5 million and S\$0.1 million respectively, and (iv) increase in stamp duty and insurance expense of S\$0.2 million. The increase was offset by increase in government grant for wages support of S\$0.6 million.

Finance costs

The increase of S\$0.7 million in finance costs was mainly due to increase in (i) interest expense from unwinding of lease liabilities of S\$0.5 million; and (ii) bank loan interest of S\$0.2 million.

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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

The decrease of S\$1.1 million in other operating expenses was mainly due to (i) the absence of impairment loss of S\$1.0 million made in FY2020 on the property, plant and equipment, trademark and goodwill of the restaurants and confectionery businesses under the brands, Tonkichi and Rive Gauche due to adverse effect on business as a result of the on-going COVID-19 situation and (ii) decrease in amortisation of intangible assets of S\$0.1 million.

Share of profit of an associate and joint ventures

The share of profit of an associate and joint ventures relate to the share of profit from investment in 25% partnership interest in North View Investment LLP and 5 joint venture companies, of which 2 of the joint venture companies are established in FY2021.

Income tax expense

Income tax expense increased by S\$0.7 million mainly due to the increase in profit before tax. Effective tax rate was 11.7% in FY2021 compared to 15.1% in FY2020. The lower effective tax rate was mainly due to (i) government grants received for Jobs Support Scheme of S\$13.5 million (FY2020: S\$7.2 million) which was not taxable; and (ii) over provision of deferred tax liabilities in prior 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 2021 and 30 September 2020.

Non-current assets

The Group's non-current assets decreased by S\$12.4 million from S\$236.1 million as at 30 September 2020 to S\$223.7 million as at 30 September 2021 mainly due to (i) depreciation of right-of-use assets of S\$36.7 million; (ii) depreciation of property, plant and equipment owned of S\$4.4 million; (iii) depreciation of investment properties owned of S\$0.2 million, and (iv) depreciation of intangible assets of S\$0.7 million.

The decrease was offset by (i) recognition of right-of-use assets of S\$20.8 million arising from new and renewed leases; (ii) renovation and additions of equipment for new and existing coffeeshops and food stalls of S\$4.0 million; (iii) investment in joint ventures of S\$2.6 million as announced on 21 January 2021 and 29 April 2021; (iv) recognition of goodwill on consolidation arising from the acquisition of a subsidiary, Klovex Holdings Pte. Ltd. of S\$0.9 million; and (v) increase in deferred tax assets of S\$0.4 million; and (vi) increase in non-current other receivables of S\$0.6 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\$6.5 million (30 September 2020: S\$5.6 million); and (ii) the non-current portion of staff loans amounting to \$0.1 million (30 September 2020: S\$0.2 million).

As at 30 September 2021, total refundable deposits placed with lessors (non-current and current) amounted to S\$6.9 million (30 September 2020: S\$6.4 million).

Current assets

The Group's current assets increased by S\$18.9 million due mainly to increase in cash and balances by S\$26.7 million; offset by the decrease in trade and other receivables and inventories by S\$7.7 million and S\$0.2 million respectively.

The increase in cash and bank balances of S\$26.7 million was mainly due to cash generated from operating activities of S\$90.1 million; dividend income received from an associate and joint ventures of S\$0.4 million and capital injection from a non-controlling interest of S\$0.1 million was offset by (i) repayment of lease liabilities and its related interest expense of S\$39.2 million; (ii) dividend paid on ordinary shares of S\$16.7 million; (iii) investment in joint ventures of S\$2.6 million; (iv) purchase of property, plant and equipment of S\$3.3 million; (v) repayment of loan and borrowings and its related interest expense of S\$1.5 million; and (vi) net cash used in acquisition of a subsidiary, Klovex Holdings Pte. Ltd. of S\$0.7 million.

The decrease in trade and other receivables of S\$7.7 million was due to (i) decrease in government grant receivables and enhanced rental waiver receivables by S\$3.7 million and S\$0.6 million respectively as the amounts have been received during FY2021; (ii) decrease in trade receivables by S\$0.6 million due to timely collection of outstanding receivables; (iii) decrease in amount owing to the Company of S\$2.6 million following the receipt of the quoted equity securities held by the Vendor with a market value of S\$1.7 million; dividend accrued in respect of these securities amounting to S\$0.2 million and cash for the remaining balance of S\$0.7 million. Please refer to the Company's announcement dated 30 December 2020 for further information.

Current liabilities

The Group's current liabilities decreased by S\$0.2 million due to the decrease in other liabilities of S\$2.5 million was offset by (i) increase in provision for current year's income tax of S\$0.8 million, in line with the higher taxable profit in FY2021, (ii) increase in the current portion of lease liabilities by S\$1.4 million; and (iii) increase in trade and other payables by S\$0.1 million, in line with the increase in cost of sales.

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F. Other Information required by Appendix 7C of the Catalyst Rules (cont'd)**1. Review of performance of the Group (cont'd)****Consolidated Statements of Financial Position (cont'd)**

The decrease in other liabilities was mainly due to reversal of the deferred revenue upon receipt of the government grants of S\$4.8 million and rental rebates from landlords of S\$0.6 million during FY2021. The decrease was offset by (i) increase in accruals of operating costs of S\$0.5 million, in line with increase in cost of sales and (ii) increase in accruals payroll related costs of S\$2.4 million in line with the increase in headcount due to opening of new food outlets/stalls and higher incentive bonus for staff and management, in line with higher profit recorded for FY2021.

Non-current liabilities

The Group's non-current liabilities decreased by S\$16.8 million mainly due to decrease in (i) lease liabilities of S\$16.0 million; and (ii) interest-bearing loans and borrowings of S\$1.1 million due to repayment made during FY2021. The decrease was offset by the increase in non-current other payables (relating to the refundable rental deposits placed by the tenants) of S\$0.3 million.

The decrease in lease liabilities was mainly due to reclassification of lease liabilities which are due within one year to current liabilities. As at 30 September 2021, total lease liabilities (non-current and current) amounted to S\$122.6 million (30 September 2020: S\$137.1 million). The decrease in lease liabilities (non-current and current) was due to the repayment made (including interest expense) during FY2021 of S\$39.1 million, partially offset by recognition of lease liabilities and interest expense arising from new and renewed leases of S\$20.7 million and S\$3.9 million respectively.

Consolidated Statements of Cash Flows

The Group's net cash generated from operating activities in FY2021 of S\$90.5 million mainly resulted from operating cash flows before changes in working capital of S\$90.6 million, net working capital inflows of S\$4.4 million and interest income from short-term deposits of S\$0.1 million, and offset by income taxes paid of S\$4.9 million. The net working capital inflows were due to (i) decrease in trade and other receivables by S\$7.1 million; (ii) decrease in inventories by S\$0.2 million; and offset by (i) decrease in other liabilities by S\$2.3 million; (ii) decrease in trade and other payables of S\$0.5 million; and (iii) increase in prepayments by S\$0.2 million.

The Group's net cash flows used in investing activities during FY2021 of S\$6.2 million were due to (i) investment in joint ventures of S\$2.6 million, (ii) purchase of property, plant and equipment of S\$3.3 million; and (iii) net cash outflow on acquisition of a subsidiary, Klovex Holdings Pte. Ltd. of S\$0.7 million; and offset by dividends received from an associate and joint ventures of S\$0.4 million.

The Group's net cash flows used in financing activities of S\$57.2 million were mainly attributable to (i) repayment of lease liabilities and its related interest expense of S\$39.1 million; (ii) dividends paid on ordinary shares of S\$16.7 million; (iii) repayment of loans and borrowings and its related interest expense of S\$1.5 million; and offset by capital contribution from a non-controlling interest of S\$0.1 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 % |
|---|-------------------|-------------------|---------------|
| | FY2021 S\$'000 | FY2020 S\$'000 | |
| Sales reported for first half year | 122,649 | 107,385 | 14.2 |
| Operating profit after tax before deducting non-controlling interests reported for first half year | 21,771 | 12,602 | 72.8 |
| Sales reported for second half year | 115,993 | 103,388 | 12.2 |
| Operating profit after tax before deducting non-controlling interests reported for second half year | 17,521 | 12,623 | 38.8 |

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 2021, dated 10 May 2021.

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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 Beverages ("F&B") industry continues to face challenging business environment as the industry continues to remain heavily affected by the ever-evolving rules and restrictions. The difficulty and restrictions in getting foreign manpower coupled with the closure of Singapore's borders continue to pose mounting pressure to the local F&B sector. As the government is moving towards living with the virus as an endemic and as the border control measures have started to ease, the shortage in foreign manpower will continue for a while longer before the situation stabilises. The government has also announced extension of the Jobs Support Schemes ("JSS"), which includes more wage subsidies, to November 2021 in a bid to provide the F&B industry with a slight boost.

In the immediate short term, COVID-19 virus induced challenges remain for the Group's businesses as dining-in restrictions continue and work-from-home remains default for many. Particularly the dining-in restrictions at the Group's coffeeshops remain in place and causes a drag on mostly the drink stall related revenue. However, despite the challenges prevalent due to the ongoing Covid-19 pandemic, the Group has managed to remain resilient with the Food Retail Division continuing to deliver sustained revenue growth and commendable results. The favourable geographical spread of the food outlets across the heartlands of Singapore provides the Group with a competitive advantage to serve an increased footfall arising from the people working from home and dining-in at the F&B establishments which have been allowed since the lifting of restrictions. Moreover, with the improved support from the central kitchen has also helped the Group achieve a strong position to capitalize on the popularity in the food delivery segment as the Covid-19 situation continues to evolve rapidly.

The expansion of the vaccine booster shot programme is a positive sign towards economic recovery, as the authorities hope to keep its daily infection rates under reasonable control prior to reopening its borders further.

Since the Group has witnessed growing demand from the food delivery business, moving ahead, the Group will continue to reinvent, innovate and upgrade its menu offerings to attract and retain online customers. Through the integration of new technologies for the upgrade of the central kitchen, the Group seeks to improve the productivity and reduce the reliance on manpower. The Group has also managed to build on its strong foundation and further strengthen its foothold in the Food Retail division, as demonstrated by the acquisition of a 75% stake in the Tenderfresh Business. With this acquisition, the Group is in a commanding position to further grow its food retail business.

The acquisition of Tenderfresh Business allows the Group to make further headway in a promising market in terms of customer base and product offerings by leveraging on Tenderfresh's competitive edge and presence in Singapore's Halal F&B market. In addition, the Group will be able to unlock the synergies between existing food outlets to further cross-sell and enhance product offerings. The Group has also recently opened two new outlets, the second Kedai Kopi outlet and the third Tenderbest outlet, with new dining concepts introduced in both outlets. The Group will continue to seek suitable opportunities for expansion, as well as innovate and create unique dining experiences for different markets within Singapore.

The Group's time-tested experience and expertise in the industry have helped the food outlet management in sourcing for relevant and good food stall tenants into the Group's food outlets. Based on the strong fundamentals and in its endeavour to continue to groom aspiring hawkers, the Group will work relentlessly to further develop the local hawker scene. Given its strong supply of food stall operators, the Group is confident that it is well-poised to secure more food outlet leases, whether private or publicly owned to further expand its presence within the country.

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

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F. Other Information required by Appendix 7C of the Catalist Rules (cont'd)**5. Dividend information**5a. Current Financial Period Reported on

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

In view of the Group's performance in FY2021, the Board of Directors has proposed and recommended a final dividend (one-tier tax exempt) of 0.84 Singapore cents (S\$0.0084) per ordinary share ("Final Dividend") and special dividend of 0.6 Singapore cents (S\$0.006) per ordinary share for FY2021. The Proposed Dividend will be subject to shareholders' approval at the forthcoming FY2021 Annual General Meeting.

5b. Corresponding Period of the Immediate Preceding Financial Year

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

5c. Date Payable

Subject to shareholders' approval at the FY2021 Annual General Meeting, the date payable will be announced in due course.

5d. Books Closure Date

Subject to shareholders' approval at the FY2021 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 21 January 2021.

There were no interested person transactions entered into that exceeded S\$100,000 for FY2021.

7. Use of IPO proceeds

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

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

| | Allocated S\$'000 | Utilised S\$'000 | Balance S\$'000 |
|---|------------------------------|-----------------------------|----------------------------|
| Acquisitions and joint ventures and general business expansion (including establishment of new food outlets) | 30,363 | (30,363) | - |
| Refurbishment and renovation of existing food outlets | 3,000 | (3,000) | - |
| Headquarters/Central Kitchen upgrading | 5,000 | (2,407) | 2,593 |
| Productivity initiatives/IT | 2,000 | (2,000) | - |
| Listing expenses | 3,087 | (3,087) | - |
| Total | 43,450 | (40,857) | 2,593 |

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

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

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

| Name | Age | Family relationship with any director and/or substantial shareholder | Current position and duties, and the year the position was held | Details of changes in duties and position held, if any, during the year |
|---------------|-----|--|--|---|
| Peh Chin Hong | 53 | Brother of Peh Oon Kee (substantial shareholder) | Outlet supervisor since FY2006 | No change |
| Ng Han Keow | 60 | Brother of Ng Lay Beng (substantial shareholder) | Operation Manager since FY2001, resigned on 30 June 2019, rejoined on 1 October 2019 | 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 Rules

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

10. Confirmation by the Board

The Board has confirmed to the best of its knowledge that nothing has come to its attention which may render the unaudited financial results for the year ended 30 September 2021 to be false or misleading in any material aspect.

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

The Company has acquired the following subsidiaries, associate and joint ventures during FY2021. Please refer to the relevant announcements for further information on these entities.

| S/N | Name of entity | Nature of transactions | Date of announcement |
|-----|-----------------------------------|--|----------------------|
| 1. | Kedai Kopi Pte. Ltd. | Business agreement with Tenderfresh Fried & BBQ Chicken Pte Ltd, where the Group holds 51% stake, to operate and manage halal coffeeshop | 3 November 2020 |
| 2. | Jin Yuan 134 Food House Pte. Ltd. | Entry into a joint venture agreement to operate and manage short-term HDB coffeeshop lease | 21 January 2021 |
| 3. | Klovex Holdings Pte. Ltd. | Acquisition of 60% of the shares in Klovex Holdings Pte. Ltd. | 1 April 2021 |
| 4. | Zhen Wei Food House Pte. Ltd. | Entry into a joint venture agreement to operate and manage short-term HDB coffeeshop leases | 29 April 2021 |
| 5. | Jin Wei Investments Pte. Ltd. | Incorporation of a new subsidiary | 25 May 2021 |

BY ORDER OF THE BOARD

Wong Kok Yoong
Executive Director

25 November 2021