



# Emerging Str**O**nger Together

ANNUAL REPORT 2021

**金味** Kimly™  
The Flavours of Life



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# Corporate Profile

Kimly Limited (the "Company" or "Kimly", and together with its subsidiaries, the "Group") is one of the largest traditional coffeeshop operators in Singapore with more than 30 years of experience. The Group operates and manages an extensive network of 85 food outlets under "Kimly", "foodclique" and a third party brand, 139 food stalls comprising Mixed Vegetable Rice, Teochew Porridge, Dim Sum, Seafood "Zi Char", Kanaaji Japanese Tonkatsu, two Tonkichi restaurants and seven Rive Gauche confectionery shops.

While keeping to the heritage of a traditional coffeeshop that provides affordable food for all, Kimly is also constantly modernising to keep up with the times and changing consumer trends, through digitalisation, strengthening the operations and upscaling capabilities. All its food retail products are currently available for online ordering through Deliveroo, Foodpanda, GrabFood and Oddle.

The Group continues to proactively extend its footprints and revenue streams through suitable merger and acquisition ("M & A") projects.

The Company was successfully listed on Catalist of the SGX-ST on 20 March 2017.

# Our Businesses

## OUTLET MANAGEMENT DIVISION

Under our Outlet Management Division, the Group operates and manages 67 coffeeshops, and seven industrial canteens, and two food courts under the “foodclique” brand.

With our proven and established track record as a food outlet operator, we have been able to attract quality and anchor tenants with whom we have forged strong longstanding relationships. As at the date of this report, Kimly maintained a healthy occupancy rate of 98% for a total of 680 stalls within our managed food outlets.



## FOOD RETAIL DIVISION

Catering to a broad and varied customer base and supported by our Central Kitchen, the Group’s 139 food stalls, two Tonkichi restaurants and seven Rive Gauche confectionery shops under our Food Retail portfolio comprises:

Our Central Kitchens supply sauces, marinades, pastries and semifinished food products to our Mixed Vegetable Rice, Seafood “Zi Char”, Dim Sum stalls and Rive Gauche confectionery shops.

85

FOOD OUTLETS

148

FOODSTALLS / RESTAURANTS / PATISSERIE

55

OUT OF 85 FOOD OUTLETS ARE OPEN 24 HOURS

## OUTLET INVESTMENT BUSINESS DIVISION

Outlet Investment Business Division assists the group in securing sustainable and stable rights of use to strategic business locations, through investments into properties (freehold and leasehold), at the same time allows the group to benefit from rental income and/or capital growth. The Group has acquired five coffeeshops, three industrial canteen units and a restaurant unit during FY2020.





# Our Network

The Group has an extensive network of 85 food outlets located across the heartlands of Singapore, with its food stalls/restaurants/patisseries serving a variety of dishes catering to consumers' diverse preferences. 55 out of 85 food outlets are open 24 hours.



60

MIXED VEGETABLE RICE / TEOCHEW PORRIDGE

28

SEAFOOD "ZI CHAR"

2

TONKICHI RESTAURANTS

49

DIM SUM

2

KANAAJI KATSU JAPANESE FOOD STALLS

7

RIVE GAUCHE CONFECTIONERY SHOPS



# Milestones

2017

**20 MAR** - Successfully listed on the Catalyst Board of the SGX-ST

**3 JUL** - Acquisition of operating leases & business operations of Bedok 631 coffeeshop, 21 Woodlands Close Industrial Canteen

**30 SEP** - Completed HQ & central kitchen annex block's expansion project

2018

**1 JUL** - Acquisition of Tonkichi & Rive Gauche Patisserie

**2 JUL** - Commenced operations with the first digitalized tray return & rewards system at Bukit Batok 292 Coffeeshop

2019

**1 MAY** - Launch of beverage line "HOLIM"

**1 JUL** - Successfully tendered for 3 HDB coffeeshops under HDB's Price-Quality-Method ("PQM")

**1 AUG** - Successfully launched the iconic Kimly Bak Kwa Bao

**1 NOV** - Successfully acquired our first coffeeshop property, Teck Whye 143 coffeeshop

2020

**15 MAY** - 122 Food stalls onboard on third party food delivery platform

**3 JUN** - Completion of acquisition of 6 food outlet properties

**26 JUN** - Successfully acquired 25% partnership interest in North View Investments LLP

**30 JUN** - Acquisition of Ang Mo Kio 347 Coffeeshop

**26 AUG** - Acquisition of Clementi 380 Coffeeshop

**9 SEP** - Entered into joint venture agreements to manage and operate Bukit Batok 376 Coffeeshop and Upper Aljunied 1 Coffeeshop

**29 SEP** - Entered into a joint venture agreement to manage and operate Choa Chu Kang 429A Coffeeshop

**3 NOV** - Entered into a business agreement to operate and manage the first halal coffeeshop, Kedai Kopi

2021

**21 JAN** - Entered into a joint venture agreement to operate and manage Lorong Ah Soo 134 Coffeeshop

**1 APR** - Acquisition of 60% of the shares in Klovex Holdings Pte. Ltd.

**29 APR** - Entered into a joint venture agreement to operate and manage Bukit Batok 233 Coffeeshop and Serangoon 153A Coffeeshop

**1 JUL** - Opened second Kedai Kopi at 12 Haig Road

**1 OCT** - Completion of acquisition of 75% of the stake in Tenderfresh Business





# Expansion of Footprints



Adding Tenderfresh brands into the food mix for our food retail division



Kedai Kopi  
at 12 Haig Road

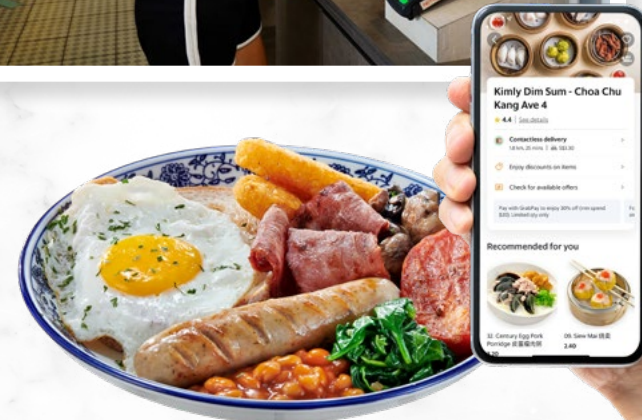


# Accelerating Digitalisation

Developed in-house proprietary web application to facilitate the submission and compilation of the weekly Fast and Easy Testing ("FET")



NETs Unified Payment terminal deployed across all food outlets



\* Photos taken before Covid-19 restrictions



# Message to Shareholders

“

One of our major acquisitions in 2021 is our completion of the acquisition of a 75% stake in Tenderfresh Business for \$54 million on 1 October 2021. In 2020, we entered into a business agreement (51% stake by Kimly) with Tenderfresh Fried & BBQ Chicken Pte Ltd to operate a Halal themed coffeeshop, Kedai Kopi, at Block 380 Clementi Avenue 5.

Dear Shareholders,

On behalf of the Board of Directors (the “Board”), I am pleased to share our results for the financial year ended 30 September 2021 (“FY2021”). I am delighted to update that we have achieved healthy growth despite the headwinds and challenges brought by the pandemic related restrictions and challenges. We have also expanded our operations through organic growth, acquisitions and joint ventures during FY2021. I am proud to share that the Group has further built upon its strong foundation to grow further in our Food Retail division.

The continuation of the pandemic coupled with measures for endemic living continued to pose certain challenges for the overall food and beverage (“F&B”) industry. However, local coffeeshops remain the steadfast choice as the population continues to adapt to the new measures.

Amidst the challenges, the management continues to expand our portfolio of food outlets and food retail stalls to bring long-term benefits to our shareholders and customers. The updated measures have allowed some leeway in dining-in; however we have prepared the Group for any changes in public health measures to deal with the new virus variants and potential adverse developments. We have worked hard to remain nimble; we have evolved with the changing industry landscape, we have grown our brick-and-mortar operations, we have embraced technology and R&D to improve our productivity and efficiency, we have shown progress in our online sales, and based on these, we strongly believe that we are in a reasonably resilient position to come out of this pandemic with limited adverse impact to the Group.

## NAVIGATING THROUGH THE SECOND YEAR OF PANDEMIC – STRENGTHENED OPERATIONS

The financial year started with vaccines approved within the “Safe Nation” Phase 3, allowing us to have a long-term plan in the fight against the pandemic. While dining-in has been kept on a tight leash with group sizes varying from 2 to 5 throughout the financial year, the Group’s 85 food outlets and 148 food stalls, restaurants and shops continued to provide food services to the population island-wide through even takeaways and deliveries.

While part of the population stayed in their homes for work, our employees operated our stalls daily with all Safe Management Measures in places with high emphasis on hygiene and safety. Open air coffeeshops were one of the first to provide dining-in for the unvaccinated and vaccinated without verifying vaccination status, providing a safe bastion where those in the midst of their vaccination programs have an affordable and comfortable place to eat. Since the beginning of the pandemic, we have adhered to the evolving changes in regulations and restrictions and ensured the safety of our staff and our customers while providing various food choices to our customers. I would like to take this opportunity to thank our staff members for their unwavering commitment in helping us keep our business going during the pandemic. With the new rules on returning trays coming into effect from start of 2022, we have made the necessary preparation as we continue to contribute to the national effort in driving the cultural shift in tray return.



# Message to Shareholders

For our menus, we are also mindful of the current situation, and we are constantly enhancing our food options to cater to changing consumer preference. An example of our adapted product offerings to suit current situations includes smaller meals, affordable prices, and other similar initiatives. We are also providing bundle packages for Kimly Dimsum and Kimly Seafood with monthly refreshed bundles and deals.

In our effort to improve our efficiency and productivity in the Food Retail division, we continuously refine our recipes whilst maintaining cost discipline. We are also focused towards more automation and commissioning machinery to reduce man hours. A good example of these initiatives and the results can be seen under our Dim Sum Food Division, where our team has successfully created a new dumpling skin recipe in-house that helps in cost savings and may have over S\$80,000 of savings annually. In addition, with the commissioning of the new dumpling making machine, it has saved our Group approximately 3,000 man hours annually.

Another area of focus for us has been to revitalise and rejuvenate some of our existing coffeeshops. Under our Outlet Revitalisation Program in FY2021, we refurbished, revitalised and upgraded six of our existing coffeeshops. Among the upgrades, the amenities of the coffeeshops were upgraded, enhancing hygiene and improving the dining experience of our customers. New Food Stalls and food products were also introduced into the coffeeshops to maintain vibrancy and refresh the food options available. We even carried out extensions to the existing area by increasing the food outlet's lettable area and sitting capacity.

We have also embraced digitalisation and we continue to show more progress in this area. The Group has NETS Unified Payment terminals deployed across all its food outlets. With cashless payment options provided, e-payment volumes have risen sharply across our operations. Moreover, going cashless has resulted in quicker service for customers including reduced waiting times and faster transactions being done. In the on-going fight against Covid-19, the cashless options have also reduced human interactions and helped to ensure safety of both our staff and customers. We have also developed an in-house web application to facilitate the submission and compilation of the weekly FET results for over 4,000 of our operations staff, both third party stall operators and our own employees.

## WFH TREND & ONLINE DELIVERIES

Working from home ("WFH") remains the default towards the end of 2021 and has become a new normal for the nation as employees stay safe without congregating unnecessarily in the public or offices. As the Group's coffeeshops are predominantly within the heartlands, the Group has benefitted from customers staying at home during WFH and leaving home for their meals at nearby eateries.

Another aspect of WFH resulted in greater demand for food delivery for convenience and comfort. Online sales in Singapore now take up 38.4% of the total food and beverage sales in October 2021<sup>1</sup>, online sales were previously 9% in 2019 and 22% in 2020<sup>2</sup>. The Group has ongoing partnerships with GrabFood, Deliveroo and Foodpanda to provide more convenience to our customers through the quick and responsive delivery of their favourite foods to their doorstep. Frequent special promotions are posted on social media to invite customers to enjoy different fares in their homes.



<sup>1</sup> <https://singstat.gov.sg/-/media/files/news/mrsoct2021.pdf>

<sup>2</sup> <https://singstat.gov.sg/-/media/files/publications/industry/ssn121-pg1-5.pdf>

# MESSAGE TO SHAREHOLDERS

## GROWTH - ACQUISITION OF TENDERFRESH BUSINESS

We are delighted to highlight that FY2021 was a year of growth for the Group and our M&A strategies bore fruit that has resulted in a bigger, stronger, more resilient, and more diversified group.

One of our major acquisitions in 2021 is our completion of the acquisition of a 75% stake in Tenderfresh Business for S\$54 million on 1 October 2021. In December 2020, we entered into a business agreement (51% stake by Kimly) with Tenderfresh Fried & BBQ Chicken Pte Ltd to operate a Halal themed coffeeshop, Kedai Kopi, at Block 380 Clementi Avenue 5. We are extremely pleased that this partnership blossomed further as we took a strategic stake in the entire Tenderfresh Business.

Tenderfresh Business has an incredible growth story starting 42 years back with its first outlet as a hawker stall selling fried chicken to gradually transform and grow it into a formidable F&B market player operating 41 outlets encompassing 14 different concepts of cuisine. Tenderfresh Business also provide Original Equipment Manufacturing ("OEM") supply of their food products to other customers island wide. As more F&B operators look to outsource their food production to reliable OEM partners to reduce manpower needs, the Group believes that this will generate new revenue streams. In addition, the Group is able to leverage on Tenderfresh Business' competitive edge and wide network in the Halal food market and make further headway into the Halal food industry. The Group hopes to capitalise on this growing market in Singapore which may serve as a springboard into the greater South-east Asian region and propel the Group towards potential revenue from overseas. The prospects in the regional Halal food market look promising as the Asia-Pacific market for Halal food and beverage is projected to register a compound annual growth rate of 5.5 %, during the period from 2020 to 2025 as per Mordor Intelligence<sup>3</sup>.

With the addition of Tenderfresh Business, we have successfully added a new food retail division under Kimly's portfolio following our Mixed Vegetable Rice, Seafood "Zi Char", Dim Sum, Tonkichi Japanese restaurants and Rive Gauche patisserie. We are confident of the synergies that will allow Tenderfresh Business to extend their food concepts into the food outlets managed by the Group, reducing the costs of duplicating manufacturing processes performed at each other's central kitchens. The wide variety of food will also increase and differentiate items offered on the menu at each other's food outlets. This offers great potential for new revenue streams to grow, expanding from direct sales to consumers through restaurants and coffeeshop food stalls to sales in supermarket chains and other restaurant groups.

We would like to sincerely thank the management team at the Tenderfresh Business who believed in our combined growth potential and staying on by retaining the 25% of shareholding. We will do our utmost best to work hand-in-hand with them to bring to fruition their business plans that are already in motion. Our partnership is already showing some encouraging results as we continue to enhance our presence and operations in Singapore.

With the success of the first Kedai Kopi opened in December 2020 at Clementi together with Tenderfresh, the Group has opened its second Kedai Kopi outlet in July 2021 in Haig Road. Its fully halal concept with never seen before cuisines adapted is popular and well recognised by the local Muslim community.

<sup>3</sup> <https://www.mordorintelligence.com/industry-reports/asia-pacific-halal-food-and-beverages-market>

In our endeavour to provide interesting and fresh dining options to the local population including the Muslim community, the growth through Tenderbest and Kedai Kopi are timely. The addition of new concepts to the latest outlets demonstrates commitment by the Group to provide unique and fresh Halal dining experiences.

## NEW OUTLETS IN HEARTLANDS

During FY2021, the Group has entered into two joint venture agreements with third parties to operate and manage the short-term HDB leases at Block 134 Lorong Ah Soo, Block 233 Bukit Batok East Avenue 5 and Block 153A Serangoon North Avenue 1. These coffeeshops which are situated in heartland locations add to the portfolio to serve our WFH customers. The Group aims to continuously strengthen our presence in the market with these strategic locations in mature estates with established footfalls.

The Group's portfolio now has expanded to 85 food outlets and 148 food stalls/restaurants/shops. This is a commendable increase from 68 food outlets and 129 food stalls respectively, since our IPO. The growth speaks of the ability of management in executing the Group's expansion plans and will give us the impetus to continue to pursue opportunities for acquisitions and operations.





# Message to Shareholders

## ACQUISITION OF KLOVEX

In April 2021, the Group acquired 60% stake in Klovex, which through its management team, has 10 years of industry experience and knowledge. Klovex provides hygiene and cleaning related services such as, disinfection of high-frequency surfaces, comprehensive dishwashing, disposal of food wastage and kitchen grease removal. These services are complementary to the Group's operations and it is important to build such synergy to be cost effective and efficient.

Especially during the pandemic period when health and safety is a major concern, this acquisition allows the Group to ride on the growing trend for cleaning services, potentially enhancing the profitability of the Group. Besides that, it also provides the Group with an enhanced set of cleaning capabilities, where the Group is able to deliver elevated standards of cleanliness and hygiene at our operating premises, for our customers.

## OUTLOOK

In Singapore, the F&B industry continues to face a challenging business environment as the industry continues to remain heavily affected by the evolving safety measures to cope with the pandemic. The resurgence and emergence of new and more infectious strains globally also causes a concern for the local F&B industry as uncertainties remain. Another cause for concern for the industry is the access to foreign manpower. 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. Our nation's efforts towards living with the virus and the easing of border control measures have helped to ease some of the pressures in our foreign manpower needs.

However, 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 December 2021 in a bid to provide the F&B industry with a slight boost when some dining-in restrictions continued.

Singapore is also watching the development of the Omicron situation closely to see if further tightening is required. However, the vaccination rates in Singapore remains as one of the highest in the world and with the push for booster shots, there is hope for improving business environment gradually. In these ever-changing market conditions, we have shown resilience with our diversified and favourable geographical spread of the food outlets across the heartlands of Singapore which 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 some of the restrictions. We have also made obvious enhancements and improvements in our central kitchen and with that support, it has helped the Group achieve a strong position to capitalise on the popularity in the food delivery segment as the Covid-19 situation continues to evolve rapidly.

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.

We have also made efforts to strengthen and further grow our Food Retail division. The acquisition of the Tenderfresh Business gave us the necessary boost to propel our food retail division forward. It also allows the Group to make further headway in a promising market in terms of customer base and product offerings by leveraging on Tenderfresh Business' 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. We aim to continuously innovate and create unique dining experiences for different markets within Singapore and the opening of our Kedai Kopi recently is a testimony of that. With the acquisition of Tenderfresh Business, we are also hopeful to expand beyond the Singapore borders and target the growing halal food market in the region.

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. As at 30 September 2021, we enjoyed 98% occupancy rate over a total of 680 food stalls within the 85 food outlets under our management. 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 Singapore.





# MESSAGE TO SHAREHOLDERS

## FINANCIAL PERFORMANCE

The Group recorded a revenue of S\$238.6 million in FY2021, an increase of 13.2% year-on-year ("yoy"). The increase was due to overall growth from all three of our Business Divisions in Food Retail, Outlet Management and Outlet Investment Business. Gross profit margin increased to 32.8% in FY2021 from 26.8% in FY2020, due to government grants and rental rebates received that have helped to mitigate parts of the negative impact from the pandemic. For FY2021, the Group recorded a 55.7% jump in net attributable profit to S\$39.3 million from S\$25.2 million in FY2020 despite the tough business environment.

Our balance sheet remains healthy. The Group generated operating cash flow of S\$90.1 million with cash and cash equivalents as at 30 September 2021 at S\$95.0 million. As at the date of this report, the Group has utilised S\$40.9 million of its IPO net proceeds resulting in a balance of S\$2.6 million.

## RECONSTITUTION OF BOARD AND STRENGTHENING THE MANAGEMENT TEAM

Following the resignations of our Founder and Executive Chairman, Mr. Lim Hee Liat, Executive Director and CEO, Mr. Chia Cher Kiang in November 2021, I, Lau Chin Huat, an independent Director on the Board, have been redesignated as Non-Executive Independent Chairman; and Ms. Wong Kok Yoong Karen, Finance Director on the Board, has been redesignated as Executive Director.

The Group has also appointed Ms. Lin Meiqi as the Financial Controller and included additional two members of its current management team, Mr. Yeo Yien Gee Ronnie, Director of Operations for Kimly Food Retail Division and Mr. Chua Yong Chuan Kelvin, Managing Director of Tenderfresh Group, as Executive Officers. Together with the existing Executive Officers, Mr. Peh Kim Leong

Sunny, Director of Operations for Outlet Management Division and Mr. Tan Chung Sing Roy, Director of Business Development and Strategic Planning, the five Executive Officers will support the Board of Directors to build on the strong foundation laid by the predecessors so as to continue delivering sustainable long-term value for the Group and for our shareholders.

## REWARDING SHAREHOLDERS

The Board has proposed a final dividend of 0.84 Singapore cents per ordinary share and a special dividend of 0.6 Singapore cents per ordinary share for FY2021. Taking into consideration of the 0.56 Singapore cents per share interim dividend paid in July 2021, the total dividends declared for FY2021 amounts to 2 Singapore cents per ordinary share. This represents a payout of approximately 62.5% of the Group's net attributable profit for FY2021. The final dividend is subject to shareholders' approval at the forthcoming annual general meeting on 26 January 2022.

## WITH GRATITUDE AND APPRECIATION

On behalf of the Board of Directors, I want to thank all of our team past and present for their hefty contribution to the Group's growth and success over the past years. It has not been an easy time with the challenges from the pandemic and events, our perseverance has inspired ourselves to continue to put belief in our leadership and employees' capabilities and resilience to overcome this challenging period. I thank our shareholders for remaining steadfast in their loyalty and trust in us. I also would like to thank all our business partners; landlords, food stall operators, associates, suppliers and customers for their trust and confidence in the Group.

I am also thankful and appreciative of the Singapore Government for the continued grants and support given to the food and beverage industry to tide over the pandemic that is still ongoing despite all our best efforts. These grants go a long way in supporting the Group's efforts in improving our delivery platforms, alleviating pandemic-related operational costs and shouldering the livelihood of our staff. All these provide the community as both employees and customers, a less difficult fight against the pandemic.

We achieve what we have today only with the efforts, faith and commitment from our staff and management team. I sincerely thank all of our staff for being a family with Kimly and each other. We will continue to build a safe and bright future for ourselves.

## LAU CHIN HUAT

*Non-Executive Independent Chairman*



\* Photo taken before Covid-19 restrictions





# 给股东的信息

亲爱的股东们，我很荣幸代表金味董事会分享我们截至2021年9月30日财政年（“2021财政年”）的年报。我很高兴在这段因疫情所带来的限制和挑战中，我们仍持续的增长。我们也在2021财政年，通过结构性增长，收购与合资等项目，扩张了业务。我非常自豪本集团因自身坚固的业务基础，使得我们的食品零售部的业绩持续增长。

疫情持续，加上与疫情共存政策的执行，继续对整体的餐饮业带来挑战。在从业者学习如何适应新措施的当儿，本地咖啡店仍然是国人坚定的餐饮选择。

在应对挑战的同时，管理层也延续发展策略，继续扩充我们旗下的餐饮店和熟食摊位，为我们的股东和顾客带来长期的利益。

虽然更新的防疫措施，逐步放宽室内用餐限制，但是集团已为应对新变种病毒和新防疫措施做好了准备。

我们依然努力的保持敏锐的行动能力；适应不断变化的行业格局，扩张了实体店业务，也采用了科技和研究项目来提高我们的生产力和效率。我们在线上外卖的成绩，也取得了进展。基于以上所述，我们坚信我们处在一个坚韧的位置，能够让集团在较低的负面影响的情况下，走出疫情阴霾。



## 经历新冠疫情第2年 - 加强营运

本财政年，在“安全的新加坡”第三阶段中，全国疫苗免费接种计划开始。疫苗接种措施让我们能够制定长期计划，以对抗疫情。虽然堂食受到限制，堂食人数，在财政年间，来回限制于2人和5人之间，本集团的85家咖啡店与食阁，和148家熟食摊位，餐馆和商店，继续为全岛人民提供餐饮服务，也通过外卖和送餐服务，继续服务大众。

虽然部分人口仍居家办公，我们的员工依然继续每天坚守岗位，紧紧遵守所有的安全措施，和高度注意卫生安全。露天咖啡店是最早为未接种疫苗和未能出示验证疫苗接种情况的顾客，提供用餐服务的场所。也为那些正在接种疫苗的人们，提供了一个安全的堡垒，让他们拥有一个实惠，且舒适的用餐场所。疫情发生至今，我们也随着更新的条例和限制措施等，做出了改变，让我们在提供各类食品选择的同时，能确保员工和顾客的安危。我想借此机会感谢员工们的不辞辛劳，帮助我们在疫情期间持续业务发展和营运。随着2022年起实施的强制归还托盘和餐具及保洁桌面的措施，我们已做好了必要的准备，继续为国家推动保持桌面整洁运动而做出贡献。

对于我们的菜单，我们也注意到当前的情况，不断地加强我们的产品种类，以满足消费者不断变化的喜好。我们为了适应当前局势，改良了产品，例如推出小型套餐、定制实惠的价格和其他类似的项目。我们还为金味点心和金味煮炒设置了每月更新各式优惠套餐。

在我们努力提高食品零售部的效率和生产力的过程中，以及不断地改进我们的食谱的同时，我们也不忘保持成本优化。我们也专注于自动化和采用机器以减少对人工的依赖。这些项目所取到的良好效果反映在我们点心部的成品，成功研发出自家的烧卖皮配方，帮助节省成本，估计每年能节省超过S\$80,000。此外，随着新烧卖机的采用，本集团每年节省了约3,000个工时。

我们另一个重点项目，包括振兴和装修一些我们旗下的咖啡店。根据我们在2021财政年的店面振兴计划里，我们翻新、振兴和加强了现有的6家咖啡店。在翻新后，咖啡店的设施得到了升级，提高了卫生水平，也加强了顾客们的用餐体验。新的熟食摊位和产品，也被引入了咖啡店内经营，以保持活力并更新现有的餐饮选择。我们甚至通过增加咖啡店的可出租面积，和座位容量，以扩展现有局限。

我们也引用了数码化科技，并继续在该领域进行更多进展。本集团在所有餐饮店面，采用了NETS统一支付系统。通过提供无现金支付选项，整体的电子支付量也急剧上升。此外，无现金支付的变化也为顾客提供了更快捷的服务，包括减短了等待时间和更快地完成交易。在与冠病持续对抗的当儿，无现金支付选项还能减少人与人之间的互动，并有助于确保员工和顾客们的安全。我们还开发了一个内部网络应用程序，以便协调超过4,000名运营人员，包括第三方摊位经营者和员工们的每周提交和收集快速简便测试FET的结果。



# 给股东的信息

## 居家办公趋势和线上外卖

至2021年底，居家办公仍然是默认模式，并且已成为国内的新常态。员工可以保持安全，而不必在公共场所或办公室内有不必要地聚集。由于本集团的咖啡店主要位于住宅区，本集团受益于顾客在居家办公期间，也能到附近的餐饮店购买食品。

另一个居家办公的效益，则是因便利和舒适，让线上外卖有更大的需求。新加坡的线上外卖在2019年和2020年分别只达到总饮食销售的9%和22%，但至2021年10月份线上外卖已占38.4%。本集团也与食品配送平台，GrabFood、Deliveroo 和 Foodpanda持续建立着良好的合作关系，通过快速的配送顾客爱吃的食物上门，让顾客享有更多的便利。我们也定期发布和上载特别促销活动到社交媒体平台上，及分享和邀请顾客在家中享受不同的餐食。

## 扩展业务 - 收购可爱鸡集团

我们非常高兴2021财政年是集团增长非常快速的一年。我们的并购策略，取得了良好的成果，使集团变得更大、更强、更有韧性及更多元化。

其中一项在2021年的重大收购，便是于2021年10月1日，以S\$5,400万，正式完成了收购可爱鸡集团75%的股权。在2020年，我们与可爱鸡集团，签订了业务协议（金味持有51%股权），一同经营一家位于金文泰第5巷大牌380的清真主题咖啡店 - Kedai Kopi。我们非常高兴随着这项合作的发展，让我们和可爱鸡集团获得策略性的合作。

可爱鸡集团有着迅速成长发展的历程。从42年前开始在咖啡档口贩卖炸鸡的第一家分店，逐渐转变与增长至今时强大的餐饮业佼佼者，经营着41家分店，包含14种不同的餐饮概念。可爱鸡集团也向全岛供应着各类餐饮产品。随着越来越多的餐饮经营者选择将食品生产外包给可靠的食物加工合作伙伴，以减少人力需求，本集团相信这将带来新的收入来源。此外，本集团也能够利用可爱鸡集团在清真食品市场的竞争优势和广泛网络，拥有更好的配搭，更进一步进军清真食品业。本集团希望借着新加坡这个不断增长的清真食品市场，可能成为我们进入东南亚地区的跳板，并且推动集团从海外获取潜在的收益。清真餐饮市场可观的前景，因亚太地区清真饮食市场，根据 Mordor Intelligence 的数据，预计在2020年至2025年期间增长为5.5%。随着可爱鸡集团的加入，我们成功地在金味的产品组合，杂菜饭、煮炒、点心、Tonkichi 日式餐厅和 Rive Gauche 糕点之后，新增加了一个食品部门。我们有信心这项配合，将使可爱鸡集团旗下的食品概念，扩展到本集团管理的咖啡店与食阁，从而降低在彼此中央厨房进行重复制造过程的成本。综合的食品种类，也能增加和区分彼此食品店菜单上所提供的选择。这将带来更多新的收入增长潜力，从通过餐厅和咖啡店熟食摊位向消费者的直接销售，扩展到连锁超市和其他餐饮集团的销售，从而提高销售额。

我们衷心感谢可爱鸡集团的管理团队相信我们的综合增长潜力，并通过保留25%的股权，坚信这项合作。我们将尽最大努力与他们携手合作，以实现他们已经在实行中的商业计划。我们的合作已经陆续地显示出让人鼓舞的成绩，我们将继续加强与扩张我们在新加坡的版图和运营。

随着与可爱鸡集团合作经营的第一家 Kedai Kopi 在金文泰成功开业，本集团于2021年7月，在海格路也开设了第二家 Kedai Kopi 店面。这项全马来餐饮的概念，加上配合前所未见的佳肴，深受了本地回教群体的欢迎和认可。

通过可爱鸡集团和 Kedai Kopi 的增长，我们及时地推出有趣和新颖的餐饮选择给本地群体，包括回教群体。新增的食品概念，确定了集团致力于提供独特与新颖的清真餐饮体验。

## 在社区开设新店面

在2021财政年，本集团也与第三方咖啡店业者，签订了两份合资协议，从而经营和管理位于罗弄阿苏大牌134，武吉巴督东第5巷大牌233和实龙岗北第5巷大牌153A的短期政府组屋咖啡店的租约。这些位于社区地点的咖啡店添加了我们已有的咖啡店版图，让我们能服务更多的居家办公的顾客群。本集团计划凭借这些位于成熟地区的策略性位置，继续加强我们在市场上的影响力。



# 给股东的信息

集团的投资组合现已扩展至85家咖啡店和食阁，以及148家熟食摊位/餐厅/商店。当我们首次公开募股时，我们只拥有68家咖啡店及食阁和129家熟食摊位，这一路来的成长是值得表扬的。这成长反映了管理层执行集团扩张计划的能力，并将给予我们继续寻求收购和运营机会的动力。

## 收购 Klovex

在2021年4月份，集团收购了拥有10年行业经验和知识的Klovex清洁管理公司的60%股权。Klovex提供高频表面消毒，全面清洗碗碟，食物处理和清除厨房油脂等一系列卫生和与清洁相关的服务。这些服务加强了集团运营的能力，也建立了实现成本效益和效率的合作关系。



尤其是在疫情期间，当健康和成为主要焦点时，此收购使集团能够顺应清洁服务的增长趋势，也带来可能提高本集团盈利的机会。除此之外，它加强了集团的清洁与卫生能力，让我们能够在我们所经营的餐饮场所为我们的顾客提供更高品质的清洁和卫生标准。

## 展望

在新加坡，为了应对瘟疫，安全措施不断的变化着，而餐饮业也继续受到严重的影响，持续面临着充满挑战的商业环境。全球不时地出现更具传染性的菌株，本地饮食业也非常关注这动荡的趋势。另一个令人担忧的是，如何引进外来人才。获得外国人力困难和限制，加上新加坡边境的关闭，继续给本地餐饮业带来更多的压力。我国为对抗病毒所做出的努力，以及边境管制措施的放宽，虽有助于缓解我们对外来人力需求的一些压力，但是外籍人力短缺将在局势稳定之前，持续一段时间。政府也宣布了将延长雇佣补贴计划，并增加工资补贴，至2021年11月份，以协助饮食业。

新加坡也在密切关注奥密克戎情况的发展，来探讨是否需要进一步收紧条例。然而，新加坡的疫苗接种率仍然是世界上最高的国家之一，随着加强疫苗注射的推动，商业环境也有望逐步改善。在这瞬息万变的市場情況下，我們通過了多元化和在新加坡社區餐飲業里的有利地理位置，為集團提供了競爭優勢，讓我們能繼續服務在家辦公和室內用餐的顧客。隨着條例的更改，我們也能服務客流量的增加。我們也對中央廚房進行了有效的提升和改進，這也因而讓集團在外賣業務隨着冠病形勢的持續快速發展下，取得了強固的位置。

由于外卖业务需求的不断增长，未来，集团将继续改造、创新和提升菜单选择，以吸引并留住网上顾客群。集团也通过整合新科技，来提升中央厨房的生产力以及减少对人力的依赖。

我们也努力地加强和进一步发展我们的餐饮零售部。收购可爱鸡集团为我们推动了餐饮零售部门向前发展的计划。它也使集团能够借助可爱鸡集团的竞争优势，和在新加坡清真餐饮市场的优势，在顾客群和产品供应方面，让我们在前景广阔的市場上，取得更进一步的发展。此外，本集团将能够开启更多的合作机会，让现有金味的产品之间，有协同效应，以进一步互助销售和增强产品的供应。我们的目标是不断创新，为新加坡不同的市場創造獨特的用餐體驗。近期 Kedai Kopi 的開業就是一個見證。通過收購可愛雞集團的項目，我們也希望將業務擴展到新加坡之外，進軍不斷增長的清真餐飲市場。

本集团在餐饮行业的经验，及专业知识，帮助了咖啡店管理层，物色良好的熟食摊位租户，租入本集团所经营的咖啡店与食阁。截至2021年9月30日，我们管理的85间咖啡店与食阁内共有超过680多个熟食摊位，而出租率则达到了98%。凭着强大的基础和努力，并致力于继续培育有潜能的小贩们，本集团将不懈努力，进一步帮助发展本地的熟食小贩市场。鉴于熟食摊位经营者的强大供应链，本集团已做好准备，来争取更多的咖啡店与食阁的租约。无论是私人咖啡店，或是政府组屋区咖啡店等，我们都计划进一步的扩大我们在新加坡的业务版图。

# 给股东的信息

## 财务表现

集团在2021财政年的收入是S\$2.386亿，同比去年同步增长了13.2%（“年比”）。增长来自于我们在食品零售部，咖啡店管理部和店面投资业务，所有三个业务部门的整体增长。净利从2020财政年的26.8%，增长至2021财政年的32.8%。增长幅度来自于政府给与的补助，和租金回扣等，缓解疫情负面影响的多方面协助。在2021财政年，虽然业务环境艰难，但集团的税后盈利，从2020财政年的S\$2,520万跃升55.7%，达到了S\$3,930万。

我们的资产负债仍保持健康。截至2021年9月30日，集团的的营业现金流量为S\$9,010万，现金及现金类资产，为S\$9,500万。截至本报告日期，本集团已使用了S\$4,090万的首次公开募股所得款项净额，余额为S\$260万。

## 重组董事会及加强管理层团队

继我们的创始人兼执行主席林喜烈先生，执行董事兼首席执行官谢书强先生，于2021年11月份辞职后，本人，刘进发，隶属董事会独立董事之一，已被任命为非执行独立主席；财务董事王国蓉女士也任命成为执行董事。

集团也委任林美琦女士为财务总监。现任食品零售部营运总监杨彦羲先生，和现任可爱鸡集团董事经理蔡镨全先生，则委任为执行官。连同现有的执行官，咖啡店管理部营运总监白金龙先生和业务发展部及策略规划部总监陈忠信先生，五位执行官将给予支持与协助董事会在公司的坚实基础上，再接再厉，继续为集团和股东们创造可持续性的长期价值。

## 回馈股东

董事会提议在2021财政年派发每普通股S\$0.0084的年终免税现金股息，和每普通股S\$0.006的特别免税现金股息。包括2021年7月份所支付的每股S\$0.0056的年中免税现金股息，2021财政年宣派的股息总额则为每普通股S\$0.02。这相当于集团2021财政年应占净利润的约62.5%。年终股息须在2022年1月26日所举行的年度股东大会上获得股东的批准。



## 至谢

我代表董事会，感谢我们过去和现在所有的团队，感谢他们在过去几年对集团的发展和成功做出了巨大的贡献。虽然面对疫情和种种事件所带来的挑战，并不是一段轻松的时光，我们的毅力持续地激励着我们，继续让我们相信我们领导能力，以及员工们的能力和韧性，进而克服了这段充满挑战的时期。我在此感谢我们的股东们，对我们的忠诚与信任。我也要感谢我们所有的商业伙伴；业主、熟食摊位经营者、员工、供应商和顾客们，对本集团的信任和信心。

我也感谢新加坡政府，持续地为饮食业提供辅助和支持，帮助我们渡过这段疫情时期。这些辅助，在支持集团改善线上外卖的运作，减轻与疫情相关的营运成本，和承担员工生计方面的努力，都大有帮助。所有这些辅助，都为社区，员工和顾客，减轻了与疫情奋斗的辛劳。

有鉴于此，我们才能取得今天的成就。我们庆幸获得了所有员工和管理团队的努力，信念和承诺。我真诚地感谢我们所有的员工们，愿意与金味成为一家人。我们将继续为金味这个大家庭，建设一个安全而光明的未来。

## 刘进发

非执行独立主席



# Diversifying Product Offerings

Monthly refreshed bundles from Kimly Dimsum and Kimly Seafood



Curating Menus for delivery platform's users



# Improving Retail Operations



Outlet Revitalisation



Commissioning machinery to improve production efficiency



\* Photos taken before Covid-19 restrictions

# Board of Directors



**MR. LAU CHIN HUAT**

*Non-Executive Independent Chairman  
Chairman of the Nominating Committee  
and a Member of the Audit and Remuneration Committees*

Mr. Lau Chin Huat was appointed as our Independent Director since 1 October 2019. On 11 November 2021, he assumed the position of Non-Executive Independent Chairman of the Board.

Mr. Lau has over 35 years of audit, accounting, tax and advisory experience and is currently a Public Accountant, Licensed Insolvency Practitioner, ISCA Financial Forensic Professional, Accredited Tax Practitioner (Income Tax) and Accredited Tax Advisor (GST).

Mr. Lau is registered as a Professional Deputy (Personal Welfare and Property & Affairs) by the Office of the Public Guardian. He graduated from the National University of Singapore with a Bachelor of Accountancy degree. Mr. Lau is a fellow member of Institute of Singapore Chartered Accountants (ISCA), member of Certified Public Accountants of Australia (CPA Australia) and Singapore Chartered Tax Professionals. He is also a Fellow member of The Singapore Institute of Arbitrators.



**MR. LIM TECK CHAI DANNY**

*Independent Director  
Chairman of the Remuneration Committee  
and a Member of the Audit and Nominating Committees*

Mr. Lim Teck Chai Danny is our Independent Director and was appointed to our Board since 15 February 2017.

Mr. Lim Teck Chai Danny has more than 20 years of experience in the legal industry and is currently an equity partner in Rajah & Tann Singapore LLP. He joined the law firm in 1998 and has since been practising and advising on all aspects of corporate legal advisory and transactional work, both locally and regionally. He has a wide range of experience in acquisitions, investments, takeovers, initial public offerings and restructuring, amongst others, and his clients include multi-national corporations, small medium enterprises, private equity and institutional investors, Singapore and foreign listed companies, financial institutions and others.

Mr. Lim is also an Independent Director of Stamford Land Corporation Ltd, Choo Chiang Holdings Ltd, Advancer Global Limited and ValueMax Group Limited, all of which are companies listed on the SGX-ST.

Mr. Lim graduated with a Bachelor of Law (Honours) degree from the National University of Singapore in 1998 and a Master of Science (Applied Finance) degree from the Nanyang Technological University in 2006. He has been admitted as an advocate and solicitor of the Supreme Court of Singapore since 1999 and is a member of the Law Society of Singapore and the Singapore Academy of Law.



# Board of Directors



**MR. WEE TIAN CHWEE JEFFREY**

*Independent Director  
Chairman of the Audit Committee  
and a Member of the Remuneration Committee*

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Mr. Wee Tian Chwee Jeffrey is our Independent Director and was appointed to our Board since 15 February 2017.

Mr. Wee Tian Chwee Jeffrey's professional experience includes the audit of diverse companies ranging from small and medium-sized enterprises to Singapore Listed Companies and multinational corporations. He also worked for Metal Box Singapore Limited as Chief Accountant prior to practising as a public accountant at T. C. Wee & Co., which he established since 1981.

Mr. Wee is a practising member of the Institute of Singapore Chartered Accountants and a Fellow of The Association of Chartered Certified Accountants.



**MS. WONG KOK YOONG KAREN**

*Executive Director  
Member of the Nominating Committee*

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Ms. Wong Kok Yoong Karen is our Finance Director and was appointed to our Board since 29 November 2018. She was redesignated as Executive Director on 11 November 2021.

As Finance Director, she is responsible for the overall financial management, reporting and internal control matters for the Group. Ms. Wong has over 16 years of experience in audit, accounting and finance. Prior to joining the Group, she held the post of Regional Financial Controller for Connell Brothers Singapore, a multi-national corporation and Regional Head, Financial Planning & Analysis at Maybank Investment Banking Group. She started her career as an auditor with Arthur Andersen Kuala Lumpur in 2000 and was an Audit Senior Manager at Ernst & Young LLP, Singapore when she left in 2013. Ms. Wong graduated with a Bachelor of Accountancy from the Northern University of Malaysia in 2000. She is a member of the Malaysian Institute of Certified Public Accountants and a Chartered Accountant of the Malaysia Institute of Accountants.

# Key Management



**MR. PEH KIM LEONG SUNNY**

*Director of Operations,  
Outlet Management Division*

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Mr. Peh Kim Leong Sunny was appointed as the Group's Head of Outlet Operations in 2008.

He is responsible for the overall management and oversight of the Group's food outlets and Operations Managers, including the establishment of new food outlets as well as coordinating and monitoring compliance with the applicable laws, regulations and licensing requirements across the Group.

Prior to joining the Group, Mr. Peh held the post of Sales Executive at Excel Singapore. He was a Marketing Executive of Epson Singapore Pte Ltd between 2006 and 2007. Mr. Peh started his career as a Weapons System Specialist with the Republic of Singapore Air Force in 1998.

Mr. Peh graduated with a Diploma in Electrical Engineering from Ngee Ann Polytechnic in 1997. He subsequently obtained a Degree in Business Administration from the University of Canberra in 2009.



**MR. TAN CHONG SING ROY**

*Director of Business Development  
and Strategic Planning*

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Mr. Tan Chong Sing Roy is the Director of Business Development and Strategic Planning of the Group.

Mr. Tan is in charge of formulating and implementing growth strategies for the Group and matters relating to investor relations. He also oversees the human resource and marketing departments.

He has 21 years of experience in the F&B and food service management industry. Prior to joining the Company, he operated and supervised his own chains of coffeeshops and food stalls.



**MR. YEO YIEN GEE RONNIE**

*Director of Operations,  
Kimly Food Retail Division*

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Mr. Yeo Yien Gee Ronnie is currently the Director of Operations, Kimly Food Retail Division. He is responsible for the overall management and oversight of the Group's Kimly Food Retail Division.

Mr. Yeo joined the Group in 2014 as an Operations Manager and was promoted to Business Development Manager in 2016. He also played a key role in the Group's acquisition of the restaurants and confectionery businesses, Tonkichi and Rive Gauche in 2018.



# Key Management



**MR. CHUA YONG CHUAN KELVIN**

*Managing Director  
of Tenderfresh Group*

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Mr. Chua Yong Chuan Kelvin, Managing Director of Tenderfresh Group, as Executive Officer of the Company.

Mr. Chua joined Tenderfresh Fried & BBQ Chicken Pte. Ltd. in 2012. A chef by training, he played a key role in the modernisation of Tenderfresh's menu and food processing capabilities. As the Managing Director of the Tenderfresh Group, he is responsible for the overall management and oversight of the operations and resources of the Tenderfresh Group.



**MS. LIN MEIQI**

*Financial Controller  
of the Company*

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Ms. Lin Meiqi, was appointed as Financial Controller of the Company.

Ms. Lin joined the Group in 2018 as a Group Finance Manager. As Financial Controller, she is responsible for financial reporting, overall finance functions and accounting matters of the Group.

Ms. Lin started her career as an auditor with Ernst & Young LLP in 2011 and was an Audit Manager when she left in 2018 and joined the Group. She graduated with a Bachelor of Business Administration (Accountancy) degree from the National University of Singapore. Ms. Lin is a Chartered Accountant in Singapore and a member of the Institute of Singapore Chartered Accountants.



# Partnered for Success



Synergising Growth with Tenderfresh Business, the leading and established Halal Food Retailer, Supplier and Wholesaler



Tenderfresh Central Kitchen, R&D and Manufacturing Team



Opened the third Tenderbest Makcik Tuckshop outlet



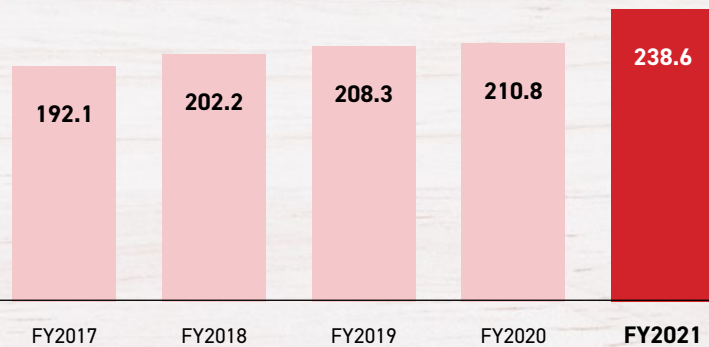
*\* Photos taken before Covid-19 restrictions*



# Financial Highlights

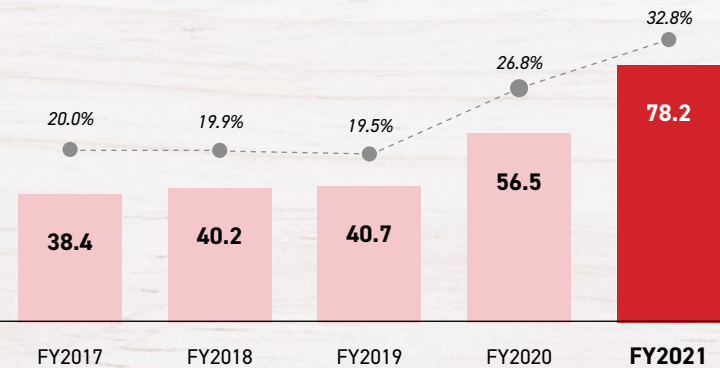
Revenue (S\$'M)

↑ UP 13.2% FROM FY2020



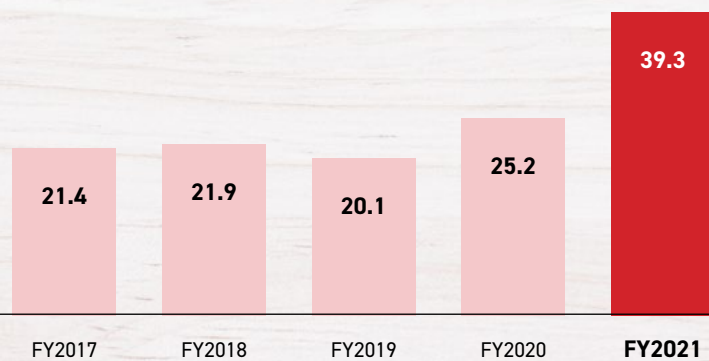
Gross Profit (S\$'M) & Gross Profit Margin (%)

↑ UP 38.3% AND 5.9% FROM FY2020

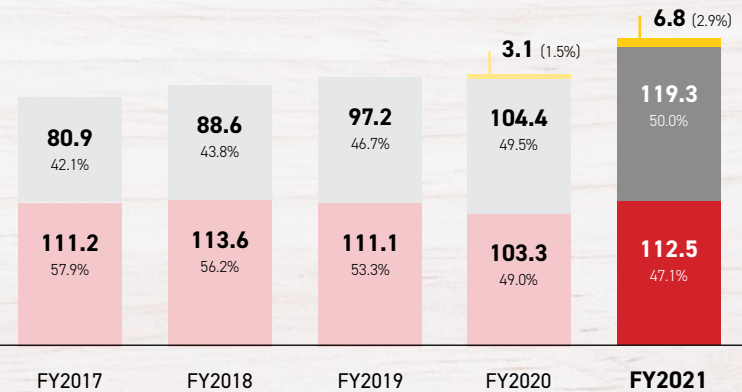


Profit for the year (S\$'M)

↑ UP 55.8% FROM FY2020



Revenue Breakdown by Business Segment (S\$MIL)



● Outlet Management Division ● Food Retail Division ● Outlet Investment Division

# FINANCIAL HIGHLIGHTS

	2017	2018	2019	2020	2021		2017	2018	2019	2020	2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Income Statement</b>						<b>Financial Position</b>					
<b>Group Revenue</b>	192,121	202,213	208,299	210,773	238,642	Total Assets	106,199	115,623	121,037	319,827	326,318
<b>Revenue by Business Segment</b>						Total Liabilities	32,538	32,037	33,144	209,622	192,722
- Outlet Management	111,175	113,573	111,084	103,315	112,455	Equity attributable to owners of the Company	73,661	83,586	87,893	110,205	133,375
- Food Retail	80,946	88,640	97,215	104,373	119,361	Cash and Cash equivalents	85,079	71,669	87,189	68,324	94,989
- Outlet Investment Business	-	-	-	3,085	6,826	<b>Per Share Information</b>					
<b>Group Profit Before Tax</b>	24,517	25,069	23,943	29,696	44,485	Earnings Per Share (cents)	2.01	1.89	1.74	2.18	3.30
<b>Profit Before Tax by Business Segment</b>						Net Asset Value Per Share (cents)	6.36	7.23	7.65	9.27	11.20
- Outlet Management	11,805	11,532	10,392	11,350	19,243	<b>Key Ratios</b>					
- Food Retail	18,003	18,769	19,194	24,909	33,269	Gross Profit margin (%)	20.0%	19.9%	19.5%	26.8%	32.8%
- Outlet Investment Business	-	-	-	190	1,763	EBITDA margin (%)	14.1%	13.6%	12.5%	16.0%	20.9%
Group Gross Profit	38,449	40,187	40,687	56,515	78,172	Profit after tax margin (%)	11.2%	10.8%	9.6%	12.0%	16.5%
Group EBITDA	27,113	27,441	25,989	33,655*	49,938*	Return on Shareholders' Fund (%)	29.1%	26.2%	22.8%	22.9%	29.5%
Group Profit after Tax	21,429	21,883	20,053	25,225	39,292						

\* Group EBITDA after depreciation of right-of-use assets and interest expense on lease liabilities



# Financial Review

REVENUE  
**\$238.6m**

GROSS PROFIT  
**\$78.2m**

## REVENUE

The Group delivered a strong set of results for FY2021 portraying resilience even though the industry was plagued with pandemic induced challenges. The Group's revenue increased by S\$27.9 to S\$238.6 million in FY2021, an increase of 13.2% year-on-year ("yoy"). The increase was due to overall growth from all three of our Business Divisions in Food Retail, Outlet Management and Outlet Investment Business.

The Food Retail Division contributed the most to our revenue growth and delivered a S\$15.0 million increase to S\$119.4 million in FY2021. The growth was mainly due to higher revenue contributions from existing food stalls, greater food delivery sales and revenue from stalls opened in FY2021. There were six food stalls and one confectionery shop opened during FY2021.

The Outlet Management Division contributed a S\$9.2 million increase in FY2021 to S\$112.5 million. The increase was mainly due to revenue contribution from three new coffee shops that were acquired and opened earlier in FY2021 and from increased foot traffic at our coffee shops supplying the WFH crowd.

The Outlet Investment Business Division witnessed more than doubling of the revenue from S\$3.1 million in FY2020 to S\$6.8 million in FY2021 mainly from the sale of beverages and tobacco products, rental income and provision of cleaning and utilities services from the food outlet properties acquired in the second half of FY2020.

## COST OF SALES

Cost of sales increased by S\$6.2 million to S\$160.5 million in FY2021. This was in line with the increase in the revenue from sales of food, beverages and tobacco products. Growth in revenue outpaced the growth in cost of sales as there were government grants and rental rebates received.

## GROSS PROFIT

Gross profit as a result increased 38.3% yoy to S\$78.2 million in FY2021 with gross profit margin increasing from 26.8% in FY2020 to 32.8% in FY2021.

## OPERATING EXPENSES

Selling and distribution expenses increased by S\$2.6 million to S\$10.2 million FY2021 over the greater demand of online food delivery which required more packing materials and higher delivery charges.

Administrative expenses increased by S\$4.1 million to S\$22.2 million in FY2021 largely due to higher employee benefits expenses of S\$2.5 million due to increased headcount, salary adjustment, higher staff and management's incentive bonuses in line with higher profit in FY2021, increase in depreciation of right-of-use assets, property, plant and equipment owned and investment property owned of S\$1.2 million, higher repair and maintenance expense of S\$0.8 million, higher stamp duty and insurance expense of S\$0.2 million, and partially offset by the increase in government grant for wages support of S\$0.6 million.



# FINANCIAL REVIEW

## OTHER OPERATING EXPENSES

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The decrease of S\$1.1 million in other operating expenses was mainly due to the absence of impairment loss of S\$1.0 million made in FY2020 on the property, and 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.

## INCOME TAX EXPENSE

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Income tax expense increased by S\$0.7 million in line with the increase in the profit before taxation. Effective tax rate was 11.7% in FY2021 compared to 15.1% in FY2020. The lower effective tax rate was mainly due to the government grants received for Jobs Support Scheme of S\$13.5 million (FY2020: S\$7.2 million) was not taxable and over provision of deferred tax liabilities in prior years of S\$0.3 million.

## NET PROFIT

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Consequently, net profit attributable to owners of the Group increased to S\$39.3 million for FY2021 from S\$25.2 million in FY2020, an increase of 55.7% yoy. The Group registered a strong EBITDA of S\$49.9 million for FY2021, an increase of 48.4% yoy. Basic earnings per share for the Group grew by 51.4% yoy to 3.30 Singapore cents in FY2021.

## REVIEW OF THE GROUP'S FINANCIAL POSITION

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The Group's financial position as at 30 September 2021 was healthy, with cash and cash equivalents of S\$95.0 million compared to S\$68.3 million as of 30 September 2020.

The Group's total assets rose by S\$6.5 million to S\$326.3 million as at 30 September 2021 from S\$319.8 million as at 30 September 2020.

## NON-CURRENT ASSETS

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The Group's non-current assets decreased by S\$12.4 million mainly due to depreciation of right-of-use assets of S\$36.7 million, depreciation of property, plant and equipment owned of S\$4.4 million, depreciation of investment properties owned of S\$0.2 million and depreciation of intangible assets of S\$0.7 million.

The decrease was offset by recognition of right-of-use assets of S\$20.9 million arising from new and renewed leases, renovation and additions of equipment for new and existing coffeeshops and food stalls of S\$4.0 million, investment in joint ventures of S\$2.6 million, recognition of goodwill on consolidation arising from the acquisition of a subsidiary, Klovex Holdings Pte. Ltd. of S\$0.9 million, increase in deferred tax assets of S\$0.5 million, and increase in non-current other receivables of S\$0.6 million.

Other receivables (non-current) comprised the refundable deposits relating to rental deposits placed with lessors for the leases of coffeeshops, 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\$6.3 million (30 September 2020: S\$5.6 million); the non-current portion of staff loans amounted to S\$0.1 million (30 September 2020: S\$0.2 million).

## CURRENT ASSETS

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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. The increase was offset by repayment of lease liabilities and its related interest expense of S\$39.2 million, dividend paid on ordinary shares of S\$16.7 million, investment in joint ventures of S\$2.6 million, purchase of property, plant and equipment of S\$3.3 million, repayment of loan and borrowings and its related interest expense of S\$1.5 million, and net cash used in acquisition of a subsidiary, Klovex Holdings Pte. Ltd. of S\$0.7 million.



# Financial Review

The decrease in trade and other receivables of S\$7.7 million was due to 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, decrease in trade receivables by S\$0.6 million due to timely collection of outstanding receivables, 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.

## CURRENT LIABILITIES

Total liabilities as at 30 September 2021 stood at S\$192.7 million compared to S\$209.6 million as at 30 September 2020.

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

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 increase in accruals of operating and payroll related costs of S\$0.5 million and S\$2.4 million respectively, due mainly to the increase in cost of sales, 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 lease liabilities of S\$16.0 million due to reclassification of lease liabilities which are due within one year to current liabilities, and 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.

## STATEMENT OF CASH FLOWS

The Group generated net cash from operating activities of S\$90.1 million in FY2021. This came from operating cash flows before changes in working capital of S\$90.5 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 decrease in trade and other receivables by S\$7.1 million, decrease in inventories by S\$0.2 million, and offset by decrease in other liabilities by S\$2.3 million, decrease in trade and other payables of S\$0.5 million, and increase in prepayments by S\$0.2 million.

Net cash flows used in investing activities amounted to S\$6.2 million in FY2021, mainly due to investment in joint ventures of S\$2.6 million, purchase of property, plant and equipment of S\$3.3 million, 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.

Net cash flows used in financing activities of S\$57.2 million in FY2021 were mainly attributable to repayment of lease liabilities and its related interest expense of S\$39.1 million, dividends paid on ordinary shares of S\$16.7 million, 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.

As a results, net cash and cash equivalents increased by S\$26.7 million to S\$95.0 million as at 30 September 2021.



# Corporate Information

## BOARD OF DIRECTORS

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**Mr. Lau Chin Huat**

Non-Executive Independent Chairman

**Ms. Wong Kok Yoong Karen**

Executive Director

**Mr. Lim Teck Chai Danny**

Independent Director

**Mr. Wee Tian Chwee Jeffrey**

Independent Director

## REGISTERED OFFICE

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13 Woodlands Link  
Singapore 738725  
Tel: (65) 6289 1605  
Fax: (65) 6280 1605

## WEBSITE

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<https://kimlygroup.sg>

## AUDIT COMMITTEE

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Mr. Wee Tian Chwee Jeffrey (Chairman)

Mr. Lim Teck Chai Danny

Mr. Lau Chin Huat

## NOMINATING COMMITTEE

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Mr. Lau Chin Huat (Chairman)

Mr. Lim Teck Chai Danny

Ms. Wong Kok Yoong Karen

## REMUNERATION COMMITTEE

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Mr. Lim Teck Chai Danny (Chairman)

Mr. Wee Tian Chwee Jeffrey

Mr. Lau Chin Huat

## SPONSOR

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PrimePartners Corporate  
Finance Pte. Ltd.  
16 Collyer Quay  
#10-00 Income At Raffles  
Singapore 049318

## INDEPENDENT AUDITOR

---

Ernst & Young LLP  
One Raffles Quay  
North Tower, Level 18  
Singapore 048583

Partner-In-Charge: Mr. Tan Swee Ho  
(Since Financial Year Ended 30 September 2017)

## SHARE REGISTRAR

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Boardroom Corporate & Advisory Services Pte. Ltd.  
50 Raffles Place  
#32-01 Singapore Land Tower  
Singapore 048623

## JOINT COMPANY SECRETARIES

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Mr. Hoon Chi Tern (LLB (Hons))  
Ms. Toh Li Ping, Angela (ACIS)





# Content

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# Corporate Governance

## DISCLOSURE TABLE FOR COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE AND CATALIST RULES

The Board of Directors (“**Board**”) of Kimly Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) are committed to maintaining high standards of corporate governance and place importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and maximisation of long-term shareholder value.

This report outlines the Company's corporate governance practices in place during the financial year ended 30 September 2021 (“**FY2021**”), with specific reference made to the Code of Corporate Governance 2018 (the “**Code**”), its related practice guidance (“**PG**”), guidelines from Code of Corporate Governance 2012 (“**Code 2012**”) which are still in effect as well as the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in January 2015 (the “**Guide**”).

### TABLE I - COMPLIANCE WITH THE CODE

Principle	Code and/or Guide Description	Company's Compliance or Explanation
General	(a) Has the Company complied with all the principles and guidelines of the Code?	The Company has complied with the principles and guidelines as set out in the Code, Code 2012 and the Guide, where applicable.
	If not, please state the specific deviations and alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code, Code 2012 and/or the Guide.
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines of the Code?	Not applicable. The Company did not adopt any alternative corporate governance practices in FY2021.



# Corporate Governance

TABLE I - COMPLIANCE WITH THE CODE

Principle	Code and/or Guide Description	Company's Compliance or Explanation																									
<b>BOARD MATTERS</b>																											
<b>THE BOARD'S CONDUCT OF AFFAIRS</b>																											
1.1	<i>Board composition</i>	<p>As at the date of this report, the Board has 4 members and comprises the following:</p> <p style="text-align: right;"><b>Composition of the Board Committees</b></p> <ul style="list-style-type: none"> <li>• C – Chairman</li> <li>• M – Member</li> </ul> <p><b>Composition of the Board</b></p> <table border="1"> <thead> <tr> <th>Name of Director</th> <th>Designation</th> <th>AC<sup>(1)</sup></th> <th>NC<sup>(2)</sup></th> <th>RC<sup>(3)</sup></th> </tr> </thead> <tbody> <tr> <td>Lau Chin Huat<sup>(4)</sup></td> <td>Non-Executive Independent Chairman</td> <td>M</td> <td>C</td> <td>M</td> </tr> <tr> <td>Wong Kok Yoong<sup>(5)</sup></td> <td>Executive Director</td> <td>-</td> <td>M</td> <td>-</td> </tr> <tr> <td>Lim Teck Chai Danny</td> <td>Independent Director</td> <td>M</td> <td>M</td> <td>C</td> </tr> <tr> <td>Wee Tian Chwee Jeffrey</td> <td>Independent Director</td> <td>C</td> <td>-</td> <td>M</td> </tr> </tbody> </table> <p><b>Notes:</b></p> <p>(1) The AC comprises 3 members who are all independent, including the Chairman. All the members of the AC are non-executive Directors.</p> <p>(2) The NC comprises 3 members, the majority of whom, including the Chairman, are independent.</p> <p>(3) The RC comprises 3 members who are all independent, including the Chairman. All the members of the RC are non-executive Directors.</p> <p>(4) Redesignated from Independent Director with effect from 11 November 2021.</p> <p>(5) Redesignated from Finance Director with effect from 11 November 2021.</p> <p>(6) Lim Hee Liat and Chia Cher Khiang resigned as Executive Chairman and Executive Director on 11 November 2021.</p>	Name of Director	Designation	AC <sup>(1)</sup>	NC <sup>(2)</sup>	RC <sup>(3)</sup>	Lau Chin Huat <sup>(4)</sup>	Non-Executive Independent Chairman	M	C	M	Wong Kok Yoong <sup>(5)</sup>	Executive Director	-	M	-	Lim Teck Chai Danny	Independent Director	M	M	C	Wee Tian Chwee Jeffrey	Independent Director	C	-	M
Name of Director	Designation	AC <sup>(1)</sup>	NC <sup>(2)</sup>	RC <sup>(3)</sup>																							
Lau Chin Huat <sup>(4)</sup>	Non-Executive Independent Chairman	M	C	M																							
Wong Kok Yoong <sup>(5)</sup>	Executive Director	-	M	-																							
Lim Teck Chai Danny	Independent Director	M	M	C																							
Wee Tian Chwee Jeffrey	Independent Director	C	-	M																							

# CORPORATE GOVERNANCE

**TABLE I - COMPLIANCE WITH THE CODE**

Principle	Code and/or Guide Description	Company's Compliance or Explanation
	<i>Role of Board</i>	<p>Entrusted to lead and oversee the Group, the Board is to act in the best interests of the Group. In addition to its statutory duties, the Board's principle functions are to:</p> <ul style="list-style-type: none"> <li>• Set out overall long-term strategic plans and objectives for the Group and ensure that the necessary resources are in place for the Group to meet its objectives;</li> <li>• Establish a framework of prudent and effective internal controls and risk management strategies which enables risk to be assessed and managed, including safeguarding of shareholders' interests and the Group's assets;</li> <li>• Review key management personnel's performance;</li> <li>• Ensure good corporate governance practices to protect the interests of shareholders;</li> <li>• Oversee, through the NC, the appointments, re-election and resignation of Directors and the Management;</li> <li>• Oversee, through the RC, the design and operation of an appropriate remuneration framework;</li> <li>• Provide entrepreneurial leadership, approve the business strategies including significant acquisitions and disposals of subsidiaries or assets and liabilities;</li> <li>• Identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation;</li> <li>• Set the Company's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are adhered to;</li> <li>• Approve the annual budgets, major funding proposals, significant capital expenditures and investment and divestment proposals;</li> <li>• Approve the release of the Group's half year and full year's financial results and interested person transactions; oversee the processes for risk management, financial reporting and compliance and evaluate the adequacy and effectiveness of internal controls, as may be recommended by the Audit Committee ("AC"), including safeguarding of shareholders' interests and the Company's assets; and</li> <li>• Review and endorse corporate policies in keeping with good corporate governance and business practices; and consider sustainability issues, e.g. environmental, social and governance factors, as part of the strategic formulation; and</li> <li>• Oversees Group's sustainability reporting framework by monitoring the environment, social and governance issues that impact the Group's sustainability of its business. The Group's sustainability report for FY2021 would be released on the SGXNet by 31 January 2022.</li> </ul>
	<i>Practices relating to conflict of interest</i>	<p>The Company has in place practices to address potential conflicts of interests. All Directors are required to notify the Company promptly of all conflicts of interest as soon as practicable as well as when required and refresh the required declarations annually. Directors are required to recuse themselves from all deliberations/voting in relation to the matters which he or she has a conflict of interest in, unless the Board is of the opinion that the participation of the conflicted Director is of the best interest to the Company.</p>



# Corporate Governance

**TABLE I - COMPLIANCE WITH THE CODE**

Principle	Code and/or Guide Description	Company's Compliance or Explanation
1.2	<p><u>Directors' training and orientation</u></p> <p>(a) Are new Directors given formal training? If not, please explain why.</p> <hr/> <p>(b) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date?</p> <p><u>Training attended for FY2021</u></p>	<p>All newly appointed Directors will undergo an orientation programme where the Director would be briefed on the Group's strategic direction, governance practices, business and organisation structure as well as the expected duties of a director of a listed company. To get a better understanding of the Group's business, the Director will also be given the opportunity to visit the Group's operational facilities, principle locations of operations and meet with key management personnel.</p> <p>In addition, as required under the SGX-ST Listing Manual: Section B: Rules of Catalist ("<b>Catalist Rules</b>"), a new Director who has no prior experience as a director of a company listed on the SGX-ST must undergo training as prescribed by the SGX-ST. Such training will be completed within one year of the appointment. There were no newly appointed Directors in FY2021.</p> <hr/> <p>The Board values on-going professional development and recognises that it is important that all Directors receive regular training to serve effectively on and contribute to the Board. The Board has therefore established a policy on continuous professional development for Directors.</p> <p>To ensure Directors can fulfil their obligations and to continually improve the performance of the Board, all Directors are encouraged to undergo continual professional development. Professional development may relate to a particular subject area, committee membership, or key developments in the Company's environment, provided by accredited training providers. Directors are encouraged to consult the Chairman and Chief Executive Officer ("<b>CEO</b>") (or equivalent) if they consider that they personally, or the Board as a whole, would benefit from specific education or training on matters that fall within the responsibility of the Board or relate to the Company's business. Such training costs are borne by the Company. The Company would also arrange for the senior management to brief the Directors on the Group's business periodically.</p> <p>Courses, conferences and seminars attended by some of the Directors include ACRA-SGX-SID Audit Committee Seminar 2021, SID Directors Conference 2021, An Insider Guide to Cryptocurrency and Blockchain, Looking Beyond the Pandemic – Important Role of the AC and Future of Corporate Governance.</p>
1.3	<p><u>Matters requiring Board's approval</u></p>	<p>Matters, that require the Board's approval include</p> <ul style="list-style-type: none"> <li>• corporate strategies and business plans;</li> <li>• material acquisitions and disposals;</li> <li>• investments;</li> <li>• financing;</li> <li>• material non-trade contracts with third parties;</li> <li>• share issuance, dividend release or changes in capital;</li> <li>• budgets, financial results announcements, annual reports and audited financial statements; and</li> <li>• interested person transactions exceeding S\$100,000.</li> </ul>
1.4	<p><u>Delegation to Board Committees</u></p>	<p>The Board delegated certain responsibilities to the Audit Committee (the "<b>AC</b>"), the Remuneration Committee (the "<b>RC</b>") and the Nominating Committee (the "<b>NC</b>") (collectively, the "<b>Board Committees</b>"). The composition of the Board Committees is set out in Section 1.5 of Table I.</p>

# CORPORATE GOVERNANCE

**TABLE I - COMPLIANCE WITH THE CODE**

Principle	Code and/or Guide Description	Company's Compliance or Explanation																																													
1.5	<u>Attendance of Board and Board Committees</u>	<p>The Board meets on a quarterly basis, and as and when circumstances require. In FY2021 (for the avoidance of doubt, the period from 1 October 2020 to 30 September 2021), the number of Board and Board Committees meetings held, and the attendance of each Board member are shown below.</p> <table border="1"> <thead> <tr> <th></th> <th>Board</th> <th>AC</th> <th>NC</th> <th>RC</th> </tr> </thead> <tbody> <tr> <td>Number of Meetings Held</td> <td>4</td> <td>4</td> <td>1</td> <td>1</td> </tr> <tr> <td><b>Name of Director</b></td> <td colspan="4">No. of meetings attended</td> </tr> <tr> <td>Lim Hee Liat<sup>^</sup></td> <td>3</td> <td>3*</td> <td>1</td> <td>1*</td> </tr> <tr> <td>Chia Cher Khiang<sup>^</sup></td> <td>4</td> <td>4*</td> <td>1*</td> <td>1*</td> </tr> <tr> <td>Wong Kok Yoong</td> <td>4</td> <td>4*</td> <td>1*</td> <td>1*</td> </tr> <tr> <td>Wee Tian Chwee Jeffrey</td> <td>4</td> <td>4</td> <td>1*</td> <td>1</td> </tr> <tr> <td>Lim Teck Chai Danny</td> <td>4</td> <td>4</td> <td>1</td> <td>1</td> </tr> <tr> <td>Lau Chin Huat</td> <td>4</td> <td>4</td> <td>1</td> <td>1</td> </tr> </tbody> </table> <p>* - By invitation  <sup>^</sup> - Resigned on 11 November 2021</p> <p>The Company's Constitution allows for meetings to be held through telephone and/or videoconference.</p>		Board	AC	NC	RC	Number of Meetings Held	4	4	1	1	<b>Name of Director</b>	No. of meetings attended				Lim Hee Liat <sup>^</sup>	3	3*	1	1*	Chia Cher Khiang <sup>^</sup>	4	4*	1*	1*	Wong Kok Yoong	4	4*	1*	1*	Wee Tian Chwee Jeffrey	4	4	1*	1	Lim Teck Chai Danny	4	4	1	1	Lau Chin Huat	4	4	1	1
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# Corporate Governance

**TABLE I - COMPLIANCE WITH THE CODE**

Principle	Code and/or Guide Description	Company's Compliance or Explanation																
1.6	<p><u>Access to information</u></p> <p>What types of information does the Company provide to Independent Directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?</p>	<p>Directors are provided with complete and adequate information related to agenda items in a timely manner for them to make informed decisions and discharge their duties and responsibilities.</p> <p>Management provides the Board with key information that is complete, adequate and timely prior to meetings and whenever required. The information provided Directors for FY2021 is set out in the table below.</p> <p><b>Table 1.6 - Types of information provided by Management</b></p> <table border="1"> <thead> <tr> <th>Information</th> <th>Frequency</th> </tr> </thead> <tbody> <tr> <td>1. Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)</td> <td>As and when appropriate</td> </tr> <tr> <td>2. Updates to the Group's operations and the markets in which the Group operates in</td> <td>As and when appropriate</td> </tr> <tr> <td>3. Budgets and/or forecasts (with variance analysis), management accounts (with financial ratios analysis), and EA' report(s)</td> <td>Quarterly except for EA report on annual basis</td> </tr> <tr> <td>4. Reports on on-going or planned corporate actions</td> <td>As and when appropriate</td> </tr> <tr> <td>5. Internal auditors' ("IA") report(s)</td> <td>Quarterly</td> </tr> <tr> <td>6. Research report(s)</td> <td>As and when appropriate</td> </tr> <tr> <td>7. Shareholding statistics</td> <td>Quarterly</td> </tr> </tbody> </table> <p>Management recognises the importance of circulating information on a timely basis to ensure that the Board has adequate time to review the materials to facilitate a constructive and effective discussion during the scheduled meetings. As such, Management endeavours to circulate information at least five (5) days prior to the meetings to allow sufficient time for review by the Directors.</p> <p>Management will also provide any additional material information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.</p>	Information	Frequency	1. Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)	As and when appropriate	2. Updates to the Group's operations and the markets in which the Group operates in	As and when appropriate	3. Budgets and/or forecasts (with variance analysis), management accounts (with financial ratios analysis), and EA' report(s)	Quarterly except for EA report on annual basis	4. Reports on on-going or planned corporate actions	As and when appropriate	5. Internal auditors' ("IA") report(s)	Quarterly	6. Research report(s)	As and when appropriate	7. Shareholding statistics	Quarterly
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# CORPORATE GOVERNANCE

**TABLE I - COMPLIANCE WITH THE CODE**

Principle	Code and/or Guide Description	Company's Compliance or Explanation
1.7	<u>Change of company secretary</u>	The appointment and removal of the company secretary is a matter for the Board as a whole.
	<u>Access to Management and company secretary</u>	Directors have separate and independent access to the Management and company secretary at all times.
	<u>Access to professional advice</u>	Individually or collectively, in order to execute their duties, Directors can obtain independent professional advice at the Company's expense where required.

## BOARD COMPOSITION AND GUIDANCE

2.1	<u>Board composition</u>	During FY2021, the Board comprises three Executive Directors (which includes the Chairman) and three Non-Executive Directors, three of whom are independent. Provision 2.3 of the Code requires the Non-Executive Directors of the Company to make up a majority of the Board.
2.2		
2.3	Does the Company comply with the guideline on the proportion of Independent Directors on the Board?	Although the Independent and Non-Executive Directors do not make up a majority of the Board and the Chairman is not independent, being a variation from Provisions 2.2 and 2.3 of the Code, the Independent and Non-Executive Directors make up at least half of the Board. As such, the Board is satisfied that it is able to exercise objective judgement on corporate affairs independently and no individual or select group of individuals are allowed to dominate the Board's decision-making process.
3.3	If not, please state the reasons for the deviation and the remedial action taken by the Company.	Accordingly, there is a strong and independent element on the Board which the Board believes is consistent with the intent of Principle 2, the Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Group.
	<u>Lead Independent Director</u>	Following the resignations of Lim Hee Liat and Chia Cher Kiang, the Board presently comprises an Executive Director and three Independent Directors (who are also Non-Executive Directors). The new Chairman of the Board, Lau Chin Huat is a Non-Executive Independent Director. The Board believes that there is a strong and independent element on the Board as the Independent and Non-Executive Directors currently represent majority of the Board members and will contribute to the Board process by monitoring and reviewing performance of the management to achieve the agreed goals and objectives. The Independent Directors will constructively challenge management's proposals or decisions and bring independent judgement.  Prior to the appointment of Lau Chin Huat as Non-Executive Independent Chairman, Lim Teck Chai Danny was designated as the Lead Independent Director of the Company and makes himself available to shareholders if they have concerns relating to matters that contact through the then Chairman, then CEO (or equivalent) and/or then Finance Director has failed to resolve, or where such contact is inappropriate. The concerned shareholder can contact the Lead Independent Director at Marcomm@kimlygroup.sg.  Following the appointment of Lau Chin Huat as Non-Executive Chairman, there is no necessity for the designation of any Lead Independent Director.



# Corporate Governance

**TABLE I - COMPLIANCE WITH THE CODE**

Principle	Code and/or Guide Description	Company's Compliance or Explanation
2.1 4.4 Code 2012 – Guideline 2.4	<u>Independence assessment of Directors</u>	<p>The Board considers the existence of relationships or circumstances, including those identified by the Code and Catalist Rules, that are relevant to determine whether a Director is independent. In addition, the NC reviews the individual director's declaration in their assessment of independence.</p> <p>The NC has reviewed and confirmed that the independence of the Independent Directors is in accordance with the Code, PG and Catalist Rules. The Independent Directors have also confirmed their independence in accordance with the Code, PG and Catalist Rules.</p> <p>Directors must immediately report any changes in their external appointments, including any corporate developments relating to their external appointments, which may affect their independence. This ensures that Directors continually meet the stringent requirements of independence under the Code and Catalist Rules.</p>
	<p>(a) Is there any Director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code and Catalist Rules that would otherwise deem him not to be independent? If so, please identify the Director and specify the nature of such relationship.</p> <p>(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.</p>	<p>There are no Directors who is deemed independent by the Board, notwithstanding the existence of a relationship that would otherwise deem him not to be independent.</p>
	<u>Independent Directors serving beyond nine years</u>	<p>As required by Code 2012, the independence of any director who served beyond nine years from the date of his/her first appointment should be subjected to particularly rigorous review.</p>
	<p>Has any Independent Director served on the Board for more than nine years since the date of his first appointment? If so, please identify the Director and set out the Board's reasons for considering him independent.</p>	<p>There are no Independent Directors who has served beyond nine years since the date of his/her first appointment.</p>

# CORPORATE GOVERNANCE

**TABLE I - COMPLIANCE WITH THE CODE**

Principle	Code and/or Guide Description	Company's Compliance or Explanation																																				
	<u>Board diversity</u>	The Board's policy in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender. The Board is mindful that diversity is not specific to gender or certain personal attributes and would strive to ensure the diversity would enhance the long-term success of the Group. The objective of the policy is to avoid groupthink and foster constructive debate and ensure that composition is optimal to support the Group's needs in the short and long term.																																				
(a)	What is the Board's policy with regard to diversity in identifying director nominees?																																					
(b)	Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.	<p>The Board composition (during FY2021) provides a diversity of skills, experience and knowledge to the Company as follows:</p> <p><b>Table 2.4 – Diversity of the Board</b></p> <table border="1"> <thead> <tr> <th></th> <th>Number of Directors</th> <th>Proportion of Board</th> </tr> </thead> <tbody> <tr> <td colspan="3"><b>Core Competencies</b></td> </tr> <tr> <td>- Accounting or finance</td> <td>4</td> <td>66.7%</td> </tr> <tr> <td>- Business management</td> <td>3</td> <td>50.0%</td> </tr> <tr> <td>- Legal or corporate governance</td> <td>1</td> <td>16.7%</td> </tr> <tr> <td>- Relevant industry knowledge or experience</td> <td>3</td> <td>50.0%</td> </tr> <tr> <td>- Strategic planning experience</td> <td>2</td> <td>33.3%</td> </tr> <tr> <td>- Customer based experience or knowledge</td> <td>3</td> <td>50.0%</td> </tr> <tr> <td>- Information Technology</td> <td>1</td> <td>16.7%</td> </tr> <tr> <td colspan="3"><b>Gender</b></td> </tr> <tr> <td>- Male</td> <td>5</td> <td>83.33%</td> </tr> <tr> <td>- Female</td> <td>1</td> <td>16.67%</td> </tr> </tbody> </table>		Number of Directors	Proportion of Board	<b>Core Competencies</b>			- Accounting or finance	4	66.7%	- Business management	3	50.0%	- Legal or corporate governance	1	16.7%	- Relevant industry knowledge or experience	3	50.0%	- Strategic planning experience	2	33.3%	- Customer based experience or knowledge	3	50.0%	- Information Technology	1	16.7%	<b>Gender</b>			- Male	5	83.33%	- Female	1	16.67%
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(c)	What steps have the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?	<p>The Board took the following steps to maintain or enhance its balance and diversity:</p> <ul style="list-style-type: none"> <li>Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and</li> <li>Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.</li> </ul> <p>The NC will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors.</p>																																				



# Corporate Governance

**TABLE I - COMPLIANCE WITH THE CODE**

Principle	Code and/or Guide Description	Company's Compliance or Explanation
2.5	<u>Meeting in the absence of the Management</u>	<p>The Non-Executive Independent Directors, led by the Lead Independent Director, meet in the absence of key management personnel to discuss concerns or matters such as the effectiveness of Management.</p> <p>For FY2021, the Non-Executive Directors have met once in the absence of key management personnel.</p>

## **CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

3.1	<u>Role of Chairman and CEO</u>	The Chairman leads the Board discussions, fostering constructive conditions that renders the Board effective. He facilitates effective contribution and promotes high standards of corporate governance. The Chairman performs a significant leadership role by providing clear oversight and guidance to the management on strategy and the drive to transform the Group's businesses.
3.2		The CEO (or equivalent) takes a leading role in developing the businesses of the Group and manages the day-to-day operations with the assistance of key management personnel. He proposes strategic proposals to the Board and implements decisions made by the Board.
	<u>Relationship between Chairman and CEO</u>	<p>The then Chairman and the then CEO (or equivalents) are not related. Their roles are separate to ensure a clear division of responsibilities, increased accountability and greater capacity of the Board for independent decision making.</p> <p>The Company currently has no CEO. The Executive Director has taken over the responsibilities of the CEO. The Chairman and the Executive Director are not related.</p>

## **BOARD MEMBERSHIP**

4	<u>Steps taken to progressively renew the Board composition</u>	<p>The Board is of the opinion that it would be most effective to draw on the wealth of experience from the longer serving directors while concurrently taking progressive steps to review and consider opportunities to refresh the Board as and when deemed required.</p> <p>To meet the changing challenges in the industry and countries which the Group operates in, such reviews, which includes considering factors such as the expertise, skills and perspectives which the Board needs against the existing competencies would be done on a regular basis to ensure that the Board dynamics remain optimal.</p>
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# CORPORATE GOVERNANCE

**TABLE I - COMPLIANCE WITH THE CODE**

Principle	Code and/or Guide Description	Company's Compliance or Explanation
4.1	<u>Role of NC</u>	<p>The NC is guided by key terms of reference as follows:</p> <ul style="list-style-type: none"> <li>(a) To make recommendations to the Board on relevant matters relating to (i) the review of board succession plans for Directors, in particular, the Executive Chairman, the Chief Executive Officer (or equivalent) and key management personnel, (ii) the development of a process of evaluation of the performance of the Board, the Board committees and Directors, (iii) the review of training and professional development programs for the Board and directors and (iv) the appointment and re-appointment/re-election of Directors (including alternate Directors, if applicable) (including appointments and re-appointments to Board committees).</li> <li>(b) To review and determine annually, and as and when circumstances require, if a Director is independent, in accordance with the Revised Definition on Director's Independence, and any other salient factors.</li> <li>(c) To review the composition of the Board annually to ensure that the Board and the Board committees comprise Directors who as a group provide an appropriate balance and diversity of skills, expertise, gender and knowledge of the Company and provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge.</li> <li>(d) Where a Director has multiple board representations, to decide whether the Director is able to and has been adequately carrying out his duties as a Director, taking into consideration, inter alia, the Director's number of listed company board representation and other principal commitments.</li> <li>(e) To make recommendations to the Board on the development of a process for evaluation and performance of the Board, its Board committees and Directors. In this regard, the NC will decide how the Board's performance is to be evaluated and propose objective performance criteria which address how the Board has enhanced long-term shareholder value.</li> <li>(f) To implement a process for assessing the effectiveness of the Board as a whole and the Board committees and for assessing the contribution of the Chairman of the Board and each individual Director to the effectiveness of the Board and each Board committee on which he sits.</li> <li>(g) To review and approve any employment of all managerial staff and employees who are related to any of the Directors, substantial shareholders or the Executive Directors of the Company and the proposed terms of their employment. In respect of re-nominations of Directors who are retiring by rotation for re-election by shareholders, to have regard to the Director's contribution and performance (e.g. his attendance, preparedness, participation and candour) including, if applicable, as an Independent Director.</li> <li>(h) If necessary, to set up internal guidelines to address the competing time commitments that is faced when Directors serve on multiple boards.</li> <li>(i) To assume such other duties (if any) that may be assigned to a nominating committee of a Singapore-listed company under the Code; and</li> <li>(j) To review the statements made in the annual report relating to the Company's policies on selection, nomination and evaluation of Board members in its annual report with a view to achieving clear disclosure of the same.</li> </ul> <p>For the review of succession plans and Board's composition for FY2021, the NC also took into consideration the amendments to the Catalist Rules in relation to the continued appointment of an independent director who has served for an aggregate period of more than nine years, bearing in mind that they will come into effect from 1 January 2022.</p>

# Corporate Governance

**TABLE I - COMPLIANCE WITH THE CODE**

Principle	Code and/or Guide Description	Company's Compliance or Explanation																		
4.3	<p><i>Selecting, Appointment and Re-appointment of Directors</i></p> <p>Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.</p>	<p><b>Table 4.3(a) – Selection and Appointment of New Directors</b></p> <hr/> <p>The NC: -</p> <table border="0"> <tr> <td>1.</td> <td>Determine selection criteria</td> <td> <ul style="list-style-type: none"> <li>In consultation with the Board, identifies the current needs and inadequacies the Board requires to complement and strengthen the Board.</li> <li>Determines the role which competencies required for the new appointment after such consultation.</li> </ul> </td> </tr> <tr> <td>2.</td> <td>Candidate search</td> <td> <ul style="list-style-type: none"> <li>Considers candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary.</li> </ul> </td> </tr> <tr> <td>3.</td> <td>Assesses shortlisted candidates</td> <td> <ul style="list-style-type: none"> <li>Meets and interviews the shortlisted candidates to assess their suitability.</li> </ul> </td> </tr> <tr> <td>4.</td> <td>Proposes recommendations</td> <td> <ul style="list-style-type: none"> <li>Makes recommendations for Board's consideration and approval.</li> </ul> </td> </tr> </table> <p><b>Table 4.3(b) – Re-election of Incumbent Directors</b></p> <hr/> <p>The NC: -</p> <table border="0"> <tr> <td>1.</td> <td>Assesses incumbent director</td> <td> <ul style="list-style-type: none"> <li>Assesses the performance of the director in accordance with the performance criteria set by the Board.</li> <li>Considers the current needs of the Board.</li> </ul> </td> </tr> <tr> <td>2.</td> <td>Proposes re-appointment of director</td> <td> <ul style="list-style-type: none"> <li>Recommends the re-appointment of the Director to the Board for its consideration and approval, subject to its satisfactory assessment.</li> </ul> </td> </tr> </table> <p>After reviewing and considering the NC's recommendations, the Board would make the decision to appoint the new director and/or propose the re-election of the incumbent director for shareholders' approval.</p> <p>Pursuant to Regulation 112 of the Company's Constitution, at least one-third of the Directors are required to retire by rotation and submit themselves for re-election at each annual general meeting of the Company. The Company's Constitution and the Catalist Rules provides that all Directors shall retire by rotation at least once every three years and such retiring Director shall be eligible for re-election.</p> <p>The NC has recommended Mr. Lau Chin Huat and Mr. Lim Teck Chai Danny be nominated for re-election at the forthcoming Annual General Meeting ("AGM").</p>	1.	Determine selection criteria	<ul style="list-style-type: none"> <li>In consultation with the Board, identifies the current needs and inadequacies the Board requires to complement and strengthen the Board.</li> <li>Determines the role which competencies required for the new appointment after such consultation.</li> </ul>	2.	Candidate search	<ul style="list-style-type: none"> <li>Considers candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary.</li> </ul>	3.	Assesses shortlisted candidates	<ul style="list-style-type: none"> <li>Meets and interviews the shortlisted candidates to assess their suitability.</li> </ul>	4.	Proposes recommendations	<ul style="list-style-type: none"> <li>Makes recommendations for Board's consideration and approval.</li> </ul>	1.	Assesses incumbent director	<ul style="list-style-type: none"> <li>Assesses the performance of the director in accordance with the performance criteria set by the Board.</li> <li>Considers the current needs of the Board.</li> </ul>	2.	Proposes re-appointment of director	<ul style="list-style-type: none"> <li>Recommends the re-appointment of the Director to the Board for its consideration and approval, subject to its satisfactory assessment.</li> </ul>
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# CORPORATE GOVERNANCE

**TABLE I - COMPLIANCE WITH THE CODE**

Principle	Code and/or Guide Description	Company's Compliance or Explanation
		Mr. Lau Chin Huat, upon re-election as a Director of the Company, remain as the Non-Executive Independent Chairman, the Chairman of Nominating Committee and member of Audit Committee and Remuneration Committee. Mr. Lim Teck Chai Danny will, upon re-election as a Director of the Company, remain as an Independent Director, the Chairman of Remuneration Committee and member of Audit Committee and Nominating Committee. Mr. Lau Chin Huat and Mr. Lim Teck Chai Danny will be considered independent for the purposes of the Rule 704(7) of the Catalist Rules.
4.5	<u>Assessment of Directors' duties</u>	<p>Assessment of the individual Directors' performance was based on the criteria set out in Section 5.1 of Table I. The following were used to assess the performance and consider competing time commitments of the Directors: -</p> <ul style="list-style-type: none"> <li>• Declarations by each Director of their other listed company directorships and principal commitments;</li> <li>• Annual confirmations by each Director on his/her ability to devote sufficient time and attention to the Company's affairs, having regard to his/her other commitments; and</li> <li>• Competencies of Directors, size and composition of the Board, capacity, complexity and expectations of the other listed directorships and principal commitments held and nature and scope of the Group's operations and size.</li> </ul>

The NC had reviewed the time spent and attention given by each of the Directors to the Company's affairs, taking into account the multiple directorships and principal commitments of each of the Directors (if any) as set out below, and is satisfied that all Directors were able to diligently discharge their duties for FY2021.

Other listed company directorships and principal commitments of Directors

**Table 4.5 - Other listed company directorships and principal commitments of Directors**

Name of Director	Listed Company Directorships	Principal Commitments
Lim Hee Liat	None	Patron of Taman Jurong Community Club Management Committee
Chia Cher Khiang	None	None
Wong Kok Yoong	None	None
Wee Tian Chwee Jeffrey	None	T.C. Wee & Co.
Lim Teck Chai Danny	<ul style="list-style-type: none"> <li>• Stamford Land Corporation Limited</li> <li>• Choo Chiang Holdings Ltd</li> <li>• Advancer Global Limited</li> <li>• ValueMax Group Limited</li> </ul>	Partner of Rajah & Tann Singapore LLP
Lau Chin Huat	None	Lau Chin Huat & Co

# Corporate Governance

**TABLE I - COMPLIANCE WITH THE CODE**

Principle	Code and/or Guide Description	Company's Compliance or Explanation
	<i>Multiple Directorships</i>	
(a)	What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?	The Board has not capped the maximum number of listed company board representations each Director may hold.
(b)	If a maximum has not been determined, what are the reasons?	<p>The NC is of the view that the effectiveness of each of the Directors is best assessed by a qualitative assessment of the Director's contributions, after considering his or her other listed company board directorships and other principal commitments, not guided by a numerical limit.</p> <p>The NC also believes that it is for each Director to assess his/her own capacity and ability to undertake other obligations or commitments together with serving on the Board effectively. The NC does not wish to omit from consideration outstanding individuals who, despite the demands on their time, have the capacity to value-add and contribute as members of the Board.</p>
(c)	What are the specific considerations in deciding on the capacity of directors?	<p>The specific considerations in assessing the capacity of Directors include:</p> <ul style="list-style-type: none"> <li>• Expected and/or competing time commitments of Directors, including whether such commitment is a full-time or part-time employment capacity;</li> <li>• Geographical location of Directors;</li> <li>• Size and composition of the Board;</li> <li>• Nature and scope of the Group's operations and size; and</li> <li>• Capacity, complexity and expectations of the other listed directorships and principal commitments held.</li> </ul>
PG 4	<i>Alternate Directors</i>	<p>Alternate directors will be appointed as and when the Board deems necessary. Circumstances which warrant such appointments may include health, age related concerns as well as Management succession plans.</p> <p>The Company currently does not have any alternate directors.</p>

# CORPORATE GOVERNANCE

## TABLE I - COMPLIANCE WITH THE CODE

Principle	Code and/or Guide Description	Company's Compliance or Explanation									
<b>BOARD PERFORMANCE</b>											
5.1	<u>Performance Criteria</u>	<p>Table 5 sets out the performance criteria, recommended by the NC and approved by the Board, to evaluate the effectiveness of the Board as a whole and assess the contribution by each Director.</p> <p><b>Table 5 – Performance Criteria</b></p> <table border="1"> <thead> <tr> <th></th> <th>Board</th> <th>Individual Directors</th> </tr> </thead> <tbody> <tr> <td><b>Qualitative</b></td> <td> <ol style="list-style-type: none"> <li>1. Size and composition</li> <li>2. Access to information</li> <li>3. Risk management</li> <li>4. Board processes</li> <li>5. Strategic planning</li> <li>6. Board accountability</li> <li>7. Succession planning</li> </ol> </td> <td> <ol style="list-style-type: none"> <li>1. Commitment of time</li> <li>2. Knowledge and abilities</li> <li>3. Teamwork</li> <li>4. Independence and objectivity</li> <li>5. Integrity</li> <li>6. Overall effectiveness</li> <li>7. Track record in good decision making</li> </ol> </td> </tr> <tr> <td><b>Quantitative</b></td> <td> <ol style="list-style-type: none"> <li>1. Performance of the Group</li> </ol> </td> <td> <ol style="list-style-type: none"> <li>1. Attendance at Board and Board Committee meetings</li> </ol> </td> </tr> </tbody> </table> <p>The NC would review the criteria periodically to ensure that the criteria is able to provide an accurate and effective performance assessment taking into consideration industry standards and the economic climate with the objective to enhance long term shareholders value, thereafter propose amendments if any, to the Board for approval.</p> <p>The NC did not propose any changes to the performance criteria for FY2021 as compared to the previous financial year as the economic climate, Board composition and the Group's principal business activities remained the same.</p>		Board	Individual Directors	<b>Qualitative</b>	<ol style="list-style-type: none"> <li>1. Size and composition</li> <li>2. Access to information</li> <li>3. Risk management</li> <li>4. Board processes</li> <li>5. Strategic planning</li> <li>6. Board accountability</li> <li>7. Succession planning</li> </ol>	<ol style="list-style-type: none"> <li>1. Commitment of time</li> <li>2. Knowledge and abilities</li> <li>3. Teamwork</li> <li>4. Independence and objectivity</li> <li>5. Integrity</li> <li>6. Overall effectiveness</li> <li>7. Track record in good decision making</li> </ol>	<b>Quantitative</b>	<ol style="list-style-type: none"> <li>1. Performance of the Group</li> </ol>	<ol style="list-style-type: none"> <li>1. Attendance at Board and Board Committee meetings</li> </ol>
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# Corporate Governance

**TABLE I - COMPLIANCE WITH THE CODE**

Principle	Code and/or Guide Description	Company's Compliance or Explanation
5.2	<u>Performance Review</u>	The reviews of the performance of the Board, Board Committees and individual Directors are conducted by the NC annually and when the individual Director is due for re-election.
	(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?	<p>For FY2021, the review process was as follows:</p> <ol style="list-style-type: none"> <li>1. All Directors individually completed board evaluation questionnaires on the effectiveness of the Board, Board Committees and the individual Directors based on criteria disclosed in Table 5 of Principle 5.1;</li> <li>2. The Company Secretary collated and submitted the questionnaire results to the NC Chairman in the form of a report;</li> <li>3. The NC discussed the report, and in particular matters relating to Board composition, Board processes, sustainability, Board strategy, risk management, succession planning and director development; and</li> <li>4. The results of the performance review were deliberated during the NC meeting and tabled at the Board meeting for further discussion.</li> </ol> <p>All NC members have abstained from the voting or review process of any matters in connection with the assessment of his/her performance or re-appointment as a Director of the Company.</p> <p>No external facilitator was used in the evaluation process.</p>
	(b) Has the Board met its performance objectives?	Yes, the Board has met its performance objectives for FY2021.

# CORPORATE GOVERNANCE

**TABLE I - COMPLIANCE WITH THE CODE**

Principle	Code and/or Guide Description	Company's Compliance or Explanation
<b>REMUNERATION MATTERS</b>		
<b>DEVELOPING REMUNERATION POLICIES</b>		
6.1 6.3	<i>Role of the RC</i>	<p>The RC is guided by key terms of reference which includes:</p> <ul style="list-style-type: none"> <li>(a) Review and recommend to the Board a general framework of remuneration and specific remuneration packages for each Director and key management personnel;</li> <li>(b) Consider and approve termination payments, retirement payments, gratuities, ex-gratia payment, severance payments and other similar payments to each member of key management personnel and to review the Company's obligations in the event of termination of the Executive Directors' or Key Management Personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The RC should aim to be fair and avoid rewarding poor performance;</li> <li>(c) Review and recommend to the Board the service contracts of Chairman, CEO (or equivalent), Executive Director and key management personnel and ensure that such services contracts are fair and not excessively long or with onerous renewal/termination clauses;</li> <li>(d) To periodically consider and review remuneration packages in order to maintain attractiveness, retain and motivate Directors to provide good stewardship of the Company and Key Management Personnel to successfully manage the Company, and to align the level and structure of remuneration with the long-term interests and risk policies of the Company;</li> <li>(e) To review the specific remuneration packages of all managerial staff and employees who are related to any of the Directors or substantial shareholders to ensure that their remuneration packages are in line with the Company's staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities and to review and approve any bonuses, pay increases and/or promotions for these managerial staff and employees;</li> <li>(f) Review the remuneration of employees who are related to the Directors and substantial shareholders to ensure that their remuneration packages are in line with the staff remuneration guideline and commensurate with their respective job scopes and level of responsibilities; and</li> <li>(g) To approve performance targets for assessing the performance of each Key Management Personnel and recommend such targets as well as employee specific remuneration packages for each of such Key Management Personnel, for endorsement by the Board.</li> </ul> <p>The RC's review and recommendations cover all aspects including fees, salaries, allowance, bonuses, options, share-based incentives, awards and benefits-in-kind.</p> <p>Each RC member will abstain from participating in the deliberations of and voting on any resolution in respect of his/her remuneration package or that of employees related to him/her.</p>
6.4	<i>Engagement of Remuneration Consultants</i>	No remuneration consultants were engaged by the Company in FY2021. The Company will continue to monitor the need to engage external remuneration consultants going forward and where applicable, will review the independence of the external firm before any engagement.
6.2	<i>"Claw-back" Provisions</i>	There are no contractual provisions which allows the Company to reclaim incentives from the Executive Directors and key management personnel in certain circumstances. The Board is of the view that as the Group pays performance bonuses based on the actual performance of the Group and/or Company (and not on forward-looking results) as well as the actual results of its Executive Directors and key management personnel, "claw-back" provisions in the service agreements may not be relevant or appropriate.

# Corporate Governance

**TABLE I - COMPLIANCE WITH THE CODE**

Principle	Code and/or Guide Description	Company's Compliance or Explanation									
<b>LEVEL AND MIX OF REMUNERATION</b>											
<b>DISCLOSURE ON REMUNERATION</b>											
7.1 7.2 7.3 8.1	<u>Remuneration Policy</u>	The Company's remuneration policy which covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, benefits-in-kind, bonuses, options, share-based incentives and awards, is one that seeks to attract, retain and motivate talent to achieve the Company's business vision and create sustainable value for its stakeholders. The policy articulates to staff that total compensation has been linked to the achievement of organisational and individual performance objectives.									
	<u>Remuneration Structure for Executive Directors and key management personnel</u>	The remuneration received by the Executive Directors and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group for FY2021. Their remuneration is made up of fixed and variable compensations. The fixed compensation consists of an annual base salary, fixed allowance and annual wage supplement. The variable compensation is determined based on the level of achievement of corporate and individual performance objectives, for each individual role.									
(a)	Please describe how the remuneration received by Executive Directors and key management personnel has been determined by the performance criteria.	The remuneration structure is linked by incorporating key performance indicators, which considers the staff's individual performance and contribution towards the profit before tax of the Group and performance conditions set out in Table 7.1 in this section. The senior management proposes the compensation for the Executive Directors and key management personnel for the RC's review, which would thereafter recommend for the Board's approval.									
	<u>Performance Criteria</u>	The following performance conditions for determining incentive plans were chosen to motivate Executive Directors and key management personnel to work in alignment with the goals of all stakeholders:									
(b)	What were the performance conditions used to determine their entitlement under the short term and long-term incentive schemes?	<p><b>Table 7.1 - Performance Criteria</b></p> <table border="1"> <thead> <tr> <th></th> <th>Short-term Incentives (such as performance bonus)</th> <th>Long-term Incentives (such as the Kimly Share Incentive Schemes)</th> </tr> </thead> <tbody> <tr> <td><b>Qualitative</b></td> <td> <ol style="list-style-type: none"> <li>Leadership</li> <li>People development</li> <li>Commitment</li> <li>Teamwork</li> <li>Current market and industry practices</li> <li>Macro-economic factors</li> </ol> </td> <td> <ol style="list-style-type: none"> <li>Employee share options scheme (Kimly Share Option Scheme)</li> <li>Kimly Performance Share Plan</li> <li>Current market and industry practices</li> </ol> </td> </tr> <tr> <td><b>Quantitative</b></td> <td>-</td> <td> <ol style="list-style-type: none"> <li>Performance of the Group</li> </ol> </td> </tr> </tbody> </table>		Short-term Incentives (such as performance bonus)	Long-term Incentives (such as the Kimly Share Incentive Schemes)	<b>Qualitative</b>	<ol style="list-style-type: none"> <li>Leadership</li> <li>People development</li> <li>Commitment</li> <li>Teamwork</li> <li>Current market and industry practices</li> <li>Macro-economic factors</li> </ol>	<ol style="list-style-type: none"> <li>Employee share options scheme (Kimly Share Option Scheme)</li> <li>Kimly Performance Share Plan</li> <li>Current market and industry practices</li> </ol>	<b>Quantitative</b>	-	<ol style="list-style-type: none"> <li>Performance of the Group</li> </ol>
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(c)	Were all of these performance conditions met? If not, what were the reasons?	Yes, the RC has reviewed and is satisfied that the performance conditions were met for FY2021.									



# CORPORATE GOVERNANCE

**TABLE I - COMPLIANCE WITH THE CODE**

Principle	Code and/or Guide Description	Company's Compliance or Explanation																																																									
7.2	<u>Remuneration Structure of Non-Executive Directors</u>	<p>Non-Executive Directors will each receive their directors' fees in cash. Directors' fees are subjected to shareholders' approval at a general meeting. The fees for the financial year in review are determined in the previous financial year, proposed by the Management and submitted to the RC for review and thereafter recommended by the Board to the shareholders for approval.</p> <p>The RC has reviewed and assessed that the remuneration of the Non-Executive Directors for FY2021 is appropriate, considering the effort, time spent and responsibilities.</p>																																																									
8.1(a) 8.1(b)	(a) Has the Company disclosed each Director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	<p>The breakdown for the remuneration of the Directors and the former CEO (or equivalents) for FY2021 is as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Name</th> <th rowspan="2">Salary (%)</th> <th colspan="2">Variable or performance-related</th> <th rowspan="2">Total (%)</th> </tr> <tr> <th>income/bonus (%)<sup>(1)</sup></th> <th>Directors Fees (%)<sup>(2)</sup></th> </tr> </thead> <tbody> <tr> <td colspan="5"><b>Between S\$1,500,001 to S\$1,750,000</b></td> </tr> <tr> <td>Lim Hee Liat</td> <td>23.8</td> <td>76.2</td> <td>-</td> <td>100.0</td> </tr> <tr> <td colspan="5"><b>Between S\$1,000,001 to S\$1,250,000</b></td> </tr> <tr> <td>Chia Cher Khiang</td> <td>25.3</td> <td>74.7</td> <td>-</td> <td>100.0</td> </tr> <tr> <td colspan="5"><b>Between S\$500,001 to S\$750,000</b></td> </tr> <tr> <td>Wong Kok Yoong</td> <td>59.8</td> <td>40.2</td> <td>-</td> <td>100.0</td> </tr> <tr> <td colspan="5"><b>Below S\$250,000</b></td> </tr> <tr> <td>Wee Tian Chwee Jeffrey</td> <td>-</td> <td>-</td> <td>100.0</td> <td>100.0</td> </tr> <tr> <td>Lim Teck Chai Danny</td> <td>-</td> <td>-</td> <td>100.0</td> <td>100.0</td> </tr> <tr> <td>Lau Chin Huat</td> <td>-</td> <td>-</td> <td>100.0</td> <td>100.0</td> </tr> </tbody> </table> <p><b>Notes:</b></p> <p>(1) The amounts are under the service contracts. Under the service contracts, Mr. Lim Hee Liat and Mr. Chia Cher Khiang are also entitled to fixed bonus and a performance bonus (the "Performance Bonus") in respect of each financial year, which is calculated based on the Group's consolidated profit before tax ("PBT") (before deducting for such Performance Bonus). Please refer to pages 164 to 166 of the Company's offer document dated 8 March 2017 for more information.</p> <p>(2) The Directors' fees were approved by the shareholders at the AGM held on 26 January 2021.</p> <p>There was no termination, retirement, post-employment benefits that may be granted to the Directors, the former CEO (or equivalents) and top 2 key management personnel.</p> <p>Although the Code recommends full disclosure in aggregate to the nearest thousand dollars of the total remuneration paid to each individual Director and the Chief Executive Officer (or equivalent) on a named basis as well as the aggregate remuneration paid to the top five key management personnel (who are not Directors or the Chief Executive Officer), the Board is of the opinion that it is not in the best interests of the Company to disclose the exact details of their remuneration due to the competitiveness of the industry for key talent. The Board believes that such disclosure presentation provides sufficient overview of the remuneration of the Directors and key management personnel and that such information would be sufficient to the shareholders for their understanding of the Company's compensation policies.</p>	Name	Salary (%)	Variable or performance-related		Total (%)	income/bonus (%) <sup>(1)</sup>	Directors Fees (%) <sup>(2)</sup>	<b>Between S\$1,500,001 to S\$1,750,000</b>					Lim Hee Liat	23.8	76.2	-	100.0	<b>Between S\$1,000,001 to S\$1,250,000</b>					Chia Cher Khiang	25.3	74.7	-	100.0	<b>Between S\$500,001 to S\$750,000</b>					Wong Kok Yoong	59.8	40.2	-	100.0	<b>Below S\$250,000</b>					Wee Tian Chwee Jeffrey	-	-	100.0	100.0	Lim Teck Chai Danny	-	-	100.0	100.0	Lau Chin Huat	-	-	100.0	100.0
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# Corporate Governance

**TABLE I - COMPLIANCE WITH THE CODE**

Principle	Code and/or Guide Description	Company's Compliance or Explanation																									
	(b) Has the Company disclosed each key management personnel's remuneration, in bands of S\$250,000 or more in detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	<p>During FY2021, the Company has only 2 top key management personnel.</p> <p>The breakdown for the remuneration of the Company's key management personnel (who are not Directors or the CEO (or equivalents)) for FY2021 is as follows:</p> <p><b>Table 8.1(b) - Remuneration of Key Management Personnel</b></p> <table border="1"> <thead> <tr> <th>Name</th> <th>Salary (%)</th> <th>Bonus (%)</th> <th>Share awards (%)</th> <th>Total (%)</th> </tr> </thead> <tbody> <tr> <td colspan="5"><b>Between S\$500,001 to S\$750,000</b></td> </tr> <tr> <td>Peh Kim Leong Sunny</td> <td>29.0</td> <td>35.8</td> <td>35.2</td> <td>100.0</td> </tr> <tr> <td colspan="5"><b>Between S\$250,001 to S\$500,000</b></td> </tr> <tr> <td>Tan Chong Sing</td> <td>41.4</td> <td>43.1</td> <td>15.5</td> <td>100.0</td> </tr> </tbody> </table>	Name	Salary (%)	Bonus (%)	Share awards (%)	Total (%)	<b>Between S\$500,001 to S\$750,000</b>					Peh Kim Leong Sunny	29.0	35.8	35.2	100.0	<b>Between S\$250,001 to S\$500,000</b>					Tan Chong Sing	41.4	43.1	15.5	100.0
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	(c) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO).	The total remuneration paid to the top 2 key management personnel for FY2021 was S\$1,041,000.																									
8.2	<p><u>Related Employees</u></p> <p>Is there any employee who is an immediate family member of a Director or the CEO, and whose remuneration exceeds S\$100,000 during the last financial year? If so, please identify the employee and specify the relationship with the relevant Director or the CEO.</p>	There was no employee of the Group who was a substantial shareholder, immediate family member of a substantial shareholder, Director or the former CEO (or equivalents) whose remuneration exceeded S\$100,000 in FY2021.																									
8.3	<u>Employee Share Scheme(s)</u>	Information on the Company's Kimly Share Incentive Schemes (which includes the Kimly Share Option Scheme and Kimly Performance Share Plan) are set out on page 64 of this Annual Report.																									

# CORPORATE GOVERNANCE

**TABLE I - COMPLIANCE WITH THE CODE**

Principle	Code and/or Guide Description	Company's Compliance or Explanation
<b>ACCOUNTABILITY AND AUDIT</b>		
<b>RISK MANAGEMENT AND INTERNAL CONTROLS</b>		
9	<i>Risk Governance by the Board</i>	The Board, with the assistance of the AC, is responsible for the overall risk governance, risk management and internal control systems and framework of the Group. The Board has in place a system of internal controls within the Group to safeguard shareholders' interests and the Group's assets, and to manage risks.
9.1	<i>Identification of the Group's risks</i>	<p>The Group has established and implemented a risk management framework for the identification, assessment, monitoring and reporting of significant risks. The Board oversees the management in the formulation, update and maintenance of an adequate and effective risk management framework, which the AC reviews the adequacy and effectiveness of the risk management and internal control systems, including financial, operational, compliance and information technology controls, on an annual basis.</p> <p>The Group maintains a risk register which identifies the material risks faced by the Group and the internal controls in place to manage or mitigate those risks. The risk register is updated by the business heads in the Group annually and the AC reviews the risk register on a yearly basis. The Internal Audit function takes into consideration the risks identified and assessed in the risk register and prepares the audit plan for the ensuing financial year. The audit plan is approved by the AC. The Internal Audit function reports all audit findings and recommendations to the AC on quarterly basis and follows up on all recommendations to ensure timely remediation of audit issues.</p>
	<i>Management of risks</i>	While no system can provide absolute assurance against material loss or financial misstatement, the Group's internal controls are designed to provide reasonable assurance that assets are safeguarded, proper accounting records are maintained and financial information used within the business and for publication is reliable. In designing the internal controls, the Board has had regard to the risks which the business is exposed to and the costs of protecting against such risks.



# Corporate Governance

**TABLE I - COMPLIANCE WITH THE CODE**

Principle	Code and/or Guide Description	Company's Compliance or Explanation
9.2	<p><u>Confirmation of Internal Controls</u></p> <p>(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.</p> <p>(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the IA that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?</p>	<p>The Board and the AC are of the view that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective for FY2021.</p> <p>The bases for the Board's view are as follows:</p> <ol style="list-style-type: none"> <li>1. Assurance has been received from the then CEO (or equivalents) and CFO/Finance Director/Executive Director (refer to Section 9.2(b) of Table I);</li> <li>2. An internal audit has been done by the IA and significant matters highlighted to the AC and key management personnel were appropriately addressed;</li> <li>3. Key management personnel evaluates, monitors material risks and reports to the AC on a regular basis;</li> <li>4. Discussions were held between the AC and auditors in the absence of the key management personnel to review and address any potential concerns;</li> <li>5. An enterprise risk management framework was established to identify, manage and mitigate significant risks;</li> <li>6. Risk appetite statements with tolerance limits have been approved by the Board to contain risks within acceptable levels; and</li> <li>7. The Group has put in place whistle-blowing procedures by which employees may report and raise any concerns on possible wrongdoing in good faith and in confidence. All concerns can be reported to the AC directly. AC will assess whether action or review is required.</li> </ol> <p>Yes, the Board has obtained such assurance from the then CEO (or equivalents) and Finance Director/Executive Director in respect of FY2021.</p> <p>The Board had additionally relied on IA reports in respect of, amongst others, revenue and cash management, IT general control, food safety and interested party transactions issued to the Company as assurances that the Company's risk management and internal control systems are effective.</p>

# CORPORATE GOVERNANCE

**TABLE I - COMPLIANCE WITH THE CODE**

Principle	Code and/or Guide Description	Company's Compliance or Explanation
<b>AUDIT COMMITTEE</b>		
10.1	<i>Role of the AC</i>	<p>All members of the AC are Non-Executive Directors who are independent and do not have any management and business relationships with the Company or any substantial shareholder of the Company. None of the AC members were previous partners or directors of the Company's external audit firm within a period of two years commencing on the date of their ceasing to be a partner of the external audit firm and none of the AC members hold any financial interest in the external audit firm.</p> <p>The AC is guided by its key terms of reference, which includes:</p> <ul style="list-style-type: none"> <li>(a) Reviewing the significant financial reporting issues and judgements to ensure the integrity of the financial statements of the Company and any announcements relating to the Group's financial performance;</li> <li>(b) Reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls;</li> <li>(c) Reviewing the assurance from the CEO (or equivalent) and the Finance Director on the financial records and financial statements;</li> <li>(d) Reviewing the adequacy, effectiveness, independence, scope and results of the external audit and internal audit function;</li> <li>(e) Reviewing the scope and results of the external audit, and the independence and objectivity of the EA;</li> <li>(f) Making recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the EA, and the remuneration and terms of engagement of the EA;</li> <li>(g) Reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;</li> <li>(h) Review the system of internal controls and management of financial risks with the internal auditors and the external auditors;</li> <li>(i) Review the co-operation given by the management to the external auditors and internal auditors, where applicable;</li> <li>(j) Review the Group's compliance with such functions and duties as may be required under the relevant statutes or the Rules of Catalist, including such amendments made thereto from time to time;</li> <li>(k) Review and approve any interested person transactions;</li> <li>(l) Review potential conflicts of interest (if any) and to set out a framework to resolve or mitigate any potential conflicts of interests;</li> <li>(m) Review the risk management framework, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or, where the findings are material, announced immediately via SGXNET;</li> <li>(n) Investigate any matters within its terms of reference;</li> <li>(o) Review the policy and arrangements by which employees may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matters and for appropriate follow-up; and</li> <li>(p) Undertake such other functions and duties as may be required by statute or the Rules of Catalist, and by such amendments made thereto from time to time.</li> </ul>
10.3		

# Corporate Governance

**TABLE I - COMPLIANCE WITH THE CODE**

Principle	Code and/or Guide Description	Company's Compliance or Explanation
	<u>Whistle Blowing Policy</u>	The Company's staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters by submitting a whistle blowing report to <b>whistleblowing@kimlygroup.sg</b> .
10.2	<u>Qualification of the AC members</u>	<p>Yes. The Board considers Mr. Wee Tian Chwee Jeffrey, who has extensive and practical accounting and financial management knowledge and experience, well qualified to chair the AC. Mr. Lau Chin Huat also has recent and relevant experience in accounting and financial management.</p> <p>The members of the AC collectively have approximately a combined 90 years of strong accounting and related financial management expertise and experience and are appropriately qualified to discharge their responsibilities.</p>
10.4	<u>Internal Audit Function</u>	<p>The Company's internal audit function is outsourced to RSM Risk Advisory Pte Ltd that reports directly to the AC Chairman and administratively to the Management. The AC is responsible for the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation which the internal audit function of the Company is outsourced to.</p> <p>The AC is satisfied that internal auditor is able to discharge its duties effectively as the internal auditor:</p> <ul style="list-style-type: none"> <li>• is adequately qualified, given that the partner and staff assigned to the internal audit of the Company are members of the Institute of Internal Auditors and it adheres to the Standards for the Professional Practice of Internal Auditing laid down in the International Professional Practices Framework issued by the Institute of Internal Auditors;</li> <li>• is adequately resourced; and</li> <li>• has the appropriate standing in the Company, given, inter alia, its involvement in certain AC meetings and its unfettered access to all the Group's documents, records, properties and personnel, including direct access to the AC.</li> </ul>
10.5	<u>Met Auditors in Management's Absence</u>	The AC has met with the IA and the EA once in the absence of key management personnel in FY2021.

## SHAREHOLDER RIGHTS AND ENGAGEMENT

### SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

11.1	<u>Shareholders' Participation at General Meetings</u>	Shareholders are entitled to attend the general meetings and are afforded the opportunity to participate effectively in and vote at general meetings. An independent polling agent is appointed by the Company for general meetings who will explain the rules, including the voting procedures, that govern the general meetings of shareholders.
	<u>Appointment of Proxies</u>	The Company's Constitution allows a shareholder to appoint up to two proxies to attend and vote in the shareholder's place at the general meetings. Specified intermediaries, such as banks and capital markets services licence holders which provide custodial services, may appoint more than two proxies.
11.2	<u>Bundling of Resolutions</u>	Resolutions requiring shareholders' approval are tabled separately for adoption at the Company's general meetings unless they are closely related and are more appropriately tabled together. Reasons, and implications of why resolutions are bundled will be set out in the circulars sent out.



# CORPORATE GOVERNANCE

**TABLE I - COMPLIANCE WITH THE CODE**

Principle	Code and/or Guide Description	Company's Compliance or Explanation
11.3	<i>Directors' Attendance</i>	The Company requires all Directors (including the respective chairman of the Board Committees) to be present at all general meetings, unless of exigencies. The EA is also required to be present to address shareholders' queries about the conduct of audit and the preparation and content of the independent auditor's report.  All Directors had attended the annual general meeting and extraordinary general meeting held on 26 January 2021.
11.4	<i>Absentia Voting</i>	The Company's Constitution allows for absentia voting, (including but not limited to the voting by mail, electronic mail or facsimile).
11.5	<i>Publication of Minutes</i>	Minutes of the general meetings recording the substantial and relevant comments and queries relating to the agenda of the general meetings raised by the shareholders, together with responses from the Board and management, are prepared by the Company Secretaries. These minutes would be published on the SGXNet and the Company's corporate website within one (1) month from the date of the general meeting.
11.6	<i>Dividend Policy</i>	
	(a) Does the Company have a dividend policy?	The Company does not have a fixed dividend policy. However, the Directors intend to recommend and distribute dividends of not less than 50.0% of the Group's net profit attributable to shareholders as stated in the Offer Document dated 8 March 2017. The key management personnel will review, inter alia, the Group's performance in the relevant financial period, projected capital needs and working capital requirements and make appropriate recommendations to the Board on dividend declaration. The Company has a track record of distributing 50.7% to 80.2% of its net profits as dividends.
	(b) Is the Company paying dividends for the financial year? If not, please explain why.	The Board has proposed a first and final dividend of S\$0.0084 per ordinary share and a special dividend of S\$0.006 per share for FY2021 which will be subject to shareholders' approval at the forthcoming AGM.  The Company has paid an interim dividend of 0.56 Singapore cents per ordinary share for FY2021 on 15 July 2021. The total dividend paid for FY2021 amounted to 2.0 Singapore cents per share.

## ENGAGEMENT WITH SHAREHOLDERS

12.1	<i>Communication with Shareholders</i>	The Company solicits feedback from and addresses the concerns of shareholders (including institutional and retail investors) via:
12.2		
12.3	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	<ul style="list-style-type: none"> <li>• a dedicated external investor relations team, Sino-Lion Communications Pte Ltd to assist the Company in its investor relations initiatives and the investor relations team can be reached at romil@financialpr.com.sg and maverick@financialpr.com.sg; and</li> <li>• investor/analyst briefings.</li> </ul> <p>In FY2021, the management has also briefed shareholders on the Company's performance during the general meetings held.</p>
13.3	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	The Company has a dedicated investor relations team. The Company's investor relations website is a key resource of information for the investment community. It contains comprehensive information on the Company, including annual reports, past financial results and announcements, upcoming events and dividend information.
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	Apart from the SGXNET announcements and its annual report, the Company updates shareholders on its corporate developments through its corporate website at <a href="https://kimlygroup.sg">https://kimlygroup.sg</a> . All materials presented in general meetings are uploaded on the SGXNET.  For enquires and all other matters, shareholders and all other parties can contact the Company at Marcomm@kimlygroup.sg.

# Corporate Governance

**TABLE I - COMPLIANCE WITH THE CODE**

Principle	Code and/or Guide Description	Company's Compliance or Explanation
<b>MANAGING STAKEHOLDERS RELATIONSHIP</b>		
<b>ENGAGEMENT WITH STAKEHOLDERS</b>		
13.1 13.2	<i>Stakeholders Management</i>	<p>The Company undertakes an annual review in identifying its material stakeholders. It assesses the material environmental, social and governance factors that affects the Group.</p> <p>Please refer to the Company's latest sustainability report for FY2021 which would be released by 31 January 2022 for the assessment process and how such relationships with stakeholders are managed.</p>

**TABLE II - COMPLIANCE WITH CATALIST RULES**

Rule	Rule Description	Company's Compliance or Explanation						
720(5)	<i>Information relating to Directors seeking re-election</i>	In addition to the information relating to the Directors seeking re-election as per Appendix 7F of the Catalist Rules, which are set out in Table III of this report, there is no change to the disclosures of each Director for the disclosures labelled (a) to (k) as per previously announced.						
1204(6)(A)	<i>Non-audit fees</i>	<p><b>Table 1204(6)(A) - Fees Paid/Payable to the EA for FY2021</b></p> <table border="1"> <thead> <tr> <th></th> <th>S\$</th> <th>% of total</th> </tr> </thead> <tbody> <tr> <td><b>Audit fees</b></td> <td>413,000</td> <td>100.0</td> </tr> </tbody> </table>		S\$	% of total	<b>Audit fees</b>	413,000	100.0
	S\$	% of total						
<b>Audit fees</b>	413,000	100.0						
1204(6)(B)	<i>Confirmation by AC</i>	No non-audit services rendered during FY2021.						
	(b) If the EA have supplied a substantial volume of non-audit services to the Company, please state the bases for the AC's view on the independence of the EA.							
1204(6)(C)	<i>Appointment of Auditors</i>	The Company confirms its compliance to Rules 712 and 715 of the Catalist Rules.						

# CORPORATE GOVERNANCE

**TABLE II - COMPLIANCE WITH CATALIST RULES**

Rule	Rule Description	Company's Compliance or Explanation
1204(8)	<i>Material Contracts</i>	<p>As at 30 September 2021, the amounts owing by the Group to Mr. Lim Hee Liat and Mr. Chia Cher Khiang amounted to S\$3,919,000 and S\$146,000 respectively. These loans are interest-free with no security and has no fixed repayment terms. However, the repayment will be subject to review and approval by the Audit Committee, taking into account the financial position of the Group (including but not limited to the Group's cash flows).</p> <p>Save as disclosed above and in Notes 10 of the notes to the financial statements, there were no material contracts entered into by the Group involving the interest of the CEO (or equivalents), any Director, or controlling shareholder, which are either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.</p>
1204(10)	<i>Adequacy of Internal Controls</i>	Please refer to the confirmation provided by the Board in Section 9.2 of Table I.
1204(10B)	<i>Adequacy of Internal Audit Function</i>	The AC is of the opinion that the internal audit function is independent, effective and adequately resourced.
1204(17)	<i>Interested Person Transactions ("IPT")</i>	<p>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 2021,</p> <p>There were no IPTs with value-at-risk of S\$100,000 or more transacted during FY2021.</p>
1204(19)	<i>Dealing in Securities</i>	<p>The Company has adopted an internal policy which prohibits the Directors and officers from dealing in the securities of the Company while in possession of price-sensitive information.</p> <p>The Company, its Directors and officers are also discouraged from dealing in the Company's securities on short term considerations and are prohibited from dealing in the Company's securities during the period beginning one month before the announcement of the Company's half-year and full-year financial statements, and ending on the date of the announcement of the relevant results.</p>
1204(21)	<i>Non-sponsor Fees</i>	No non-sponsor fees were paid/payable to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. for FY2021.



# Corporate Governance

**TABLE II - COMPLIANCE WITH CATALIST RULES**

Rule	Rule Description	Company's Compliance or Explanation																																
1204(22)	<u>Use of IPO Proceeds</u>	As at the date of this Annual Report, the status on the use of the IPO net proceeds is as follows:																																
		<table border="1"> <thead> <tr> <th></th> <th>Allocated</th> <th>Utilised</th> <th>Balance</th> </tr> <tr> <th></th> <th>S\$'000</th> <th>S\$'000</th> <th>S\$'000</th> </tr> </thead> <tbody> <tr> <td>Acquisitions and joint ventures and general business expansion (including establishment of new food outlets)</td> <td>30,363</td> <td>(30,363)</td> <td>-</td> </tr> <tr> <td>Refurbishment and renovation of existing food outlets</td> <td>3,000</td> <td>(3,000)</td> <td>-</td> </tr> <tr> <td>Headquarters/Central Kitchen upgrading</td> <td>5,000</td> <td>(2,407)</td> <td>2,593</td> </tr> <tr> <td>Productivity initiatives/IT</td> <td>2,000</td> <td>(2,000)</td> <td>-</td> </tr> <tr> <td>Listing expenses</td> <td>3,087</td> <td>(3,087)</td> <td>-</td> </tr> <tr> <td><b>Total</b></td> <td><b>43,450</b></td> <td><b>(40,857)</b></td> <td><b>2,593</b></td> </tr> </tbody> </table>		Allocated	Utilised	Balance		S\$'000	S\$'000	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)	-	<b>Total</b>	<b>43,450</b>	<b>(40,857)</b>	<b>2,593</b>
	Allocated	Utilised	Balance																															
	S\$'000	S\$'000	S\$'000																															
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Listing expenses	3,087	(3,087)	-																															
<b>Total</b>	<b>43,450</b>	<b>(40,857)</b>	<b>2,593</b>																															
		The above utilisations are in accordance with the intended use of IPO net proceeds, as stated in the Company's Offer Document.																																

Please refer to the table below for additional information on Directors to be re-elected at the forthcoming AGM:

**TABLE III - INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION**

	Name of Director to be re-elected	
	Lau Chin Huat	Lim Teck Chai Danny
Date of appointment announcement ("Previous Announcement")	1 October 2019	15 February 2017
Any changes to the Previous Announcement?	No	No
Date of last re-appointment	21 January 2020	30 January 2019
Age	62	48
Country of principal residence	Singapore	Singapore

# CORPORATE GOVERNANCE

**TABLE III - INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION**

	Name of Director to be re-elected	
	Lau Chin Huat	Lim Teck Chai Danny
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>The NC, having considered the attendance and participation of Mr. Lau at Board and Board Committees' meetings, and taking into account Mr. Lau's track record, experience and capabilities to, amongst others, provide insight and guidance to the Group's business and strategies, had recommended to the Board the re-election of Mr. Lau who will be retiring pursuant to Regulation 112 of the Company's Constitution at the forthcoming AGM.</p> <p>The Board supported the NC's recommendation.</p> <p>Mr. Lau had abstained from voting on any resolution and making any recommendation and/or participating in any discussions in respect of his own re-election.</p>	<p>The NC, having considered the attendance and participation of Mr. Danny Lim at Board and Board Committees' meetings, and taking into account Mr. Danny Lim's track record, experience and capabilities to, amongst others, provide insight and guidance to the Group's business and strategies, had recommended to the Board the re-election of Mr. Danny Lim who will be retiring pursuant to Regulation 112 of the Company's Constitution at the forthcoming AGM.</p> <p>The Board supported the NC's recommendation.</p> <p>Mr. Danny Lim had abstained from voting on any resolution and making any recommendation and/or participating in any discussions in respect of his own re-election.</p>
Whether the appointment has changed from non-executive to executive. If so, please state the area of responsibility	The appointment is Non-Executive.	The appointment is Non-Executive.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Independent Chairman <i>(redesignated from Independent Director with effect from 11 November 2021)</i>	Independent Director
Working experience and occupation(s) during the past 10 years	Partner, Lau Chin Huat & Co	Partner, Rajah & Tann Singapore LLP
Shareholding interest in the listed issuer and its subsidiaries	1,280,000 Ordinary Shares in Kimly Limited	684,600 Ordinary Shares in Kimly Limited
Any relationship (including immediate family member relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or any of its principal subsidiaries	Nil	Nil
Conflict of Interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) submitted to the Company?	Yes	Yes

# Corporate Governance

**TABLE III - INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION**

	Name of Director to be re-elected	
	Lau Chin Huat	Lim Teck Chai Danny
<b>Other Principal Commitments*</b>	1. Technic Inter-Asia Pte Ltd - Director	1. Stamford Land Corporation Limited – Independent Director
	2. Adagio International Pte. Ltd. - Director	2. Choo Chiang Holdings Ltd. – Independent Director
<b>Including Directorship#</b>	3. Altigen Communications Pte. Ltd. - Director	3. Advancer Global Limited – Independent Non-Executive Director and Chairman
	4. Enterprise Showroom Pte. Ltd. - Director	4. ValueMax Group Limited - Independent Director
* "Principal Commitments" has the same meaning as defined in the Code.	5. Enterprise 1 Pte. Ltd. - Director	
	6. Bedok Lake Pte. Ltd. - Director	
	7. Northstar One Pte. Ltd. - Director	
# These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8) Past (for the last 5 years)	8. North Face Pte. Ltd. - Director	
	9. One Commonwealth Pte. Ltd. - Director	
	10. E-Management – Owner	
	11. Lau Chin Huat & Co. - Partner under Section 18(3)(c) of the Accountants Act	

***The general statutory disclosures of the Directors are as follows:***

(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No



# CORPORATE GOVERNANCE

**TABLE III - INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION**

	Name of Director to be re-elected	
	Lau Chin Huat	Lim Teck Chai Danny
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No

# Corporate Governance

**TABLE III - INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION**

	Name of Director to be re-elected	
	Lau Chin Huat	Lim Teck Chai Danny
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: -		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

# CORPORATE GOVERNANCE

**TABLE III - INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION**

	Name of Director to be re-elected	
	Lau Chin Huat	Lim Teck Chai Danny
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
<b>Prior Experience as a Director of a Listed Company on the Exchange</b>		
Any prior experience as a director of an issuer listed on the Exchange?	Not applicable. This relates to the re-election of a director.	Not applicable. This relates to the re-election of a director.
Attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange?	N.A	N.A
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A	N.A

*N.A - Not Applicable*



# Directors’ Statement

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Kimly Limited (the “Company”) and its subsidiaries (collectively, the “Group”) and the statement of financial position and statement of changes in equity of the Company for the financial year ended 30 September 2021.

## 1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2021 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## 2. DIRECTORS

The directors of the Company in office at the date of this statement are:

Lau Chin Huat  
Wee Tian Chwee Jeffrey  
Lim Teck Chai Danny  
Wong Kok Yoong

## 3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Except as described in paragraph five below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

# DIRECTORS' STATEMENT

## 4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of director	Direct interest			Deemed interest		
	At the beginning of financial year	At the end of financial year	At 21 October 2021	At the beginning of financial year	At the end of financial year	At 21 October 2021
<i>Ordinary shares of the Company</i>						
Lau Chin Huat	1,280,000	1,280,000	1,280,000	-	-	-
Lim Teck Chai Danny	-	-	-	684,600*	684,600*	684,600*
Lim Hee Liat**	493,915,165	493,915,165	493,915,165	-	-	-
Chia Cher Khiang**	16,513,391	16,513,391	16,513,391	2,960,000^	2,960,000^	2,960,000^

\* This represents Mr. Lim Teck Chai Danny's indirect interest held in the name of iFast Financial Pte Ltd.

^ Mr. Chia Cher Khiang is deemed to have an interest in the shares which his spouse holds or has an interest in.

\*\* Resigned on 11 November 2021.

By virtue of Section 7 of the Singapore Companies Act, Chapter 50, Mr. Lim Hee Liat is deemed to have an interest in the shares of all the subsidiaries to the extent held by the Company.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment, if later, or at the end of the financial year.

# Directors’ Statement

## 5. SHARE OPTIONS AND AWARDS

On 15 February 2017, the Company adopted the Kimly Employee Share Option Scheme and Kimly Performance Share Plan for the granting of non-transferable share options and awards, respectively. These options and awards are settled by the physical delivery of the ordinary shares of the Company to eligible participants (including Executive Directors and Independent Directors).

The Kimly Employee Share Option Scheme (“Kimly ESOS”) and Kimly Performance Share Plan (“Kimly PSP”) are administrated by the Remuneration Committee of the Company, whose members include Mr. Lim Teck Chai Danny, Mr. Wee Tian Chwee Jeffrey and Mr. Lau Chin Huat as at the date of this report.

As at 30 September 2021, no options or awards of shares has been granted under the Kimly ESOS and Kimly PSP to directors or to controlling shareholders. However, the Company has granted 719,212 share awards under the Kimly Performance Share Plan during the financial year to employees of the Company. With the Remuneration Committee’s approval on the achievement of the performance targets for the performance period for FY2019, FY2020 and FY2021, a total of 885,889 shares were released via the transfer of treasury shares (FY2020: 224,280). The share awards expire on 15 July 2023, and are vested over three years from the date of grant if the employees remain in service and that certain key performance indicators are fulfilled as detailed in Note 9 of the financial statements.

There is no employee who received 5% or more of the total share available under the Kimly PSP since the commencement of the Kimly PSP till the end of the financial year.

Since the commencement of the Kimly Employee Share Option Scheme till the end of the financial year, no option has been granted.



# DIRECTORS' STATEMENT

## 6. AUDIT COMMITTEE

The Audit Committee performed the functions specified in the Singapore Companies Act, Chapter 50. The functions performed are detailed in the Corporate Governance Report.

## 7. AUDITOR

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors,

Lau Chin Huat  
Director

Wong Kok Yoong  
Director

7 January 2022

# Independent Auditor's Report

For the financial year ended 30 September 2021

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Kimly Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and the Company as at 30 September 2021, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 September 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

### Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 September 2021

## Key audit matters (cont'd)

### *Completeness of revenue*

For the financial year ended 30 September 2021, the Group's revenue from sale of food, beverages and tobacco products amounted to \$196,415,000, which accounted for 82.3% of the Group's revenue. Revenue from the sale of food, beverages and tobacco products is recognised based on actual cash receipts from customers, and is transacted via a large volume of low-value cash transactions. Given the large volume of cash transactions and as cash is susceptible to theft and pilferage, we have focused on the completeness of cash and the corresponding revenue as a key audit matter.

As part of our audit, we obtained an understanding of matters that could result in risk of material misstatement to revenue. We evaluated the design and tested the operating effectiveness of key internal controls that the Group has put in place to ensure cash sales are appropriately recorded. We assessed management's review of monthly outlet operating margins and the reconciliation of revenue to cash receipts to assess completeness of revenue. We also performed sales cut-off procedures through cash cut-off testing to evaluate the completeness of revenue recorded as at 30 September 2021. We used data analytics technique to analyse the correlation between revenue, trade receivables and cash to evaluate the existence and completeness of revenue recorded during the financial year ended 30 September 2021. Additionally, we tested the physical safeguards over cash on hand. We assessed the adequacy of the disclosures related to revenue, and cash and cash equivalents in Note 4 and Note 23 respectively.

### **Other information**

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of management and directors for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.



# Independent Auditor's Report

For the financial year ended 30 September 2021

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 September 2021

## **Auditor's responsibilities for the audit of the financial statements (cont'd)**

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on other legal and regulatory requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Tan Swee Ho.

Ernst & Young LLP  
Public Accountants and  
Chartered Accountants  
Singapore  
7 January 2022

# Consolidated Statement of Comprehensive Income

For the financial year ended 30 September 2021

(Amounts in Singapore Dollars)

	Note	2021 \$'000	2020 \$'000
<b>Revenue</b>	4	238,642	210,773
Cost of sales		(160,470)	(154,258)
<b>Gross profit</b>		78,172	56,515
<b>Other items of income</b>			
Finance income	6	208	985
Other operating income	5	3,253	3,266
<b>Other items of expense</b>			
Selling and distribution expenses		(10,183)	(7,611)
Administrative expenses		(22,229)	(18,058)
Finance costs	6	(4,375)	(3,671)
Other operating expenses	7	(679)	(1,779)
Share of profit of an associate and joint ventures	18,19	318	49
<b>Profit before tax</b>	8	44,485	29,696
Income tax expense	11	(5,193)	(4,471)
<b>Profit for the year</b>		39,292	25,225
<b>Profit attributable to:</b>			
Owners of the Company		39,278	25,225
Non-controlling interests		14	-
<b>Profit for the year</b>		39,292	25,225
<b>Earnings per share (cents per share)</b>			
- Basic	12	3.30	2.18
- Diluted	12	3.30	2.18

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



# Statements of Financial Position

As at 30 September 2021

(Amounts in Singapore Dollars)

	Note	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment owned	13	72,961	73,223	-	-
Investment properties owned	14	6,939	7,090	-	-
Intangible assets and goodwill	15	4,751	4,409	-	-
Right-of-use assets	16	119,743	135,595	-	-
Investment in subsidiaries	17	-	-	239,047	239,047
Investment in an associate and joint ventures	18,19	12,239	9,733	-	-
Deferred tax assets	20	644	240	-	-
Other receivables	21	6,428	5,815	-	-
		223,705	236,105	239,047	239,047
<b>Current assets</b>					
Trade and other receivables	21	5,667	13,381	51,314	57,284
Inventories	22	1,456	1,701	-	-
Prepayments		501	316	39	13
Cash and cash equivalents	23	94,989	68,324	70,241	14,536
		102,613	83,722	121,594	71,833
<b>Total assets</b>		<b>326,318</b>	<b>319,827</b>	<b>360,641</b>	<b>310,880</b>

# Statements of Financial Position

As at 30 September 2021

	Note	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Current liabilities</b>					
Trade and other payables	24	23,541	23,475	44,629	4,250
Other liabilities	25	12,913	15,408	2,559	1,612
Interest-bearing loans and borrowings	26	1,052	1,104	-	-
Lease liabilities	16	34,553	33,181	-	-
Provision for restoration costs	27	263	177	-	-
Provision for taxation		6,605	5,788	21	72
		<b>78,927</b>	<b>79,133</b>	<b>47,209</b>	<b>5,934</b>
<b>Net current assets</b>		<b>23,686</b>	<b>4,589</b>	<b>74,385</b>	<b>65,899</b>
<b>Non-current liabilities</b>					
Interest-bearing loans and borrowings	26	23,358	24,410	-	-
Lease liabilities	16	88,128	103,953	-	-
Deferred tax liabilities	20	336	447	2	-
Other payables	24	1,222	963	-	-
Provision for restoration costs	27	751	716	-	-
		<b>113,795</b>	<b>130,489</b>	<b>2</b>	<b>-</b>
<b>Total liabilities</b>		<b>192,722</b>	<b>209,622</b>	<b>47,211</b>	<b>5,934</b>
<b>Net assets</b>		<b>133,596</b>	<b>110,205</b>	<b>313,430</b>	<b>304,946</b>

# STATEMENTS OF FINANCIAL POSITION

As at 30 September 2021

(Amounts in Singapore Dollars)

	Note	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Equity attributable to owners of the Company</b>					
Share capital	28(a)	297,451	297,141	297,451	297,141
Treasury shares	28(b)	(2,187)	(2,424)	(2,187)	(2,424)
Share-based compensation reserve	28(c)	140	140	140	140
Other reserves	29	(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
		133,375	110,205	313,430	304,946
Non-controlling interests		221	-	-	-
<b>Total equity</b>		133,596	110,205	313,430	304,946
<b>Total equity and liabilities</b>		326,318	319,827	360,641	310,880

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



# Statements of Changes in Equity

For the financial year ended 30 September 2021

(Amounts in Singapore Dollars)

Attributable to owners of the Company									
Note	Share capital	Treasury shares	Share-based compensation reserve	Other reserves	Premium paid on acquisition of non-controlling interests	Retained earnings	Total	Non-controlling interests	Total equity
	(Note 28a)	(Note 28b)	(Note 28c)	(Note 29)					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>									
At 1 October 2020	297,141	(2,424)	140	(120,123)	(113,030)	48,501	110,205	-	110,205
Profit for the year, representing total comprehensive income for the year	-	-	-	-	-	39,278	39,278	14	39,292
<u>Contributions by and distributions to owners</u>									
Acquisition of a subsidiary	-	-	-	-	-	-	-	60	60
Capital contribution from a non-controlling interest	-	-	-	-	-	-	-	147	147
Dividends on ordinary shares	34	-	-	-	-	(16,655)	(16,655)	-	(16,655)
Share-based payment expenses (Kimly Performance Share Plan)	-	-	237	-	-	-	237	-	237
Treasury shares transferred on vesting of share awards granted under the Kimly Performance Share Plan	-	237	(237)	-	-	-	-	-	-
Issuance of ordinary shares	310	-	-	-	-	-	310	-	310
Total contributions by and distributions to owners	310	237	-	-	-	(16,655)	(16,108)	207	(15,901)
At 30 September 2021	297,451	(2,187)	140	(120,123)	(113,030)	71,124	133,375	221	133,596

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 September 2021

(Amounts in Singapore Dollars)

	Attributable to owners of the Company							
	Note	Share capital	Treasury shares	Share-based compensation	Other reserves	Premium paid on acquisition	Retained earnings	Total equity
		(Note 28a)	(Note 28b)	reserve (Note 28c)	(Note 29)	of non-controlling interests		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>								
At 1 October 2019		287,141	(2,334)	34	(120,123)	(113,030)	36,205	87,893
Profit for the year, representing total comprehensive income for the year		-	-	-	-	-	25,225	25,225
<u>Contributions by and distributions to owners</u>								
Dividends on ordinary shares	34	-	-	-	-	-	(12,929)	(12,929)
Purchase of treasury shares		-	(150)	-	-	-	-	(150)
Share-based payment expenses (Kimly Performance Share Plan)		-	-	166	-	-	-	166
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
Total contributions by and distributions to owners		10,000	(90)	106	-	-	(12,929)	(2,913)
At 30 September 2020		297,141	(2,424)	140	(120,123)	(113,030)	48,501	110,205

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Statements of Changes in Equity

For the financial year ended 30 September 2021

(Amounts in Singapore Dollars)

	Note	Share capital (Note 28a) \$'000	Treasury shares (Note 28b) \$'000	Share-based compensation reserve (Note 28c) \$'000	Retained earnings \$'000	Total \$'000
<b>Company</b>						
At 1 October 2020		297,141	(2,424)	140	10,089	304,946
Profit for the year, representing total comprehensive income for the year		-	-	-	24,592	24,592
<u>Contributions by and distributions to owners</u>						
Dividends on ordinary shares	34	-	-	-	(16,655)	(16,655)
Share-based payment expenses		-	-	237	-	237
Treasury shares transferred on vesting of share awards granted under the Kimly Performance Share Plan		-	237	(237)	-	-
Issuance of ordinary shares		310	-	-	-	310
At 30 September 2021		297,451	(2,187)	140	18,026	313,430
At 1 October 2019		287,141	(2,334)	34	10,068	294,909
Profit for the year, representing total comprehensive income for the year		-	-	-	12,950	12,950
<u>Contributions by and distributions to owners</u>						
Dividends on ordinary shares	34	-	-	-	(12,929)	(12,929)
Purchase of treasury shares		-	(150)	-	-	(150)
Share-based payment expenses		-	-	166	-	166
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
At 30 September 2020		297,141	(2,424)	140	10,089	304,946

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



# Consolidated Statement of Cash Flows

For the financial year ended 30 September 2021

(Amounts in Singapore Dollars)

	Note	2021 \$'000	2020 \$'000
<b>Operating activities</b>			
Profit before tax		44,485	29,696
<u>Adjustments for:</u>			
Amortisation of intangible assets	15	675	807
Depreciation of investment properties	14	151	40
Depreciation of property, plant and equipment	13	4,420	3,925
Depreciation of right-of-use assets	16	36,688	31,656
Gain on disposal of property, plant and equipment	5	(19)	-
Impairment loss on property, plant and equipment	13	-	185
Impairment loss on intangible assets	15	-	777
Interest expense on lease liabilities	6	3,960	3,499
Interest expense on loans and borrowings	6	415	172
Interest income arising from the discount implicit in non-current receivables	6	(111)	(214)
Interest income on short-term deposits	6	(97)	(771)
Loss on derecognition of right-of-use assets and lease liabilities		1	-
Share of profit of an associate and joint ventures	18,19	(318)	(49)
Share-based payments (Kimly Performance Share Plan)		237	166
Write-off of property, plant and equipment	13	3	10
Total adjustments		46,005	40,203
<b>Operating cash flows before changes in working capital</b>		<b>90,490</b>	<b>69,899</b>

# Consolidated Statement of Cash Flows

For the financial year ended 30 September 2021

	Note	2021 \$'000	2020 \$'000
<b>Changes in working capital</b>			
Decrease/(increase) in trade and other receivables		7,126	(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		4,434	6,450
<b>Cash flows from operations</b>			
Interest received		93	925
Income taxes paid		(4,920)	(2,389)
<b>Net cash flows generated from operating activities</b>		90,097	74,885
<b>Investing activities</b>			
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	17	(695)	-
Purchase of property, plant and equipment	A	(3,347)	(56,029)
Purchase of investment properties		-	(7,130)
Purchase of intangible assets	B	(46)	(90)
Proceeds from disposal of property, plant and equipment		30	-
<b>Net cash flows used in investing activities</b>		(6,246)	(72,933)

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 September 2021

(Amounts in Singapore Dollars)

	Note	2021 \$'000	2020 \$'000
<b>Financing activities</b>			
Capital contribution from a non-controlling interest		147	-
Dividends paid on ordinary shares	34	(16,655)	(12,929)
Interest expenses on lease liabilities paid		(3,959)	(3,499)
Interest expense on loans and borrowings paid		(415)	(172)
Proceeds from loans and borrowings		-	25,815
Purchase of treasury shares	28(b)	-	(150)
Repayment of lease liabilities		(35,200)	(29,581)
Repayment of loans and borrowings		(1,104)	(301)
<b>Net cash flows used in financing activities</b>		<b>(57,186)</b>	<b>(20,817)</b>
Net increase/(decrease) in cash and cash equivalents		26,665	(18,865)
<b>Cash and cash equivalents at 1 October</b>		<b>68,324</b>	<b>87,189</b>
<b>Cash and cash equivalents at 30 September</b>	23	<b>94,989</b>	<b>68,324</b>

# Consolidated Statement of Cash Flows

For the financial year ended 30 September 2021

## Notes to the consolidated statement of cash flows

### A. Property, plant and equipment

	Note	2021 \$'000	2020 \$'000
Current year additions to property, plant and equipment	13	4,047	67,749
Less:			
Provision for restoration costs	27	(121)	(13)
Increase in prepayments		-	(1,815)
(Increase)/decrease in other payables		(579)	108
Paid via issuance of ordinary shares	28(a)	-	(10,000)
Net cash outflow for purchase of property, plant and equipment		3,347	56,029

### B. Intangible assets

	Note	2021 \$'000	2020 \$'000
Current year additions to intangible assets	15	46	32
Less:			
Decrease in other payables		-	58
Net cash outflow for purchase of intangible assets		46	90

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 1. CORPORATE INFORMATION

### 1.1 *The Company*

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 subsidiaries are disclosed in Note 17 to the financial statements.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 *Basis of preparation*

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”).

The consolidated financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The 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.

### 2.2 *Changes in accounting policies and disclosures*

#### *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 the SFRS(I) 16: Covid-19-Related Rent Concession 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.

#### *Amendments to the SFRS(I) 16: Covid-19-Related Rent Concession 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.

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 Changes in accounting policies and disclosures (cont'd)

*Amendments to the SFRS(I) 16: Covid-19-Related Rent Concession beyond 30 June 2021 (cont'd)*

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.

### 2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to References to the Conceptual Framework in SFRS(I) Standards	1 January 2021
Amendments to illustrative examples, implementation guidance and SFRS(I) practice statements	1 January 2021
Amendments to SFRS(I) 16: <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to SFRS(I) 1-37: <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to SFRS(I) 1-1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to SFRS(I) 1-8: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to SFRS(I) 10 & SFRS(I) 1-28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.4 *Basis of consolidation and business combinations*

#### (a) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

#### (b) *Business combinations and goodwill*

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in profit or loss.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination.



# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.4 *Basis of consolidation and business combinations (cont'd)*

#### (b) *Business combinations and goodwill (cont'd)*

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

#### (c) *Business combinations involving businesses or entities under common control*

Business combinations involving businesses or entities under common control are accounted for by applying the pooling of interest method which involves the following:

- Assets, liabilities, reserves, revenue and expenses of consolidated business or entities are reflected at their existing amounts;
- The retained earnings recognised in the consolidated financial statements are the retained earnings of the combining entities or businesses immediately before the combination; and
- No additional goodwill is recognised as a result of the combination.

On 1 October 2016, the Group underwent a corporate reorganisation in preparation for its listing on the SGX-ST (the "Restructuring Exercise"). The Group acquired all of the issued and paid-up ordinary shares of its subsidiaries from non-controlling interests amounting to \$8,204,000, which was satisfied through the issuance of 466,074,567 shares, amounting to \$116,519,000. The difference between the fair value of the consideration shares and the carrying value of the additional interest acquired from the non-controlling interests has been recognised as "Premium paid on acquisition of non-controlling interests" within equity.

### 2.5 *Transactions with non-controlling interests*

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.6 Foreign currency

The Group's financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using the functional currency.

#### (a) Transaction and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

#### (b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

### 2.7 Investment properties

Investment properties are properties that are either owned by the Group to earn rentals and/or for capital appreciation, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

Depreciation of an investment property begins when it is available for use and is computed on a straight-line basis over the estimated useful life of 50 years.

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.8 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Freehold building	50 years
Leasehold buildings	30 – 63 years
Electrical and renovations	3 – 8 years
Equipment and fittings	3 – 8 years
Motor vehicles	5 – 10 years

Assets under construction are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

### 2.9 *Intangible assets*

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the vents and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.9 *Intangible assets (cont'd)*

#### *Lease assignment fees*

Lease assignment fees are amounts paid to the previous tenants of the Group's leased premises when the leases were transferred to the Group. These lease assignment fees are amortised on a straight-line basis over the expected benefit period of between 7 to 12 years.

#### *Computer software*

Computer software are initially capitalised at cost, which includes the purchase price and other directly attributable cost of preparing the asset for its intended use. Cost associated with maintaining the computer software are recognised as an expense when they incurred.

Computer software are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over the useful life of 3 years.

#### *Trademarks*

The trademarks were acquired in a business combinations. The useful lives of the trademarks are estimated to be indefinite because based on the current assessment, management believes there is no foreseeable limit to the period over which the brands are expected to generate net cash inflows for the Group.

### 2.10 *Impairment of non-financial assets*

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.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment losses relating to goodwill cannot be reversed in future periods.



# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.11 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investment in subsidiaries are accounted for at cost less impairment losses.

### 2.12 *Associate and joint ventures*

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated statement of comprehensive income reflects the Group's share of the results of operations of the associate or joint venture. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associate and joint ventures' in the consolidated statement of comprehensive income.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.12 Associate and joint ventures (cont'd)

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

### 2.13 Financial instruments

#### (a) Financial assets

##### *Initial recognition and measurement*

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

##### *Subsequent measurement*

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset.

##### *Amortised cost*

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are de-recognised or impaired, and through amortisation process.

##### *De-recognition*

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.13 Financial instruments (cont'd)

#### (b) Financial liabilities

##### *Initial recognition and measurement*

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

##### *Subsequent measurement*

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

##### *De-recognition*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

### 2.14 Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECL") for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default ("a lifetime ECL").

For trade receivables, the Group applies a simplified approach in calculating ECL. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 2.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for on a first-in first-out basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### 2.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### 2.18 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grants shall be recognised in profit or loss on a systematic basis over the periods which the Group recognises as expenses the related costs for which the grants are intended to compensate.

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.19 *Borrowing costs*

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 2.20 *Financial guarantee*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.14 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

### 2.21 *Employee benefit*

#### (a) *Defined contribution plans*

The Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

#### (b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period. The liability for leave expected to be settled beyond twelve months from the end of the reporting period is determined using the projected unit credit method. The net total of service costs, net interest on the liability and remeasurement of the liability are recognised in profit or loss.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.21 *Employee benefit (cont'd)*

#### (c) *Employee share awards plan*

Employees of the Group receive remuneration in the form of share awards as consideration for services rendered. The cost of these equity-settled share based payment transactions with employees is measured by reference to the fair value of the share awards at the date on which the share awards are granted which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss, with a corresponding increase in the share-based compensation reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of share awards that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. The share-based compensation reserve is transferred to retained earnings upon expiry of the share awards.

### 2.22 *Leases*

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### *Group as a lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### (a) *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Coffeeshops, food courts, restaurants, and retail shops	2 to 10 years
Office and central kitchen premises	2 to 17 years
Residential units	2 years
Motor vehicles	3 to 4 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.10. The Group's right-of-use assets are presented in Note 16.

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.22 Leases (cont'd)

*Group as a lessee (cont'd)*

#### (b) *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are presented in Note 16.

#### (c) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.22 Leases (cont'd)

#### *Group as a lessor*

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 2.23(b). Contingent rents are recognised as revenue in the period in which they are earned.

### 2.23 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

#### (a) *Revenue from sale of food, beverages and tobacco products*

Revenue is recognised when the food, beverages and tobacco products are delivered to the customer and all criteria for acceptance have been satisfied at a point in time.

#### (b) *Rental income*

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

#### (c) *Provision of cleaning and utilities services*

Revenue from provision of cleaning and utilities services to the tenants are recognised over the terms of the service agreement.

#### (d) *Outlet management fee*

Revenue from the rendering of outlet management services is recognised over time on a straight-line basis over the terms of the service agreements. Additional revenue from incentives when performance indicators are met is recognised in the period in which they are earned and when the amount can be measured reliably.

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.24 Taxes

#### (a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### (b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investment in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business consolidation and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investment in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.24 Taxes (cont'd)

#### (b) *Deferred tax (cont'd)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

#### (c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

### 2.25 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge.

The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 31, including the factors used to identify the reportable segments and the measurement basis of segment information.

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.26 *Share capital and share issuance expenses*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

### 2.27 *Treasury shares*

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

### 2.28 *Contingencies*

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, 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 asset or liability 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.

## 4. REVENUE

	Group	
	2021 \$'000	2020 \$'000
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
	238,642	210,773
<i>Timing of transfer of goods or services</i>		
At a point in time	196,415	174,463
Over time	42,227	36,310
	238,642	210,773

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 5. OTHER OPERATING INCOME

	Group	
	2021 \$'000	2020 \$'000
Government grants:		
- Special Employment Credit	503	915
- Wage Credit Scheme	550	605
- Others	794	-
Sponsorships	753	886
Insurance claims	86	291
Gain on disposal of property, plant and equipment	19	-
Others	548	569
	3,253	3,266

### *Special Employment Credit*

The Special Employment Credit ("SEC") was introduced as a 2011 Budget Initiative to support employers as well as to raise the employability of older low-wage Singaporeans. It was enhanced in 2012 to provide employers with continuing support to hire older Singaporean workers. It has been extended in Budget 2016 for three years from 2017 to 2019 and a further one-year extension to 2020 at Budget 2019 to provide a wage-offset to employers hiring Singaporean workers aged 55 and above and earning up to \$4,000.

### *Wage Credit Scheme*

The Wage Credit Scheme ("WCS") was introduced as a 2013 Budget Initiative to help businesses which may face rising wage costs in a tight labour market. As at 30 September 2020, under this scheme, the Singapore Government will co-fund 20% and 15% of qualifying wage increases given to the Group's Singaporean employees earning a gross monthly wage of \$5,000 and below for 2019 and 2020 respectively. This was further extended by one year to 2021, with the government co-funding ratio remaining at 15% and the qualifying gross wage ceiling at \$5,000.

### *Sponsorships*

Income from sponsorships refer to marketing incentives received from suppliers over the sponsorship period.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 6. FINANCE INCOME/(COSTS)

	Group	
	2021 \$'000	2020 \$'000
<b>Finance income</b>		
Interest income from:		
- Short-term deposits	97	771
- Interest income arising from the discount implicit in non-current receivables	111	214
	208	985
<b>Finance costs</b>		
Interest expense on:		
- Lease liabilities	(3,960)	(3,499)
- Loans and borrowings	(415)	(172)
	(4,375)	(3,671)

## 7. OTHER OPERATING EXPENSES

	Note	Group	
		2021 \$'000	2020 \$'000
Amortisation of intangible assets	15	675	807
Impairment of intangible assets	15	-	777
Impairment of property, plant and equipment	13	-	185
Loss on derecognition of right-of-use assets and lease liabilities		1	-
Write-off of property, plant and equipment	13	3	10
		679	1,779

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 8. PROFIT BEFORE TAX

The following expense items have been included in arriving at profit before tax:

	Note	Group	
		2021 \$'000	2020 \$'000
Audit fees to auditors of the Company		413	347
Non-audit fees:			
- Auditor of the Company		-	5
- Other auditors		57	40
Depreciation of property, plant and equipment	13	4,420	3,925
Depreciation of investment properties	14	151	40
Depreciation of right-of-use asset	16	36,688	31,656
Impairment of intangible assets	15	-	777
Impairment of property, plant and equipment	13	-	185
Employee benefits expenses	9	53,460	50,495
Directors' fees		200	200
Lease expenses not capitalised in lease liabilities, net of rental relief received*		(1,377)	1,674
Property tax expense#		72	55

\* During the financial year ended 30 September 2021, the Group recognised COVID-19 related rent concessions of \$3,630,000 (2020: \$5,272,000) recorded against leases expenses not capitalised in lease liabilities.

# Included in the property tax expense is property tax rebates of \$170,000 (2020: \$58,000) received by the Group. In the COVID-19 (Temporary Measures) Act 2020, owners of qualifying non-residential properties ("qualifying properties") are granted a property tax rebate of up to 100% on their property tax payable from 1 January 2020 to 31 December 2020. Owners of qualifying properties are required to unconditionally and fully pass on to their tenants the property tax rebate that is attributable to the rented property based on the period it was rented out.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 9. EMPLOYEE BENEFITS EXPENSES

	Group	
	2021	2020
	\$'000	\$'000
Employee benefits expenses (including Executive Directors):		
- Salaries, bonuses and other costs	48,480	45,772
- Central Provident Fund contributions	3,548	3,249
- Other short-term benefits	1,195	1,508
- Share-based payments (Kimly Performance Share Plan)	237	166
	53,460	50,695

Other short-term benefits include staff allowances, housing benefits, training and other employee benefits.

### *Jobs Support Scheme*

The Jobs Support Scheme ("JSS") was introduced in the Budget 2020 and enhanced subsequently in the four supplementary budgets to provide wage support to employers to help them retain their local employees during the period of economic uncertainty. Under the JSS, the Government co-funds the first \$4,600 of gross monthly wages (include employee CPF contributions but exclude employer CPF contributions) paid to each local employee.

During the financial year ended 30 September 2021, the Group recognised grant income under the JSS of \$13,545,000 (2020: \$7,229,000) against salaries, and bonuses and other costs.

### *Foreign worker levy rebates and waiver*

Foreign worker levy rebates and waiver was first introduced in the Solidarity Budget that the foreign worker levy due in April 2020 would be waived, and companies would receive a rebate of \$750 in that month for each work permit or S-Pass holder, from levies paid this year. The waiver and rebate were extended by a month following the extension of the Circuit Breaker period for another month.

During the financial year ended 30 September 2021, the Group recognised foreign worker levy rebates and waiver of \$10,000 (2020: \$1,994,000) against salaries, bonuses and other costs.

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 9. EMPLOYEE BENEFITS EXPENSES (CONT'D)

### *Kimly Performance Share Plan*

Under the Kimly Performance Share Plan, share awards are granted to the Operations Managers who can elect to receive up to 40% of the share awards in cash on grant date and the remaining in fully-paid shares of the Company. The share awards granted are dependent on achieving key performance indicators over the performance periods that are approved by the Remuneration Committee which includes the successful achievement of certain quantifiable performance condition or targets, such as sales, gross profit margin, occupancy rate target and profit before taxation. The Operations Managers must remain in service in order to vest the share awards from the date of the grant, which will be vested over 36 months as follows:

- (i) 40% after 12 months;
- (ii) 30% after 24 months; and
- (iii) 30% after 36 months.

On termination of employment, all unvested options will be cancelled.

The expense recognised in profit or loss for share awards granted under Kimly Performance Share Plan during the financial year is \$237,000 (2020: \$166,000), and the carrying amount of the liability recognised in the Group's statement of financial position relating to such share awards at 30 September 2021 is \$250,000 (2020: \$153,000).

During the financial year, the Company granted 719,212 (2020: 750,493) share awards. A total of 885,889 shares were released via the transfer of treasury shares (2020: 224,280).

## 10. 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:

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
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	-



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 10. 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.

Future minimum rental payable under non-cancellable operating leases with related parties at the end of the reporting period are as follows:

	Group	
	2021 \$'000	2020 \$'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
	25,684	34,245
<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
	382	83
<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
	7,077	8,301

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 10. RELATED PARTY TRANSACTIONS (CONT'D)

### (c) Compensation of key management personnel

	Group	
	2021 \$'000	2020 \$'000
Salaries, bonuses and other costs	4,219	2,745
Central Provident Fund contributions	90	87
	4,309	2,832
<i>Comprise amounts paid to:</i>		
Directors of the Company	3,268	2,196
Other key management personnel	1,041	636
	4,309	2,832

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 11. INCOME TAX EXPENSE

### (a) Major components of income tax expense

The major components of income tax expense for the years ended 30 September 2021 and 2020 are:

	Group	
	2021	2020
	\$'000	\$'000
<i>Current income tax</i>		
- Current income taxation, representing total income tax expense recognised in profit or loss	5,996	4,372
- Over provision in respect of previous years	(269)	(95)
	5,727	4,277
<i>Deferred income tax</i>		
- Amortisation and reversal of temporary differences	(534)	194
Income tax expense recognised in profit or loss	5,193	4,471

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 11. INCOME TAX EXPENSE (CONT'D)

### (b) Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 30 September 2021 and 2020 is as follows:

	Group	
	2021	2020
	\$'000	\$'000
Profit before tax	44,485	29,696
Tax at corporate tax rate of 17% (2020: 17%)	7,562	5,048
Adjustments:		
- Non-deductible expenses	429	1,266
- Income not subject to taxation	(2,373)	(1,241)
- Effect of partial tax exemption and tax relief	(580)	(600)
- Over provision in respect of previous years	(269)	(95)
- Deferred tax assets not recognised	503	48
- Others	(79)	45
Income tax expense recognised in profit or loss	5,193	4,471

As at 30 September 2021, the Group has unutilised tax losses and unabsorbed capital allowances of approximately \$2,372,000 and \$586,000 (2020: \$221,000 and \$59,000) respectively that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these balances is subject to the agreement of the tax authority and compliance with the relevant provisions of Singapore tax legislation.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 12. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share are calculated by dividing profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the profit and share data used in the computation of basic and diluted earnings per share for the years ended 30 September:

	Group	
	2021	2020
Profit for the year attributable to owners of the Company used in the computation of basic and diluted earnings per share (\$'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 diluted earnings per share computation ('000) *	1,189,817	1,157,560
Basic earnings per share (cents)	3.30	2.18
Diluted earnings per share (cents)	3.30	2.18

\* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares transactions during the year.

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 13. PROPERTY, PLANT AND EQUIPMENT OWNED

	Freehold building \$'000	Leasehold buildings \$'000	Electrical and renovations \$'000	Equipment and fittings \$'000	Motor vehicles \$'000	Total \$'000
<b>Group</b>						
<b>At cost</b>						
At 1 October 2019	-	4,065	7,645	9,435	2,004	23,149
Reclassified as right-of-use assets (Note 16)	-	-	-	-	(167)	(167)
Additions	9,265	55,199	1,208	1,915	162	67,749
Disposals	-	-	(8)	(28)	(27)	(63)
Written off	-	-	(10)	(169)	-	(179)
At 30 September 2020 and 1 October 2020	9,265	59,264	8,835	11,153	1,972	90,489
Acquisition of a subsidiary (Note 17)	-	-	-	-	125	125
Additions	-	-	1,891	1,930	226	4,047
Disposals	-	-	-	(145)	(87)	(232)
Written-off	-	-	(41)	(19)	-	(60)
At 30 September 2021	9,265	59,264	10,685	12,919	2,236	94,369
<b>Accumulated depreciation and impairment</b>						
At 1 October 2019	-	1,061	4,970	6,127	1,267	13,425
Reclassified as right-of-use assets (Note 16)	-	-	-	-	(37)	(37)
Depreciation charge for the year	52	568	1,346	1,748	211	3,925
Disposals	-	-	(35)	(10)	(18)	(63)
Written off	-	-	(9)	(160)	-	(169)
Impairment	-	-	185	-	-	185
At 30 September 2020 and 1 October 2020	52	1,629	6,457	7,705	1,423	17,266
Depreciation charge for the year	195	1,092	1,318	1,611	204	4,420
Disposals	-	-	-	(140)	(81)	(221)
Written-off	-	-	(38)	(19)	-	(57)
At 30 September 2021	247	2,721	7,737	9,157	1,546	21,408
<b>Net carrying amount</b>						
At 30 September 2021	9,018	56,543	2,948	3,762	690	72,961
At 30 September 2020	9,213	57,635	2,378	3,448	549	73,223

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 13. PROPERTY, PLANT AND EQUIPMENT OWNED (CONT'D)

### *Restoration costs*

Included in the Group's carrying amount of electrical and renovations is \$188,000 (2020: \$141,000) of provision for restoration costs.

### *Impairment of assets*

During the financial year ended 30 September 2020, an impairment loss of \$185,000 representing the write-down of plant and equipment of the restaurants and confectionery businesses, under the trademarks of Tonkichi and Rive Gauche, to the recoverable amount was recognised in "Other operating expenses" (Note 7) line item in the consolidated statement of comprehensive income.

### *Assets pledged as security*

As at 30 September 2021, leasehold and freehold property with carrying amounts of \$53,893,000 (2020: \$54,808,000) and \$9,018,000 (2020: \$9,213,000), respectively, have been pledged to a bank to secure bank facilities granted as disclosed in Note 26.

Details of freehold property as at 30 September 2021 is as follows:

<b>Location</b>	<b>Description</b>	<b>Tenure</b>	<b>Floor area (sq m)</b>
38 Jalan Pemimpin #01-04 M38 Singapore 377178	Industrial canteen	Freehold	456
143 Teck Whye Lane #01-243, Singapore 680143	HDB coffeeshop	93 years commencing from 1 July 1992	224
Block 7 Everton Park #01-01, Singapore 080007	HDB coffeeshop	84 years commencing from 1 January 1995	381
Block 246 Hougang Street 22 #01-161, Singapore 530246	HDB coffeeshop	88 years commencing from 1 April 1995	394
Block 347 Ang Mo Kio Avenue 3 #01-2150, Singapore 560347	HDB coffeeshop	81 years commencing from 1 March 1996	330
Block 380 Clementi Avenue 5 #01-376, Singapore 120380	HDB coffeeshop	86 years commencing from 1 October 1993	283

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 14. INVESTMENT PROPERTIES OWNED

	Group \$'000		
<b>Consolidated statement of financial position</b>			
<i>At cost</i>			
At 1 October 2019	-		
Additions	7,130		
At 30 September 2020, 1 October 2020 and 30 September 2021	7,130		
<i>Accumulated depreciation</i>			
At 1 October 2019	-		
Depreciation charge for the year	40		
At 30 September 2020 and 1 October 2020	40		
Depreciation charge for the year	151		
At 30 September 2021	191		
<i>Net carrying amount</i>			
At 30 September 2021	6,939		
At 30 September 2020	7,090		
		<b>2021</b>	<b>2020</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Consolidated statement of comprehensive income</b>			
Rental income from investment properties		248	64
Direct operating expenses (including repairs and maintenance) arising from rental generating properties *		(47)	(12)

\* Included in the direct operating expenses is property tax rebates of \$10,000 (2020: \$11,000) received by the Group as disclosed in Note 8.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 14. INVESTMENT PROPERTIES OWNED (CONT'D)

The investment properties held by the Group are as follows:

Description	Location	Tenure
Two canteen units with mezzanine level located on the second storey of a 6-storey block known as Bizhub 28, an industrial development	28 Senang Crescent #02-11/12 Bizhub 28, Singapore 416601	Freehold
A restaurant unit with mezzanine level located on the first and second storeys of a 4-storey commercial-cum-residential block	38 Jalan Pemimpin #01-03 M38, Singapore 577178	Freehold

The Group has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance or enhancements.

As at 30 September 2021, investment properties with carrying amounts of \$6,939,000 (2020: \$7,090,000) have been pledged to a bank to secure bank facilities granted as disclosed in Note 26.

### *Valuation of investment properties*

Management has determined that the fair values of the investment properties approximate the carrying amount of the investment properties as at 30 September 2021. Management estimates the fair value of the investment properties based on inputs provided by a financial institution. Management corroborated the fair value by obtaining the valuation from an independent valuer on a sample basis for properties owned by the Group.

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 15. INTANGIBLE ASSETS AND GOODWILL

	Goodwill \$'000	Customer contracts \$'000	Lease assignment fees \$'000	Trademarks \$'000	Computer software \$'000	Total \$'000
<b>Group</b>						
<b>Cost</b>						
At 1 October 2019	705	-	15,140	72	685	16,602
Additions	-	-	-	-	32	32
At 30 September 2020 and 1 October 2020	705	-	15,140	72	717	16,634
Additions	-	-	-	-	46	46
Acquisition of a subsidiary (Note 17)	921	50	-	-	-	971
At 30 September 2021	1,626	50	15,140	72	763	17,651
<b>Accumulated amortisation and impairment</b>						
At 1 October 2019	-	-	10,340	-	301	10,641
Charge for the year	-	-	535	-	272	807
Impairment	705	-	-	72	-	777
At 30 September 2020 and 1 October 2020	705	-	10,875	72	573	12,225
Charge for the year	-	50	535	-	90	675
At 30 September 2021	705	50	11,410	72	663	12,900
<b>Net carrying amount</b>						
At 30 September 2021	921	-	3,730	-	100	4,751
At 30 September 2020	-	-	4,265	-	144	4,409

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 15. INTANGIBLE ASSETS (CONT'D)

### *Amortisation expense*

The amortisation of intangible assets is included in the "Other operating expenses" (Note 7) in the consolidated statement of comprehensive income.

### *Impairment testing of goodwill*

Goodwill is derived from the excess of purchase consideration over the fair value of the identifiable net assets acquired. As at 30 September 2021, the carrying amount of the goodwill of \$921,000 arose from the acquisition of 60% of the issued share capital in Klovex Holdings Pte. Ltd. ("Klovex") on 1 April 2021.

The recoverable amount of Klovex has been determined based on value-in-use calculation using cash flow projections from financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flow projections beyond the five-year period are 14% and 1% respectively.

### *Key assumptions used in the value in use calculations*

The calculation of value-in-use for Klovex is most sensitive to the following assumptions:

**Budgeted gross margins** – Gross margins are based on average values achieved since the Group acquired Klovex. These are increased over the budget period for anticipated efficiency improvements and cost saving measures through leveraging on Group synergy.

**Pre-tax discount rate** – Discount rate represent the current market assessment of the risks specific to Klovex, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital ("WACC"). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

**Growth rates** – The forecasted growth rates are based on published industry research and do not exceed the long-term average growth rate for the industry relevant to Klovex .

### *Sensitivity to changes in assumptions*

With regards to the assessment of value-in-use for goodwill of Klovex, management believe that no reasonable possible changes in any of the key assumptions would cause the carrying value of Klovex to materially exceed its recoverable amount.

During financial year ended 30 September 2020, management had recognised an impairment loss of \$777,000 on the goodwill and trademarks of the restaurants and confectionery businesses, Tonkichi and Rive Gauche, due to adverse effect on business as a result of the on-going COVID-19 situation. The impairment loss was recognised in "Other operating expenses" (Note 7) in the consolidated statement of comprehensive income.

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 16. LEASES

### *Group as a lessee*

The Group has lease contracts for coffeeshops, food courts, restaurants, retail shops, residential units, office and central kitchen premises as well as motor vehicles. Generally, lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt or further leases. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The Group also has certain leases of food outlets and equipment with lease terms of 12 months or less and leases of equipment with low value. The Group applies the short-term lease and lease of low-value assets recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year.

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

	Coffeeshops, food courts, restaurants, and retail shops \$'000	Residential units \$'000	Office and central kitchen premises \$'000	Motor vehicles \$'000	Total \$'000
<b>Cost</b>					
As at 1 October 2019	98,612	537	982	355	100,486
Additions for the year	49,872	1,389	141	80	51,482
Modifications *	15,248	72	-	-	15,320
As at 30 September 2020	163,732	1,998	1,123	435	167,288
Additions for the year	5,511	577	-	125	6,213
Modifications *	14,125	570	-	-	14,695
Cessation	(92)	(128)	-	-	(220)
As at 30 September 2021	183,276	3,017	1,123	560	187,976



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 16. LEASES (CONT'D)

*Group as a lessee (Cont'd)*

	Coffeeshops, food courts, restaurants, and retail shops \$'000	Residential units \$'000	Office and central kitchen premises \$'000	Motor vehicles \$'000	Total \$'000
<b>Accumulated depreciation</b>					
As at 1 October 2019	–	–	–	37	37
Depreciation charge for the year	30,826	671	81	78	31,656
As at 30 September 2020	30,826	671	81	115	31,693
Depreciation charge for the year	35,328	1,129	128	103	36,688
Cessation	(20)	(128)	–	–	(148)
As at 30 September 2021	66,134	1,672	209	218	68,233
<b>Net carrying amount</b>					
As at 30 September 2021	117,142	1,345	914	342	119,743
As at 30 September 2020	132,906	1,327	1,042	320	135,595

\* Modifications relate to change in lease term for certain leases.

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 16. LEASES (CONT'D)

### *Group as a lessee (cont'd)*

#### (b) *Lease liabilities*

The carrying amounts of lease liabilities and the movements during the year are disclosed as below:

	Group	
	2021 \$'000	2020 \$'000
As at 1 October	137,134	100,366
Additions	6,183	51,029
Modifications *	14,635	15,320
Accretion of interests	3,960	3,499
Lease payments	(39,160)	(33,080)
Cessation	(71)	-
At 30 September	122,681	137,134
Current	34,553	33,181
Non-current	88,128	103,953
	122,681	137,134

\* Modifications relate to change in lease term for certain leases.

The maturity analysis of lease liabilities of the Group at each reporting period is disclosed in Note 32(b).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 16. LEASES (CONT'D)

### *Group as a lessee (cont'd)*

#### (c) *Amount recognised in profit or loss*

The following are the amount recognised in profit or loss:

	Group	
	2021	2020
	\$'000	\$'000
Depreciation expenses of right of use assets		
- Cost of sales	35,270	30,849
- Administrative expense	1,418	807
Interest expense on lease liabilities	3,960	3,499
Lease expenses not capitalised in lease liabilities:		
- Expenses relating to low value assets	320	291
- Expenses relating to short-term leases:		
- Lease expense	1,690	6,311
- Rental relief	(147)	(339)
- Expenses relating to variable lease payments:		
- Contingent rental	243	344
- Rental relief	(3,483)	(4,933)
Total amount recognised in profit or loss	39,271	36,829

The Group had total cash outflows for leases (including lease expenses not capitalised in lease liabilities) of \$37,783,000 (2020: \$34,754,000) for the financial year ended 30 September 2021. The Group also had non-cash changes to right-of-use assets and lease liabilities of \$20,908,000 and \$20,818,000 (2020: \$66,802,000 and \$66,349,000) respectively in the financial year ended 30 September 2021. The Group has not entered into any lease contracts which have not yet commenced as at 30 September 2021 and 30 September 2020.

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 16. LEASES (CONT'D)

### *Group as a lessor*

The Group has entered into operating leases for its portfolio of coffeeshops, food courts, restaurants, and retail shops . These leases have terms ranging between one to three years.

Future minimum rentals receivable under non-cancellable operating leases as at 30 September 2021 and 2020 are as follows:

	Group	
	2021 \$'000	2020 \$'000
Not later than one year	7,140	6,047

## 17. INVESTMENT IN SUBSIDIARIES

	Company	
	2021 \$'000	2020 \$'000
Unquoted equity shares, at cost	122,528	122,528
Issuance of shares for acquisition of non-controlling interests in subsidiaries	116,519	116,519
	239,047	239,047



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 17. INVESTMENT IN SUBSIDIARIES (CONT'D)

### (a) *Composition of the Group*

The Group has the following investment in subsidiaries as at the financial years ended 30 September:

Name of subsidiaries	Principal place of business	Principal activities	Proportion (%) of ownership interest	
			2021	2020
<b><i>Held by the Company:</i></b>				
Kimly Food Holdings Pte. Ltd. <sup>(a)</sup>	Singapore	Manufacture of cooked food preparations	100	100
Chodee Food Holdings Pte. Ltd. <sup>(a)</sup>	Singapore	Provision of management services	100	100
LHL Group Pte. Ltd. <sup>(a)</sup>	Singapore	Provision of management services	100	100
Jin Wei Food Holdings Pte. Ltd. <sup>(a)</sup>	Singapore	Letting and operating of coffee shop	100	100
Kimly Food Products Pte. Ltd. <sup>(a)</sup>	Singapore	Operating of restaurant and confectionary shop	100	100
Jin Wei Investments Pte. Ltd. <sup>(a) (b)</sup>	Singapore	Provision of management services	100	-
<b><i>Held through Kimly Food Holdings Pte. Ltd.</i></b>				
Kimly Makan Place Pte. Ltd. <sup>(a)</sup>	Singapore	Operating of coffee shop	100	100
Kimly MVR Pte. Ltd. <sup>(a)</sup>	Singapore	Sale of food products	100	100
Kimly Seafood Pte. Ltd. <sup>(a)</sup>	Singapore	Sale of food products	100	100
<b><i>Held through Chodee Food Holdings Pte. Ltd.</i></b>				
Kimly Dim Sum Pte. Ltd. <sup>(a)</sup>	Singapore	Sale of food products	100	100
Klovex Holdings Pte. Ltd. <sup>(a) (d)</sup>	Singapore	Provision of cleaning services	60	-
<b><i>Held through Jin Wei Food Holdings Pte. Ltd.</i></b>				
Choh Dee (TW143) Food House Pte. Ltd. <sup>(a)</sup>	Singapore	Letting and operating of coffee shops	100	100
Wei Sheng Holdings Pte. Ltd. <sup>(a)</sup>	Singapore	Letting and operating of coffee shops	100	100
Din Yun Pte Ltd <sup>(a)</sup>	Singapore	Letting and operating of coffee shops	100	100
Northstar (2001) Pte. Ltd. <sup>(a)</sup>	Singapore	Investment holding	100	100

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 17. INVESTMENT IN SUBSIDIARIES (CONT'D)

### (a) *Composition of the Group (Cont'd)*

Name of subsidiaries	Principal place of business	Principal activities	Proportion (%) of ownership interest	
			2021	2020
<i>Held through Kimly Makan Place Pte. Ltd.</i>				
881 Hougang Food House Pte. Ltd. <sup>(a)</sup>	Singapore	Operating of coffee shop	100	100
147 Serangoon Food House Pte. Ltd. <sup>(a)</sup>	Singapore	Operating of coffee shop	100	100
BN123 Food House Pte. Ltd. <sup>(a)</sup>	Singapore	Operating of coffee shop	100	100
Chai Chee 29 Food House Pte. Ltd. <sup>(a)</sup>	Singapore	Operating of coffee shop	100	100
Choh Dee Place (163A) Pte. Ltd. <sup>(a)</sup>	Singapore	Operating of coffee shop	100	100
Choh Dee Place (346A) Pte. Ltd. <sup>(a)</sup>	Singapore	Operating of coffee shop	100	100
Gourmet Express Food House Pte. Ltd. <sup>(a)</sup>	Singapore	Operating of coffee shop	100	100
Jurong West 651 Food House Pte. Ltd. <sup>(a)</sup>	Singapore	Operating of coffee shop	100	100
Park (E) Crescent Food House Pte. Ltd. <sup>(a)</sup>	Singapore	Operating of coffee shop	100	100
Park Reservoir Food House Pte. Ltd. <sup>(a)</sup>	Singapore	Operating of coffee shop	100	100
PP146 Food House Pte. Ltd. <sup>(a)</sup>	Singapore	Operating of coffee shop	100	100
Sengkang 266 Food House Pte. Ltd. <sup>(a)</sup>	Singapore	Operating of coffee shop	100	100
Tampines West Food Court Pte. Ltd. <sup>(a)</sup>	Singapore	Operating of coffee shop	100	100
CDP Kimly Pte. Ltd. <sup>(a)</sup>	Singapore	Operating of coffee shop	100	100
Yong Yun Pte. Ltd. <sup>(a)</sup>	Singapore	Operating of coffee shop	100	100
Foodclique (Capeview) Pte. Ltd. <sup>(a)</sup>	Singapore	Operating of coffee shop	100	100
Foodclique Pte. Ltd. <sup>(a)</sup>	Singapore	Operating of coffee shop	100	100
Kedai Kopi Pte. Ltd. <sup>(a) (c)</sup>	Singapore	Operating of coffee shop	51	-

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 17. INVESTMENT IN SUBSIDIARIES (CONT'D)

### (a) *Composition of the Group (Cont'd)*

Name of subsidiaries	Principal place of business	Principal activities	Proportion (%) of ownership interest	
			2021	2020
<b><i>Held through Kimly MVR Pte. Ltd.</i></b>				
Kimly MVR Central Pte. Ltd. <sup>(a)</sup>	Singapore	Sale of food products	100	100
Kimly MVR East Pte. Ltd. <sup>(a)</sup>	Singapore	Sale of food products	100	100
Kimly MVR West Pte. Ltd. <sup>(a)</sup>	Singapore	Sale of food products	100	100
<b><i>Held through Kimly Seafood Pte. Ltd.</i></b>				
Kimly Seafood Central Pte. Ltd. <sup>(a)</sup>	Singapore	Sale of food products	100	100
Kimly Seafood East Pte. Ltd. <sup>(a)</sup>	Singapore	Sale of food products	100	100
Kimly Seafood West Pte. Ltd. <sup>(a)</sup>	Singapore	Sale of food products	100	100
<b><i>Held through Kimly Dim Sum Pte. Ltd.</i></b>				
Kimly Dim Sum East Pte. Ltd. <sup>(a)</sup>	Singapore	Sale of food products	100	100
Kimly Dim Sum West Pte. Ltd. <sup>(a)</sup>	Singapore	Sale of food products	100	100
Kimly Food Manufacturing Pte. Ltd. <sup>(a)</sup>	Singapore	Central food processing centre	100	100

<sup>(a)</sup> Audited by Ernst & Young LLP, Singapore

<sup>(b)</sup> Incorporated during the financial year ended 30 September 2021

<sup>(c)</sup> Entered into a business arrangement during the financial year ended 30 September 2021

<sup>(d)</sup> Acquired on 1 April 2021

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 17. INVESTMENT IN SUBSIDIARIES (CONT'D)

### (b) *Acquisition of a subsidiary*

On 1 April 2021, the Group acquired 60% of the issued share capital in Klovex Holdings Pte. Ltd. ("Klovex"), a non-listed company incorporated in Singapore and principally engaged in the business of providing general cleaning services. The Group acquired Klovex to increase the Group's presence in the cleaning services industry and increase its revenue streams. Further, the Group will be able to leverage on Klovex's expertise for its furtherance of its hygiene standards of the Group's existing businesses by harnessing on Klovex's capabilities to service the Group's existing food outlets.

#### **Assets acquired and liabilities assumed**

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

	<b>\$'000</b>
Property, plant and equipment owned	125
Intangible assets (customer contracts)	50
Current liabilities	(1)
Deferred tax liabilities	(30)
Net assets acquired and liabilities assumed	144
Non-controlling interests	(60)
Goodwill arising on acquisition	921
Add: Cash and cash equivalent of subsidiary acquired	5
Purchase consideration transferred	1,010
Total purchase consideration satisfied by:	
- Cash	700
- Issuance of shares	310
	1,010



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 17. INVESTMENT IN SUBSIDIARIES (CONT'D)

### (b) *Acquisition of a subsidiary (Cont'd)*

#### **Assets acquired and liabilities assumed (cont'd)**

The deferred tax liabilities assumed mainly comprises the tax effect of the accelerated depreciation for tax purposes of tangible and intangible assets.

The goodwill of \$921,000 comprises the value of expected synergies arising from the acquisition and expertise for furtherance of the Group's hygiene standards which is not separately recognised. The expected synergies and expertise 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 Klovex.

The Company issued 1,000,000 ordinary shares as consideration for the 60% interest in Klovex. The fair value of the shares is calculated with reference to the quoted price of the shares of the Company at the date of acquisition, which was \$0.31 per share. The fair value of the consideration given was therefore \$310,000.

From the acquisition date, the acquired subsidiary has contributed \$1,607,000 of revenue and loss before tax of \$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 \$3,189,000 and the contribution to the Group's profit after tax would have been loss before tax of \$160,000.

#### **Analysis of cash flows on acquisition:**

	<b>\$'000</b>
Purchase consideration paid in cash	700
Less: Cash and cash equivalent of subsidiary acquired	(5)
Net cash used in acquisition of a subsidiary, Klovex	<u>695</u>

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 18. INVESTMENT IN AN ASSOCIATE

	Group	
	2021 \$'000	2020 \$'000
Investment in an associate	6,061	6,081
Investment in joint ventures (Note 19)	6,178	3,652
Investment in an associate and joint ventures	12,239	9,733

The Group's investment in an associate represents 25% interest in North View Investments LLP, which is involved in the letting of coffee shop. The Group's interest in North View Investments LLP is accounted for using equity method in the consolidated financial statements. The associate is audited by Ernst & Young LLP, Singapore.

The summarised information of the Group's investment in North View Investments LLP is set out below:

### Summarised statement of financial position

	2021 \$'000	2020 \$'000
Current assets	3,077	3,081
Non-current assets	30,941	31,388
Current liabilities	255	200
Non-current liabilities	9,440	9,927
Equity	24,323	24,342
Group's share in equity - 25% (2020: 25%)	6,081	6,086
Other adjustments:		
Taxation	(20)	(5)
Carrying amount of the investment	6,061	6,081

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 18. INVESTMENT IN AN ASSOCIATE (CONT'D)

### Summarised statement of comprehensive income

	2021 \$'000	2020 \$'000
Revenue	1,110	321
Profit for the year	459	110
Total comprehensive income	459	110
Group's share of profit for the year, pre-tax	115	28
Taxation	(20)	(5)
Group's share of profit for the year, after-tax	95	23
Dividends received during the year	115	-

The associate had no contingent liabilities or capital commitments as at 30 September 2021 and 2020.

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 19. INVESTMENT IN JOINT VENTURES

The Group's investment in joint ventures are summarised below:

	2021 \$'000	2020 \$'000
Hong Kah Food Place Pte. Ltd. ("Hong Kah")	1,370	1,385
Joo Seng Food Place Pte. Ltd. ("Joo Seng")	1,093	1,140
Sin Tong Hong Eating House Pte. Ltd. ("Sin Tong Hong")	1,165	1,127
Jin Yuan 134 Food House Pte. Ltd. ("Jin Yuan")	725	-
Zhen Wei Food House Pte. Ltd. ("Zhen Wei")	1,825	-
	6,178	3,652

The Group's interest in the joint ventures is accounted for using equity method in the consolidated financial statements.

Details of the joint ventures are as follows:

Name of joint ventures	Principal place of business	Principal activities	Proportion (%) of ownership interest	
			2021	2020
<b><i>Held through Kimly Makan Place Pte. Ltd.</i></b>				
Hong Kah Food Place Pte. Ltd. <sup>(1)</sup>	Singapore	Operating of coffee shop	49	49
Joo Seng Food Place Pte. Ltd. <sup>(1)</sup>	Singapore	Operating of coffee shop	49	49
Sin Tong Hong Eating House Pte. Ltd. <sup>(1)</sup>	Singapore	Operating of coffee shop	49	49
Jin Yuan 134 Food House Pte. Ltd. <sup>(1)</sup>	Singapore	Operating of coffee shop	49	-
Zhen Wei Food House Pte. Ltd. <sup>(1)</sup>	Singapore	Operating of coffee shop	49	-

<sup>(1)</sup> Audited by Ernst & Young LLP, Singapore



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 19. INVESTMENT IN JOINT VENTURES (CONT'D)

### Summarised statements of financial position

	Hong Kah \$'000	Joo Seng \$'000	Sin Tong Hong \$'000	Jin Yuan \$'000	Zhen Wei \$'000
<b>2021</b>					
Cash and cash equivalents	836	463	718	271	315
Trade receivables	–	–	–	–	–
Other current assets	161	96	92	54	80
<b>Current assets</b>	<b>997</b>	<b>559</b>	<b>810</b>	<b>325</b>	<b>395</b>
Non-current assets	10	1,732	926	322	340
<b>Total assets</b>	<b>1,007</b>	<b>2,291</b>	<b>1,736</b>	<b>647</b>	<b>735</b>
Current liabilities	374	382	729	196	362
Non-current liabilities	–	1,339	474	67	10
<b>Total liabilities</b>	<b>374</b>	<b>1,721</b>	<b>1,203</b>	<b>263</b>	<b>372</b>
Equity	633	570	533	384	363
Proportion of the Group's ownership	49%	49%	49%	49%	49%
Group's share in equity	310	279	261	188	178
Other adjustments:					
Lease assignment fees, net	1,111	869	898	537	1,647
Others	(51)	(55)	6	–	–
<b>Carrying amount of the investments</b>	<b>1,370</b>	<b>1,093</b>	<b>1,165</b>	<b>725</b>	<b>1,825</b>

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 19. INVESTMENT IN JOINT VENTURES (CONT'D)

### Summarised statements of financial position (cont'd)

	Hong Kah \$'000	Joo Seng \$'000	Sin Tong Hong \$'000
<b>2020</b>			
Cash and cash equivalents	651	627	373
Trade receivables	-	-	9
Other current assets	76	30	30
Current assets	727	657	412
Non-current assets	8	72	231
<b>Total assets</b>	<b>735</b>	<b>729</b>	<b>643</b>
Current liabilities	227	207	343
Non-current liabilities	59	65	12
<b>Total liabilities</b>	<b>286</b>	<b>272</b>	<b>355</b>
Equity	449	457	288
Proportion of the Group's ownership	49%	49%	49%
Group's share in equity	220	224	141
Other adjustments:			
Lease assignment fees, net	1,216	971	980
Others	(51)	(55)	6
<b>Carrying amount of the investments</b>	<b>1,385</b>	<b>1,140</b>	<b>1,127</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 19. INVESTMENT IN JOINT VENTURES (CONT'D)

### Summarised statements of comprehensive income

	Hong Kah \$'000	Joo Seng \$'000	Sin Tong Hong \$'000	Jin Yuan \$'000	Zhen Wei \$'000
<b>2021</b>					
Revenue	1,755	1,912	1,978	664	652
Operating expense	(1,291)	(1,536)	(1,440)	(564)	(576)
	464	376	538	100	76
Income tax expense	(79)	(64)	(92)	(17)	(13)
Profit after tax	385	312	446	83	63
Total comprehensive income	385	312	446	83	63
Group's share of profit for the year	189	153	219	41	30
Other adjustment:					
Amortisation of lease assignment fees	(106)	(102)	(83)	(50)	(68)
Group's share of profit/(loss) for the year	83	51	136	(9)	(38)
Dividends received during the year	98	98	98	-	-

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 19. INVESTMENT IN JOINT VENTURES (CONT'D)

### Summarised statements of comprehensive income

	Hong Kah \$'000	Joo Seng \$'000	Sin Tong Hong \$'000
<b>2020</b>			
Revenue	158	161	-
Operating expense	(105)	(107)	-
	53	54	-
Income tax expense	(9)	(9)	-
Profit after tax	44	45	-
Total comprehensive income	44	45	-
Group's share of profit for the year	22	22	-
Other adjustment:			
Amortisation of lease assignment fees	(9)	(9)	-
Group's share of profit for the year	13	13	-



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 20. DEFERRED TAX

Deferred tax as at 30 September relates to the following:

	Consolidated statement of financial position		Consolidated statement of comprehensive income	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b><i>Deferred tax assets/(liabilities)</i></b>				
Differences in depreciation for tax purposes	(426)	(748)	(322)	420
Difference in amortisation of intangible assets	(17)	(10)	7	(18)
Fair value adjustments on acquisition of businesses	(19)	-	-	(11)
Leases	499	258	(241)	(258)
Provisions	129	96	(33)	39
Unutilised tax losses	42	-	(42)	19
Unutilised capital allowances	100	197	97	3
	308	(207)		
Deferred tax expense			(534)	194
Reflected in the statement of financial position as follows:				
Deferred tax assets	644	240		
Deferred tax liabilities	(336)	(447)		
Deferred tax assets/(liabilities), net	308	(207)		

### *Tax consequences of proposed dividends*

There are no income tax consequences (2020: \$Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 34).

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 21. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Trade and other receivables (current)</b>				
Trade receivables	939	1,521	-	-
Other receivables				
- Loans to employees	161	157	-	-
- Deposits	2,173	2,356	50	50
- Consideration receivable pursuant to Rescission	-	2,600	-	2,600
- Government grant receivable	1,046	4,785	-	-
- Rental remission and property tax rebate receivable from landlords	-	95	-	-
- Others	1,348	1,867	11	7
Loans to subsidiaries	-	-	47,455	47,862
GST receivable	-	-	13	11
Amount due from a subsidiary (trade)	-	-	2,264	1,933
Amount due from subsidiaries (non-trade)	-	-	1,521	4,821
	5,667	13,381	51,314	57,284
<b>Other receivables (non-current)</b>				
Loans to employee	83	186	-	-
Deposits	6,345	5,629	-	-
	6,428	5,815	-	-
Total trade and other receivables (current and non-current)	12,095	19,196	51,314	57,284
Add:				
Cash and cash equivalents (Note 23)	94,989	68,324	70,241	14,536
Less: GST Receivable	-	-	(13)	(11)
Less: Government grant receivable	(1,046)	(4,785)	-	-
Total financial assets carried at amortised cost	106,038	82,735	121,542	71,809

A floating charge has been placed on rental receivables with carrying amounts of \$29,000 (2020: \$15,000) from lease of certain leasehold, freehold, and investment properties that had been pledged to a bank for bank facilities granted as disclosed in Note 26.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 21. TRADE AND OTHER RECEIVABLES (CONT'D)

### *Trade receivables*

Trade receivables are non-interest bearing and are generally on 7 to 30 days' terms. They are recognised at their original invoice amounts which represents their fair values on initial recognition.

### *Amount due from subsidiaries (trade)/(non-trade)*

Amount due from subsidiaries (trade)/(non-trade) are unsecured, non-interest bearing and are to be settled in cash.

### *Loans to subsidiaries*

Loans to subsidiaries are unsecured, bear interest at 1.48% (2020: 1.48%) per annum, repayable on demand and to be settled in cash.

### *Other receivables*

Loans to employees are unsecured, interest-free and are to be settled in cash.

Deposits placed with lessors are unsecured and non-interest bearing. These deposits are refundable upon termination of the leases.

### *Consideration receivable pursuant to Rescission*

Consideration receivable pursuant to Rescission is interest-free and to be settled in cash.

On 2 July 2018, the Company acquired Asian Story Corporation Pte. Ltd. ("ASC") from Wang Chia Ye ("Vendor") for an aggregate consideration of \$16,000,000 ("Consideration"), with an additional earn-out payment to be determined based on the performance of ASC. LHL Group Pte. Ltd. ("LHL Group", a wholly owned subsidiary of the Company) further entered into a three-year service agreement with the Vendor.

The Group received written notification on 22 November 2018 from Pokka Corporation (Singapore) Pte. Ltd. of its intention to terminate its manufacturing agreement with ASC on a six months' notice. Subsequent to the notification of the termination, the Company and LHL Group have on 29 November 2018, on mutually agreed terms entered into a Deed of Rescission ("Rescission") with the Vendor and ASC to rescind the acquisition and that the Vendor had not been employed by LHL Group ("Rescission").

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 21. TRADE AND OTHER RECEIVABLES (CONT'D)

### *Consideration receivable pursuant to Rescission (cont'd)*

Pursuant to the Rescission, out of the \$16,000,000 consideration previously paid to the Vendor, \$12,000,000 and \$1,400,000 have been repaid to the Company on 29 November 2018 and 8 January 2019 respectively.

The balance amount of \$2,600,000 is repayable by the Vendor on or before 29 November 2020 and 29 November 2021 of \$1,300,000 each year. The balance amount of \$2,600,000 is secured by certain quoted equity securities held by the Vendor (the "Pledged Shares") together with any distributions derived from the Pledged Shares. As at 30 September 2020, the fair value of the Pledged Shares and the distributions from the Pledged Shares amounted to \$1,707,000 (2019: \$2,001,000) and \$122,000 (2019: \$78,000) respectively.

On 26 November 2020, the Company and the Vendor entered into a Deed of Settlement in relation to the settlement of the balance amount of \$2,600,000 as disclosed in Note 21, whereby the Vendor has agreed to accelerate and pay the full balance amount of \$2,600,000 owing to the Company as follows:

- (i) transferring to the Company quoted equity securities held by the Vendor with a market value based on quoted prices as at 10 November 2020, being the date of offer from the Vendor proposing early settlement, of \$1,653,764 and dividends accrued in respect of these securities amounting to \$158,559 and
- (ii) paying in cash the remaining amount of \$787,677.

The Company has on 30 December 2020 entered into a side letter to the deed of settlement with the Vendor, whereby the parties have agreed that, as part of the repayment of the balance amount owing from the Vendor, the Vendor shall transfer to the Company, the legal and beneficial interest to the Securities, save for the 6,000 RHT HEALTHTRUST securities which shall remain with the Vendor in consideration for the Vendor paying the Company an amount of \$114.

Following the receipt of the quoted equity securities held by the Vendor with a market value of \$1,653,650.23 as at 10 November 2020, and dividends accrued in respect of these securities amounting to \$158,558.88; and cash of the remaining amount of \$787,790.89 on 30 December 2020, the parties ceased to have any claims against each other.

### *Government grant receivable*

The government grant receivable relates to Jobs Support Scheme as disclosed in Note 9.

### *Expected credit losses ("ECL")*

As at 30 September 2021 and 30 September 2020, there are no allowance for expected credit loss of trade receivables computed based on lifetime ECL.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 22. INVENTORIES

	Group	
	2021 \$'000	2020 \$'000
<i>Consolidated statement of financial position:</i>		
Raw materials and consumables, at cost	1,456	1,701
<i>Consolidated statement of comprehensive income:</i>		
Inventories recognised as an expense in cost of sales	73,512	69,136

During the financial years ended 30 September 2021 and 2020, there has been no inventory written off or allowance for inventory obsolescence.

## 23. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash at banks and on hand	58,779	59,440	34,031	5,702
Short-term deposits	36,210	8,884	36,210	8,834
	94,989	68,324	70,241	14,536

Cash at banks earn interest at floating rate. Short-term deposits are made for varying periods of between one to three months, depending on the immediate cash requirements of the Group and the Company, and earn interests at the respective short-term deposits rates. The weighted average effective interest rates as at 30 September 2021 for the Group and the Company were 0.23% (2020: 0.50%). Cash and short-term deposits are denominated in SGD.

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 24. TRADE AND OTHER PAYABLES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Trade and other payables (current)</b>				
Trade payables	7,674	8,501	-	-
Other payables	3,997	3,547	59	-
GST payable	2,267	1,733	-	-
Deposits from tenants	1,336	1,427	-	-
Amounts due to the then-existing shareholders of subsidiaries (non-trade)	7,517	7,517	-	-
Amount due to an associate (non-trade)	750	750	-	-
Amount due to subsidiaries (non-trade)	-	-	44,570	4,250
	23,541	23,475	44,629	4,250
<b>Other payables (non-current)</b>				
Deposits from tenants	1,222	963	-	-
Total trade and other payables	24,763	24,438	44,629	4,250
Add:				
Interest-bearing loans and borrowings (Note 26)	24,410	25,514	-	-
Accrued operating expenses (Note 25)	12,341	9,372	2,559	1,612
Less:				
GST payable	(2,267)	(1,733)	-	-
Total financial liabilities carried at amortised cost	59,247	57,591	47,188	5,862

There are no trade and other payables denominated in foreign currencies as at 30 September 2021 and 2020.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 24. TRADE AND OTHER PAYABLES (CONT'D)

Trade and other payables are unsecured and non-interest bearing. Trade payables and other payables are generally on 30 days' terms.

Deposits from tenants are unsecured and non-interest bearing. These deposits are repayable upon termination or on expiration of the leases.

### *Related party balances*

Amount due to subsidiaries/an associate is unsecured, interest-free, repayable on demand and is to be settled in cash.

Amounts due to the then-existing shareholders of subsidiaries are unsecured, interest-free and has no fixed repayment terms. Any repayment will be subjected to review and approval by the Audit Committee, taking into account the financial position of the Group.

## 25. OTHER LIABILITIES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Accrued operating expenses	12,341	9,372	2,559	1,612
Deferred government grant income	-	4,862	-	-
Deferred rental relief payable	572	1,131	-	-
Others	-	43	-	-
	12,913	15,408	2,559	1,612

### *Deferred government grant income*

Deferred government grant income relates to Jobs Support Scheme as disclosed in Note 9.

### *Deferred rental relief payable*

Deferred rental relief payable relates to rental relief received as the intermediary landlord which the Group is required to passthrough to its tenants.

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 26. INTEREST-BEARING LOANS AND BORROWINGS

		Group	
		2021	2020
		\$'000	\$'000
Current		1,052	1,104
Non-current		23,358	24,410
		24,410	25,514
		2021	2020
		\$'000	\$'000
		Maturity	
<b>Bank loans</b>			
Bank loan 1	2039	5,555	5,800
Bank loan 2	2040	2,778	2,904
Bank loan 3	2040	4,162	4,353
Bank loan 4	2040	3,783	3,957
Bank loan 5	2040	8,132	8,500
Total interest-bearing loans and borrowings		24,410	25,514

All the bank loans are Singapore Dollars loans with effective interest rates ranging from 3.3% to 6.6% per annum (2020: 3.3% to 6.6% per annum).

Bank loan 1 bears interest at 2.25% per annum for the first two years, and 6.5% per annum from third year onwards till maturity. Bank loan 2 to Bank loan 5 bear interest at 1.48% per annum for the first two years, and 3-months SIBOR + 3% per annum from third year onwards till maturity.

### *Bank loan 1*

The bank loan is repayable in 240 equal monthly instalments commencing in December 2019. It is secured by corporate guarantee by the Company, mortgage of leasehold property and assignment of rental proceeds from the leasehold property.

### *Bank loan 2*

The bank loan is repayable in 240 equal monthly instalments commencing in September 2020. It is secured by corporate guarantee by the Company, mortgage of leasehold property and assignment of rental proceeds from the leasehold property.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 26. INTEREST-BEARING LOANS AND BORROWINGS (CONT'D)

### *Bank loan 3*

The bank loan is repayable in 240 equal monthly instalments commencing in July 2020. It is secured by corporate guarantee by the Company, mortgage of certain properties and assignment of rental proceeds from the properties.

### *Bank loan 4*

The bank loan is repayable in 240 equal monthly instalments commencing in July 2020. It is secured by corporate guarantee by the Company, mortgage of a leasehold property and assignment of rental proceeds from the leasehold property.

### *Bank loan 5*

The bank loan is repayable in 240 equal monthly instalments commencing in October 2020. It is secured by corporate guarantee by the Company, mortgage of certain properties and assignment of rental proceeds from the properties.

The reconciliation of liabilities arising from financing activities are as follows:

	2020 \$'000	Cash flows \$'000	Other \$'000	2021 \$'000
Interest-bearing loans and borrowings				
- Current	1,104	(1,104)	1,052	1,052
- Non-current	24,410	-	(1,052)	23,358
Total	25,514	(1,104)	-	24,410
	2019 \$'000	Cash flows \$'000	Other \$'000	2020 \$'000
Interest-bearing loans and borrowings				
- Current	-	797	307	1,104
- Non-current	-	24,717	(307)	24,410
Total	-	25,514	-	25,514

The 'Other' column includes the effect of reclassification of non-current portion of interest-bearing loans and borrowings to current due to the passage of time.

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 27. PROVISION FOR RESTORATION COSTS

	Group	
	2021 \$'000	2020 \$'000
At 1 October	893	880
Provision for	121	13
At 30 September	1,014	893
Current	263	177
Non-current	751	716
	1,014	893

Provision for restoration costs relates to the estimated costs to reinstate the Group's leased premises to their original state upon expiry of the leases.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 28. SHARE CAPITAL, TREASURY SHARES AND SHARE-BASED COMPENSATION RESERVE

### (a) Share capital

	Group and Company			
	2021		2020	
	No. of shares '000	\$'000	No. of shares '000	\$'000
<b>Issued and fully paid ordinary shares:</b>				
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	1,198,787	297,451	1,197,787	297,141

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			
	2021		2020	
	No. of shares '000	\$'000	No. of shares '000	\$'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	8,234	2,187	9,120	2,424

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

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 28. 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 \$0.27 (2020: \$0.27) each.

### (c) Share-based compensation reserve

Share-based compensation reserve represents the fully-paid share awards granted to employees (Note 9). 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 forfeiture or vesting of the share awards.

## 29. OTHER RESERVES

	Group	
	2021 \$'000	2020 \$'000
Merger reserve	(120,591)	(120,591)
Deemed contribution from shareholders of subsidiary under common control	468	468
	(120,123)	(120,123)



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 29. OTHER RESERVES (CONT'D)

### *Merger reserve*

This represents the difference between the consideration paid and the share capital of the subsidiaries when entities under common control are accounted for by applying the pooling of interests method, as described in Note 2.4 of the financial statements.

### *Deemed contribution from shareholders of subsidiary under common control*

During the financial year ended 30 September 2014, the shareholders of one of the Group's subsidiaries had provided loans amounting to \$1,560,000 for payment of the subsidiary's lease assignment fees and working capital needs. During the financial years ended 30 September 2015 and 2016, the subsidiary had made partial repayments amounting to \$520,000 to the shareholders. On 30 September 2016, the remaining amount owing to the Controlling Shareholder of \$468,000 was waived by the Controlling Shareholder.

## 30. 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.

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 30. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### *Fair value hierarchy (cont'd)*

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

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

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

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

The carrying 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*

		<b>2021</b>	
	Note	Carrying amount \$'000	Fair value measurement using significant unobservable inputs (Level 3) \$'000
<b>Group</b>			
<b>Assets</b>			
Investment properties owned	14	6,939	6,800
<b>Liabilities</b>			
Non-current interest-bearing loans and borrowings	26	23,358	23,358

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 30. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

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

	Note	2020	
		Carrying amount \$'000	Fair value measurement using significant unobservable inputs (Level 3) \$'000
<b>Group</b>			
<b>Assets</b>			
Investment properties owned	14	7,090	7,130
<b>Liabilities</b>			
Non-current interest-bearing loans and borrowings	26	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.

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 31. SEGMENT INFORMATION

### *Business segments*

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, information technology and administrative services.

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



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 31. SEGMENT INFORMATION (CONT'D)

### *Allocation basis*

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

### *Geographical information*

The Group operates mainly in Singapore with revenue generated in Singapore. Accordingly, analysis of revenue and assets of the Group by geographical distribution has not been presented.

### *Information about major customers*

There is no single major customer that contributed more than 5% of the Group's total revenue. The revenue is spread over a broad base of customers.

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 31. SEGMENT INFORMATION (CONT'D)

	Outlet management \$'000	Food retail \$'000	Outlet investment business \$'000	Others \$'000	Adjustments and eliminations \$'000	Note	Group \$'000
<b>2021</b>							
<b>Revenue</b>							
Revenue from external customers	112,455	119,361	6,826	-	-		238,642
Inter-segment revenue	28,416	35,487	694	48,990	(113,587)	A	-
<b>Total revenue</b>	<b>140,871</b>	<b>154,848</b>	<b>7,520</b>	<b>48,990</b>	<b>(113,587)</b>		<b>238,642</b>
<b>Results:</b>							
Amortisation of intangible assets	(607)	(5)	-	(63)	-		(675)
Depreciation of investment properties	-	-	(151)	-	-		(151)
Depreciation of property, plant and equipment	(1,762)	(937)	(1,261)	(460)	-		(4,420)
Depreciation of right-of-use assets	(33,046)	(3,440)	(58)	(144)	-		(36,688)
Employee benefits expense	(17,369)	(27,714)	(850)	(7,527)	-		(53,460)
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	1,333	391	73	37	-		1,834
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	1,824	(377)	(68)	(2)	-		1,377
Share-based payment expenses (Kimly Performance Share Plan)	(237)	-	-	-	-		(237)
Share of profit of an associate and joint venture	223	-	95	-	-		318
Write-off of property, plant and equipment	-	(3)	-	-	-		(3)
<b>Segment profit/(loss)</b>	<b>19,243</b>	<b>33,269</b>	<b>1,763</b>	<b>(9,790)</b>	<b>-</b>		<b>44,485</b>
Segment assets	153,197	18,801	71,127	83,193	-		326,318
Segment liabilities	(136,917)	(17,617)	(26,438)	(11,750)	-		(192,722)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 31. SEGMENT INFORMATION (CONT'D)

	Outlet management \$'000	Food retail \$'000	Outlet investment business \$'000	Others \$'000	Adjustments and eliminations \$'000	Note	Group \$'000
<b>2020</b>							
<b>Revenue</b>							
Revenue from external customers	103,315	104,373	3,085	-	-		210,773
Inter-segment revenue	20,819	28,235	192	28,265	(77,511)	A	-
Total revenue	124,134	132,608	3,277	28,265	(77,511)		210,773
<b>Results:</b>							
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	(18,405)	(25,971)	(525)	(5,794)	-		(50,695)
Finance costs							
- Lease liabilities	(3,332)	(121)	(2)	(44)	-		(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 arising from the discount implicit in non-current receivables	185	23	-	6	-		214
Interest income from short-term deposits	73	76	1	621	-		771
Rental expense on short-term leases and low-value assets	(1,134)	(576)	(13)	49	-		(1,674)
Share-based payment expenses (Kimly Performance Share Plan)	(166)	-	-	-	-		(166)
Share of profit of an associate and joint venture	26	-	23	-	-		49
Segment profit/(loss)	11,350	24,909	190	(6,753)	-		29,696
Segment assets	176,045	32,649	78,989	32,144	-		319,827
Segment liabilities	153,998	17,812	27,052	10,760	-		209,622

### Note

A Inter-segment revenues and income are eliminated on consolidation.

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk. Management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

### (a) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and short-term deposits), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's historical information.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (a) *Credit risk (cont'd)*

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating;
- External credit rating;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the debtor;
- A breach of contract, such as a default or past due event;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- There is a disappearance of an active market for that financial asset because of financial difficulty.

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (a) *Credit risk (cont'd)*

#### Trade receivables

For trade receivables, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL by using a provisional matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix. ECL on trade receivables is insignificant.

#### *Exposure to credit risk*

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

#### *Credit risk concentration profile*

At the end of the reporting period, the Group has no significant concentration of credit risk.

#### *Financial assets that are neither past due nor impaired*

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and short-term deposits are placed with reputable financial institutions with high credit ratings and no history of default. They are neither past due nor impaired.

### (b) *Liquidity risk*

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds.

To manage liquidity risk, the Group monitors its net operating cash flow and maintains an adequate level of cash and cash equivalents and secured committed funding facilities from financial institutions. In assessing the adequacy of these funding facilities, management reviews its working capital requirements regularly.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (b) *Liquidity risk (cont'd)*

*Analysis of financial instruments by remaining contractual maturities*

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	1 year or less \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
<b>Group</b>				
<b>2021</b>				
<b><i>Financial assets:</i></b>				
Trade and other receivables	4,621	5,651	895	11,167
Cash and short-term deposits	94,989	–	–	94,989
Total undiscounted financial assets	99,610	5,651	895	106,156
<b><i>Financial liabilities:</i></b>				
Trade and other payables	21,275	1,222	–	22,497
Accrued operating expenses	12,341	–	–	12,341
Interest-bearing loans and borrowings	1,641	7,302	25,597	34,540
Lease liabilities	37,912	87,336	5,928	131,176
Total undiscounted financial liabilities	73,169	95,860	31,525	200,554
Total net undiscounted financial assets/(liabilities)	26,441	(90,209)	(30,630)	(94,398)

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) *Liquidity risk (cont'd)*

*Analysis of financial instruments by remaining contractual maturities (cont'd)*

	1 year or less \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
<b>Group</b>				
<b>2020</b>				
<b>Financial assets:</b>				
Trade and other receivables	8,596	3,951	2,300	14,847
Cash and short-term deposits	68,324	-	-	68,324
Total undiscounted financial assets	76,920	3,951	2,300	83,171
<b>Financial liabilities:</b>				
Trade and other payables	21,742	963	-	22,705
Accrued operating expenses	9,372	-	-	9,372
Interest-bearing loans and borrowings	1,518	7,072	27,468	36,058
Lease liabilities	36,893	100,326	10,594	147,813
Total undiscounted financial liabilities	69,525	108,361	38,062	215,948
Total net undiscounted financial assets/(liabilities)	7,395	(104,410)	(35,762)	(132,777)



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) *Liquidity risk (cont'd)*

*Analysis of financial instruments by remaining contractual maturities (cont'd)*

	1 year or less \$'000	Total \$'000
<b>Company</b>		
<b>2021</b>		
<b><i>Financial assets:</i></b>		
Trade and other receivables	51,301	51,301
Cash and short-term deposits	70,241	70,241
Total undiscounted financial assets	121,542	121,542
<b><i>Financial liabilities:</i></b>		
Trade and other payables	44,629	44,629
Accrued operating expenses	2,559	2,559
Total undiscounted financial liabilities	47,188	47,188
Total net undiscounted financial assets	74,354	74,354

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) *Liquidity risk (cont'd)*

*Analysis of financial instruments by remaining contractual maturities (cont'd)*

	1 year or less \$'000	Total \$'000
<b>Company</b>		
<b>2020</b>		
<b><i>Financial assets:</i></b>		
Trade and other receivables	57,273	57,273
Cash and short-term deposits	14,536	14,536
Total undiscounted financial assets	71,809	71,809
<b><i>Financial liabilities:</i></b>		
Trade and other payables	4,250	4,250
Accrued operating expenses	1,612	1,612
Total undiscounted financial liabilities	5,862	5,862
Total net undiscounted financial assets	65,947	65,947

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 33. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

Capital comprises equity attributable to the owners of the Company.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 September 2021 and 2020.

## 34. DIVIDENDS

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Declared and paid during the financial year:</b>				
<i>Dividends on ordinary shares:</i>				
- Final exempt (one-tier) dividend for 2020: 0.84 (2019: 0.84) cents per share	9,988	9,651	9,988	9,651
- Interim exempt (one-tier) dividend for 2021: 0.56 (2020: 0.28) cents per share	6,667	3,278	6,667	3,278
	16,655	12,929	16,655	12,929
<b>Proposed but not recognised as a liability as at 30 September:</b>				
<i>Dividends on ordinary shares, subject to shareholders' approval at the AGM:</i>				
- Final exempt (one-tier) dividend for 2021: 0.84 (2020: 0.84) cents per share	10,431	9,985	10,431	9,985
- Special exempt (one-tier) dividend for 2021: 0.60 (2020: Nil) cents per share	7,451	-	7,451	-
	17,882	9,985	17,882	9,985

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 35. EVENTS OCCURRING AFTER THE REPORTING PERIOD

### *Acquisition of business after the reporting period*

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

Following the completion, Tenderfresh Group and its subsidiaries, comprising Tenderfresh Fried & BBQ Chicken 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., Ke Ai Ji (West) Pte. Ltd., are therefore subsidiaries of the Company.

Pursuant to the completion, the Company has paid approximately \$50,000,000 of the Purchase Consideration as follows:

- (i) \$34,000,000 in cash, by way of utilising internal resources of the Group; and
- (ii) \$16,000,000 through the allotment and issuance of 51,216,389 Consideration Shares to the Vendor nominees, being minority vendors to the Acquisition and comprising Chee Kok Chew Gabriel, Chua Yong Chuan Kelvin, Leow Xian Zhao, Lim Wei Qiang Cyril, and Norhuda Binte Rabani, at the Issue Price of S\$0.3124 per Consideration Share.

The balance Purchase Consideration of \$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.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

## 35. EVENTS OCCURRING AFTER THE REPORTING PERIOD (CONT'D)

### *Acquisition of business after the reporting period (cont'd)*

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

	Provisional fair value recognised on acquisition \$'000
Property, plant and equipment	8,167
Right-of-use assets	2,597
Intangible assets	15,978
Trade and other receivables	4,958
Inventories	1,131
Cash and cash equivalents	147
Trade and other payables	(5,663)
Lease liabilities	(2,720)
Deferred tax liabilities	(3,371)
Net assets acquired and liabilities assumed	21,224
Non-controlling interests	(5,306)
Provisional goodwill arising on acquisition	38,082
Purchase consideration transferred	54,000
Total purchase consideration satisfied by:	
- Cash	34,000
- Issuance of shares	16,000
- Contingent consideration liability	4,000
Total consideration	54,000

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 35. EVENTS OCCURRING AFTER THE REPORTING PERIOD (CONT'D)

### *Acquisition of business after the reporting period (cont'd)*

#### Analysis of cash flows on acquisition:

	\$'000
Purchase consideration paid in cash	34,000
Less: Cash and cash equivalent of Tenderfresh Group acquired	(147)
Net cash used in acquisition of Tenderfresh Group	33,853

#### Provisional goodwill arising from acquisition

The provisional goodwill of \$38,082,000 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.

If the acquisition had taken place at the beginning of the financial year ended 30 September 2021, the management estimates that consolidated revenue would have been \$307,239,000 and consolidated profit for the year would have been \$45,541,000.

## 36. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 30 September 2021 were authorised for issue in accordance with a resolution of the directors on 7 January 2022.

# Statistics Of Shareholdings

As At 20 December 2021

## SHARE CAPITAL

Number of Ordinary Shares in Issue (excluding treasury shares and subsidiary holdings) :	1,241,769,490
Number of treasury shares held :	8,233,631 (0.66%)*
Number of subsidiary holdings :	-
Class of Shares :	Ordinary
Voting Rights :	One vote for each ordinary shares held

\* Percentage is calculated based on the total number of issued shares, excluding treasury shares

## DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	4	0.16	146	0.00
100 - 1,000	173	6.97	118,100	0.01
1,001 - 10,000	1,027	41.38	5,791,770	0.46
10,001 - 1,000,000	1,211	48.79	110,847,036	8.93
1,000,001 AND ABOVE	67	2.70	1,125,012,438	90.60
<b>TOTAL</b>	<b>2,482</b>	<b>100.00</b>	<b>1,241,769,490</b>	<b>100.00</b>

# Statistics Of Shareholdings

As At 20 December 2021

## TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	LIM HEE LIAT	493,915,165	39.78
2	PEH OON KEE	99,309,105	8.00
3	DBS NOMINEES (PRIVATE) LIMITED	78,723,757	6.34
4	NG LAY BENG	60,486,866	4.87
5	NG THIAN HOO	49,123,124	3.96
6	NG HAN KEOW	47,406,862	3.82
7	SOH CHUN KING	27,234,315	2.19
8	CHIA CHER KHIANG (XIE SHUQIANG)	16,513,391	1.33
9	KOH SIEW TIN	16,005,122	1.29
10	PEH KIM LEONG SUNNY (BAI JINLONG)	11,407,996	0.92
11	WONG HONG KOON	11,340,860	0.91
12	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	11,031,000	0.89
13	PHILLIP SECURITIES PTE LTD	10,177,600	0.82
14	TAN CHING SAN	10,054,100	0.81
15	ONG EE HAR	9,800,000	0.79
16	KOH WAH TECK	8,000,000	0.64
17	TAN PUAY LING	8,000,000	0.64
18	ANG KOK HUI	7,584,724	0.61
19	OCBC SECURITIES PRIVATE LIMITED	7,438,600	0.60
20	ANG LAY HIONG (HONG LIXIANG)	7,266,191	0.59
	<b>TOTAL</b>	<b>990,818,778</b>	<b>79.80</b>



# STATISTICS OF SHAREHOLDINGS

As At 20 December 2021

## SUBSTANTIAL SHAREHOLDERS AS AT 20 DECEMBER 2021

As recorded in the Register of Substantial Shareholders

Name of shareholder	Direct Interest	%	Deemed Interest	%
LIM HEE LIAT	493,915,165	39.78	-	-
PEH OON KEE	99,309,105	8.00	-	-
NG LAY BENG	60,486,866	4.87	10,300,000 <sup>^</sup>	0.83

<sup>^</sup> This represents Mr. Ng Lay Beng's direct interest of 10,300,000 shares held in the name of CGS-CIMB Securities (Singapore) Pte Ltd.

## SHARES HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 20 December 2021, 46.28% of the issued ordinary shares of the Company are held by the public and therefore Rule 723 of the Listing Manual, Section B: Rules of the Catalist of the Singapore Exchange Securities Trading Limited is complied with.

# Notice of Annual General Meeting

This Notice has been made available on the Company's corporate website (<https://kimlygroup.sg>) and SGXNET. A printed copy of this Notice will not be despatched to members of the Company.

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting ("AGM" or "Meeting") of the Company will be held at by way of electronic means on Wednesday, 26 January 2022 at 3.00 p.m. for the following purposes:

## **AS ROUTINE BUSINESS:**

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 30 September 2021 and the Auditors' Report thereon. **(Resolution 1)**
2. To declare a Tax Exempt One-Tier final dividend of 0.84 Singapore cents per ordinary share for the financial year ended 30 September 2021. **(Resolution 2)**
3. To declare a Tax Exempt One-Tier special dividend of 0.6 Singapore cents per ordinary share for the financial year ended 30 September 2021. **(Resolution 3)**
4. To re-elect the following Directors of the Company retiring pursuant to Regulation 112 of the Company's Constitution:  
  
Mr. Lau Chin Huat **(Resolution 4)**  
Mr. Lim Teck Chai Danny **(Resolution 5)**  
[See Explanatory Note (i)]
5. To approve the payment of Directors' fees of up to S\$200,000 for the financial year ending 30 September 2022. (FY2021: S\$200,000) **(Resolution 6)**
6. To re-appoint Messrs Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**
7. To transact any other routine business which may properly be transacted at an Annual General Meeting.

# NOTICE OF ANNUAL GENERAL MEETING

## AS SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without modifications:

### 8. SHARE ISSUE MANDATE

THAT authority be hereby given to the Directors of the Company ("**Directors**") pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") and Rule 806 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Rules of Catalist**") and notwithstanding the provisions of the Constitution of the Company, to:

- (a) (i) issue shares in the capital of the Company ("**Shares**"), whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, the "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares; and/or
- (iii) (notwithstanding that the authority conferred by this resolution may have ceased to be in force) issue shares in pursuance of additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or other capitalisation issues, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding that the authority conferred by this resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this resolution is in force,

PROVIDED THAT:

- (i) the aggregate number of Shares issued pursuant to this resolution (including Shares issued in pursuance to any Instruments made or granted pursuant to this resolution), does not exceed one hundred per cent. (100%) of the total number of issued Shares excluding subsidiary holdings (as defined in the Rules of Catalist) and treasury Shares (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed fifty per cent. (50%) of the total number of issued Shares excluding subsidiary holdings (as defined in the Rules of Catalist) and treasury Shares (as calculated in accordance with sub-paragraph (ii) below);

# Notice of Annual General Meeting

- (ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the percentage of issued Shares excluding subsidiary holdings (as defined in the Rules of Catalist) and treasury Shares of the Company shall be calculated based on the total number of issued Shares excluding subsidiary holdings (as defined in the Rules of Catalist) and treasury Shares of the Company at the time of the passing of this resolution, after adjusting for:
  - (a) new shares arising from the conversion or exercise of any convertible securities;
  - (b) new shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Rules of Catalist;
  - (c) any subsequent bonus issue, consolidation or subdivision of shares;
- (iii) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Companies Act, the Rules of Catalist (including supplemental measures hereto) for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (iv) (unless revoked or varied by the Company in general meeting) the authority conferred by this resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.  
[See Explanatory Note (ii)]

**(Resolution 8)**

## 9. AUTHORITY TO OFFER AND GRANT OPTIONS AND ALLOT AND ISSUE SHARES UNDER THE KIMLY EMPLOYEE SHARE OPTION SCHEME

THAT the Directors of the Company be hereby authorised to:

- (a) offer and grant options ("**Options**") in accordance with the provisions of the Kimly Employee Share Option Scheme (the "**Scheme**") and pursuant to Section 161 of the Companies Act:
  - (i) to allot and issue from time to time such number of fully-paid new Shares as may be required to be delivered pursuant to the vesting of the Options under the Scheme; and
  - (ii) (notwithstanding the authority conferred by this resolution may have ceased to be in force) to allot and issue from time to time such number of fully-paid new Shares as may be required to be delivered pursuant to any Options granted by the Directors in accordance with the Scheme awarded while the authority conferred by this resolution was in force, and
- (b) subject to the same being allowed by law, apply any Shares purchased under any share purchase mandate and to deliver such existing Shares (including treasury Shares) towards the satisfaction of Options granted under the Scheme,



# NOTICE OF ANNUAL GENERAL MEETING

PROVIDED THAT the aggregate number of Shares to be issued or transferred pursuant to the Options under the Scheme on any date, when aggregated with the number of Shares over which options or awards are granted under any other share option schemes or share schemes of the Company, shall not exceed fifteen per cent. (15%) of the total number of issued Shares of the Company excluding subsidiary holdings (as defined in the Rules of Catalist) and treasury Shares on the day preceding that date.

[See Explanatory Note (iii)]

**(Resolution 9)**

## 10. AUTHORITY TO OFFER AND GRANT AWARDS AND ALLOT AND ISSUE SHARES UNDER THE KIMLY PERFORMANCE SHARE PLAN

THAT the Directors of the Company be hereby authorised to:

- (a) offer and grant awards ("**Awards**") in accordance with the provisions of the Kimly Performance Share Plan (the "**Share Plan**") and pursuant to Section 161 of the Companies Act:
  - (i) to allot and issue from time to time such number of fully-paid new Shares as may be required to be delivered pursuant to the vesting of the Awards under the Share Plan; and
  - (ii) (notwithstanding the authority conferred by this resolution may have ceased to be in force) to allot and issue from time to time such number of fully-paid new Shares as may be required to be delivered pursuant to any Awards granted by the Directors in accordance with the Share Plan awarded while the authority conferred by this resolution was in force, and
- (b) subject to the same being allowed by law, apply any Shares purchased under any share purchase mandate and to deliver such existing Shares (including treasury Shares) towards the satisfaction of Awards granted under the Share Plan,

PROVIDED THAT the aggregate number of Shares to be issued or transferred pursuant to the Awards under the Share Plan on any date, when aggregated with the number of Shares over which options or awards are granted under any other share option schemes or share schemes of the Company, shall not exceed fifteen per cent. (15%) of the total number of issued Shares of the Company excluding subsidiary holdings (as defined in the Rules of Catalist) and treasury Shares on the day preceding that date.

[See Explanatory Note (iv)]

**(Resolution 10)**

# Notice of Annual General Meeting

## 11. THE PROPOSED RENEWAL OF SHARE BUYBACK MANDATE

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire the Shares not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to but not exceeding the Maximum Price (as hereafter defined), whether by way of:
  - (i) on-market purchases, transacted through the SGX-ST's trading system or on any other securities exchange on which the Shares may for the time being be listed and quoted, through one (1) or more duly licensed dealers appointed by the Company for the purpose of the Share Buyback ("**Market Purchases**"); and/or
  - (ii) off-market purchases made in accordance with an equal access scheme as defined in Section 76C of the Companies Act ("**Off-Market Purchases**")

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

- (b) unless revoked or varied by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
  - (i) the date on which the next annual general meeting of the Company is held;
  - (ii) the date on which the next annual general meeting of the Company is required by law to be held; and
  - (iii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated;

- (c) in this Resolution:

**"Average Closing Price"** means:

- (i) in the case of a Market Purchase, the average of the closing market prices of a Share over the last five (5) Market Days on which the Shares are transacted on the SGX-ST before the day on which the Market Purchase was made by the Company; or

# NOTICE OF ANNUAL GENERAL MEETING

- (ii) in the case of an Off-Market Purchase, the average of the closing market prices of a Share over the last five (5) Market Days on which the Shares are transacted on the SGX-ST before the day on which the making of the offer pursuant to the Off-Market Purchase was made,

and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action that occurs during the relevant five (5) day period and the day on which the purchases were made;

**“date of the making of the offer”** means the date on which the Company makes an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

**“Market Day”** means a day on which the SGX-ST is open for trading in securities;

**“Maximum Percentage”** means that number of issued Shares representing 10.0% of the issued Shares (excluding Treasury Shares and subsidiary holdings) as at the date of the passing of this Resolution; and

**“Maximum Price”** in relation to a Share to be purchased or acquired, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed:

- (i) in the case of a Market Purchase, 105.0% of the Average Closing Price of the Shares; and

- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 105.0% of the Average Closing Price of the Shares; and

- (d) the Directors and/or any of them be and are and/or is hereby authorised and empowered to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

[See Explanatory Note (v)]

**(Resolution 11)**

# Notice of Annual General Meeting

## 12. THE PROPOSED RENEWAL OF THE SHAREHOLDERS' GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

That:

- (a) approval be and is hereby given for the purposes of Chapter 9 of the Rules of Catalist, for the Company, its subsidiaries and associated companies that are considered to be “entities at risk” (as that term is used in Chapter 9), or any of them to enter into any of the transactions falling within the types of Mandated Transactions described in the Appendix with any Mandated Interested Persons described in the Appendix, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions;
- (b) the approval given in paragraph (a) above shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier; and
- (c) the Directors and/or any of them be and are and/or is hereby authorised and empowered to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

[See Explanatory Note (vi)]

**(Resolution 12)**

By Order of the Board

Toh Li Ping, Angela  
Company Secretary

11 January 2022



# NOTICE OF ANNUAL GENERAL MEETING

## Explanatory Notes:

- (i) **Resolution 4** is to re-elect Mr. Lau Chin Huat ("**Mr. Lau**") as a Director of the Company. Mr. Lau, upon re-election, will remain as the Non-Executive Independent Chairman of the Company, Chairman of the Nominating Committee and a member of the Audit Committee and the Remuneration Committee of the Company. Mr. Lau will be considered independent for the purposes of Rule 704(7) of the Rules of the Catalist.

**Resolution 5** is to re-elect Mr. Lim Teck Chai Danny ("**Mr. Danny Lim**") as a Director of the Company. Mr. Danny Lim, upon re-election, will remain as the Independent Director of the Company, Chairman of the Remuneration Committee and a member of the Audit Committee and the Nominating Committee of the Company. Mr. Danny Lim will be considered independent for the purposes of Rule 704(7) of the Rules of the Catalist.

The information relating to Mr. Lau Chin Huat and Mr. Lim Teck Chai Danny as required under Rule 720(5) of the Rules of Catalist is set out from pages 56 to 61 of the Annual Report.

- (ii) **Resolution 8** proposed in item 8. above, if passed, is to empower the Directors to allot and issue Shares in the capital of the Company and/or Instruments (as defined above). The aggregate number of Shares to be issued pursuant to resolution 8 (including Shares to be issued in pursuance of Instruments made or granted) shall not exceed one hundred per cent. (100%) of the total number of issued Shares excluding subsidiary holdings (as defined in the Rules of Catalist) and treasury Shares of the Company, with a sub-limit of fifty per cent. (50%) for Shares issued other than on a pro rata basis (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to shareholders with registered addresses in Singapore. For the purpose of determining the aggregate number of Shares that may be issued, the percentage of the total number of issued Shares excluding subsidiary holdings (as defined in the Rules of Catalist) and treasury Shares of the Company will be calculated based on the total number of issued Shares excluding subsidiary holdings (as defined in the Rules of Catalist) and treasury Shares of the Company at the time of the passing of resolution 8, after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Rules of Catalist; and any subsequent bonus issue, consolidation or subdivision of shares.
- (iii) **Resolution 9** proposed in item 9. above, if passed, is to authorise the Directors to (a) offer and grant Options in accordance with the provisions of the Scheme and pursuant to Section 161 of the Companies Act; and (b) subject to the same being allowed by law, apply any Shares purchased under any share purchase mandate and to deliver such existing Shares (including treasury Shares) towards the satisfaction of Options granted under the Scheme, provided always that the aggregate number of Shares to be issued or transferred pursuant to the Options under the Scheme on any date, when aggregated with the number of Shares over which options or awards are granted under any other share option schemes or share schemes of the Company, shall not exceed fifteen per cent. (15%) of the total number of issued Shares of the Company excluding subsidiary holdings (as defined in the Rules of Catalist) and treasury Shares on the day preceding that date.
- (iv) **Resolution 10** proposed in item 10. above, if passed, is to authorise the Directors to (a) offer and grant Awards in accordance with the provisions of the Share Plan and pursuant to Section 161 of the Companies Act; and (b) subject to the same being allowed by law, apply any Shares purchased under any share purchase mandate and to deliver such existing Shares (including treasury Shares) towards the satisfaction of Awards granted under the Share Plan, provided always that the aggregate number of Shares to be issued or transferred pursuant to the Awards under the Share Plan on any date, when aggregated with the number of Shares over which options or awards are granted under any other share option schemes or share schemes of the Company, shall not exceed fifteen per cent. (15%) of the total number of issued Shares of the Company excluding subsidiary holdings (as defined in the Rules of Catalist) and treasury Shares on the day preceding that date.

# Notice of Annual General Meeting

- (v) **Resolution 11** proposed in item 11. above, if passed, will empower the Directors from the date of the passing of this Resolution until the date the next annual general meeting is to be held or is required by law to be held, whichever is earlier, to make purchases (whether by way of On-Market Share Purchases or Off-Market Share Purchases on an equal access scheme) from time to time of up to 10% of the total number of issued Shares excluding any Shares which are held as treasury shares of the Company at prices up to but not exceeding the Maximum Price. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate are set out in greater details in the Appendix accompanying this Notice.
- (vi) **Resolution 12** proposed in item 12. above, if passed, will authorise the Interested Person Transactions as described in the Appendix and recurring in the year and will empower the Directors of the Company to do all acts necessary to give effect to the shareholders' general mandate for interested person transactions. This authority will, unless previously revoked or varied by the Company in a general meeting, expire at the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

## Notes:

### General

1. Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company has the option to hold a virtual meeting, even where the Company is permitted under safe distancing to hold a physical meeting. Due to current COVID-19 situation and the Company's efforts to minimise physical interactions and COVID-19 transmission risk to a minimum, the AGM will be held by way of electronic means and members will NOT be allowed to attend the AGM in person.
2. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM are set out in this Notice of AGM. The Notice of AGM is also made available on SGXNet at the following URL: <https://www.sgx.com/securities/company-announcements> and the Company's website at the following URL: <https://kimlygroup.sg>.

**For Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") Investment Account Holders, please refer to Note 18 below for further details. For persons who are holding Shares through relevant intermediaries (other than for CPF and SRS Investment Account Holders), please refer to Note 19 below for further details.**

### Participation in AGM proceedings via "live webcast"

3. A member of the Company or their corporate representative (in the case of a member which is a legal entity) will be able to watch or listen to the proceedings of the AGM through a "live" webcast via mobile phone, tablet or computer ("**Live Webcast**"). In order to do so, the member must pre-register by 3.00 p.m. on 23 January 2022 ("**Registration Deadline**"), at the following URL: <https://events.rajahtann.com/KimlyLimitedAGM> (the "**Pre-registration Website**").
4. It is important that you provide your email address in your registration form. Following authentication of his/her/its status as a member of the Company, such member will receive an email on their authentication status containing login credentials to access the Live Webcast of the AGM proceedings using the account created.

# NOTICE OF ANNUAL GENERAL MEETING

- Members who have pre-registered by the Registration Deadline but do not receive the aforementioned email by 3.00 p.m. on 25 January 2022 should contact the Company at the following email address: [kimly.agm@rajahtann.com](mailto:kimly.agm@rajahtann.com), with the following details included: (1) the full name of the shareholder; and (2) his/her/its identification/registration number.

## Submission of questions prior to the AGM

- A member of the Company may also submit questions relating to the resolutions to be tabled for approval at the AGM or the Company's businesses and operations. The Company will endeavour to address questions which are substantial and relevant during the AGM proceedings.
- To do so, all questions must be submitted no later than 3.00 p.m. on 23 January 2022:
  - in physical copy by depositing the same at the registered office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623; or
  - by email to the Company at [investor.relations@kimlygroup.sg](mailto:investor.relations@kimlygroup.sg).
- If the questions are deposited in physical copy at the Company's registered office of the Company's share registrar or sent via email, and in either case not accompanied by the completed and executed Proxy Form (as defined below), the following details must be included with the submitted questions: (i) the member's full name; and (ii) his/her/its identification/registration number for verification purposes, failing which the submission will be treated as invalid.

The Company's responses to the substantial and relevant questions at least 48 hours prior to the closing date and time for the lodgement of the proxy forms ("**Responses to Q&A**") can be accessed at the Company's website at the following URL: <https://kimlygroup.sg>, and is made available on SGXNet at the following URL: <https://www.sgx.com/securities/company-announcements>. The Company endeavours to address any (i) subsequent clarifications sought, (ii) follow-up questions or (iii) subsequent substantial and relevant questions which are received after its Responses to Q&A and no later than 3.00 p.m. on 23 January 2022, prior to, or at, the AGM proceedings.

## Voting by Proxy

- A member will not be able to vote through the Live Webcast. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it may appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the instrument appointing the Chairman of the meeting as proxy ("**Proxy Form**"), failing which the appointment will be treated as invalid.
- The Proxy Form for the AGM can be accessed at the Company's website at the following URL: <https://kimlygroup.sg>, and is made available with this Notice of AGM on SGXNet at the following URL: <https://www.sgx.com/securities/company-announcements> on the same day.

# Notice of Annual General Meeting

11. The Chairman of the Meeting, as proxy, need not be a member of the Company.
12. The Proxy Form must be submitted to the Company in the following manner:
  - (a) by depositing a hard copy by post at registered office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623; or
  - (b) by sending a scanned PDF copy by email to srs.teamc@boardroomlimited.com.in either case, no later than 3.00 p.m. on 23 January 2022 ("**Proxy Deadline**").
13. A member who wishes to submit a Proxy Form must first **download, complete and sign the proxy form**, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.
14. **In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms and/or questions relating to the resolutions tabled for approval at the AGM or the Group's business and operations by post, members are strongly encouraged to submit completed proxy forms and/or questions electronically via email.**
15. The instrument appointing the Chairman of the AGM as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
16. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the AGM as proxy).
17. In the case of a member whose Shares are entered against his/her name in the depository register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if such member is not shown to have Shares entered against his/her/its name in the depository register as at 72 hours before the time appointed for the AGM, as certified by The Central Depository (Pte) Limited to the Company.



# NOTICE OF ANNUAL GENERAL MEETING

## CPF and SRS Investment Account Holders

18. CPF and SRS Investment Account Holders who wish to participate in the AGM by:

- (a) observing and/or listening to the proceedings of the AGM through a “live” webcast via mobile phone, tablet or computer, must pre-register at the following URL: <https://events.rajahtann.com/KimlyLimitedAGM> in the manner outlined in Notes 3 to 5 above;
- (b) submitting questions ahead of the AGM, must submit their questions in the manner outlined in Notes 6 to 8 above; and/or
- (c) exercising their votes in respect of the resolutions to be tabled at the AGM, must appoint the Chairman of the Meeting as proxy. To submit their voting instructions, CPF and SRS Investment Account Holders should contact their respective CPF Agent Banks or SRS Approved Banks through which they hold their shares as soon as possible, and in any case by 3.00 p.m. on 17 January 2022 prior to the date of the AGM. The Proxy Form referred to in Note 9 above is NOT valid for use by CPF and SRS Investment Account Holders and will be treated as invalid for all intents and purposes if used or purported to be used by such account holders.

## Persons holding Shares through relevant intermediaries\* (other than CPF/SRS Investment Account Holders)

19. Persons who hold shares through relevant intermediaries\* (other than for CPF and SRS Investment Account Holders) will NOT be able to pre-register for the AGM via the following URL: <https://events.rajahtann.com/KimlyLimitedAGM>, as it is not possible for the Company to verify their status as Shareholder.

Such persons who wish to participate in the AGM should contact their relevant intermediaries through which they hold their shares as soon as possible, so that the necessary arrangements can be made through such relevant intermediaries for such persons to attend the AGM via the “live” audio visual webcast or the “live” audio-only stream. Arrangements will also have to be made through such relevant intermediaries for such persons to submit questions and/or exercise their votes in respect of the resolutions to be tabled at the AGM.

In particular, such persons who wish to exercise their votes by appointing the Chairman of the Meeting as proxy should approach their relevant intermediaries as soon as possible prior to the date of the AGM to make the necessary arrangements.

\*A relevant intermediary is:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services under the Securities and Futures Act (Cap. 289) of Singapore and who holds shares in that capacity; or

# Notice of Annual General Meeting

- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36) of Singapore (the “**CPF Act**”), in respect of shares purchased under the subsidiary legislation made under the CPF Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

## Personal data privacy:

By pre-registering for the Live Webcast, submitting a Proxy Form appointing the Chairman of the Meeting as proxy to vote at the AGM and/or any adjournment thereof, and/or submitting questions relating to the resolutions to be tabled for approval at the AGM or the Company's businesses and operations, a member of the Company: (i) consents to the collection, use and disclosure of such member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”); (ii) warrants that where such member discloses the personal data of such member's proxy(ies) and/or representative(s) to the Company (or its agents), such member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that such member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of such member's breach of warranty.



**KIMLY LIMITED**  
 (Company Registration No. 201613903R)  
 (Incorporated In The Republic of Singapore)

# PROXY FORM

*This Proxy Form has been made available on the Company's corporate website (<https://kimlygroup.sg>) and SGXNET. A printed copy of this Proxy Form will **not** be despatched to members of the Company.*

**IMPORTANT:**

- Alternative arrangements relating to, amongst others, attendance, submission of questions in advance and voting by proxy at the Annual General Meeting ("AGM" or "Meeting") are set out in the Company's Notice of Annual General Meeting dated 11 January 2022 which has been uploaded on SGXNET on the same day. The announcement and the Notice of Annual General Meeting can also be accessed at the Company's corporate website (<https://kimlygroup.sg>).
- A member will not be able to attend the AGM in person. Please see Note 3 below for further details.
- If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid. By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 11 January 2022.
- This Proxy Form is not valid for use by CPF and SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. Such investors should approach their intermediary as soon as possible to specify voting instructions. CPF/SRS investors should approach their respective CPF Agent Banks or SRS Operators at least seven working days before the AGM to ensure their votes are submitted.
- Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy to vote on his/her/its behalf at the AGM.

I/We\*, \_\_\_\_\_ (Name), NRIC/Passport number\* \_\_\_\_\_ (Address)  
 of \_\_\_\_\_

being a member /members of Kimly Limited (the "Company"), hereby appoint the **Chairman of the Meeting** as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting ("AGM" or the "Meeting") of the Company, to be held by way of electronic means on Wednesday, 26 January 2022 at 3.00 p.m. and at any adjournment thereof.

The proxy shall vote on the Resolutions set out in the Notice of Annual General Meeting dated 11 January 2022 in accordance with my/our directions as indicated hereunder.

**(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.)**

No.	Resolutions relating to:	Number of Votes For <sup>(1)</sup>	Number of Votes Against <sup>(1)</sup>	Number of Votes Abstain <sup>(1)</sup>
	<b>Ordinary Resolutions</b>			
1.	Directors' Statement and Audited Financial Statements for the financial year ended 30 September 2021			
2.	Approval of Tax Exempt One-Tier final dividend of 0.84 Singapore cents per ordinary share for the financial year ended 30 September 2021			
3.	Approval of Tax Exempt One-Tier special dividend of 0.6 Singapore cents per ordinary share for the financial year ended 30 September 2021			
4.	Re-election of Mr. Lau Chin Huat as a Director			
5.	Re-election of Mr. Lim Teck Chai Danny as a Director			
6.	Approval of Directors' fees of up to S\$200,000 for the financial year ending 30 September 2022			
7.	Re-appointment of Messrs Ernst & Young LLP as Auditors			
8.	Approval of the Share Issue Mandate			
9.	Authority for Directors to offer and grant options and allot and issue shares under the Kimly Employee Share Option Scheme			
10.	Authority for Directors to offer and grant awards and allot and issue shares under the Kimly Performance Share Plan			
11.	Approval of the Proposed Renewal of Share Buyback Mandate			
12.	Approval of the Proposed Renewal of the Shareholders' General Mandate for Interested Person Transactions			

<sup>(1)</sup> Voting will be conducted by poll. If you wish the Chairman of the Meeting, as your proxy, to cast all your votes for or against a Resolution, please indicate with a "v" in the space provided under "For" or "Against". If you wish the Chairman of the Meeting as your proxy to abstain from voting on a Resolution, please indicate with a "v" in the space provided under "Abstain". Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to vote "For" or "Against" or to abstain from voting. In the absence of specific directions, the appointment of the Chairman of the Meeting as your proxy will be treated as invalid.

Dated this \_\_\_\_\_ day of January 2022

Total number of shares in:	No. of shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s) or, Common Seal of Corporate Shareholder

\* Delete where inapplicable

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

#### Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company has the option to hold a virtual meeting, even where the Company is permitted under safe distancing to hold a physical meeting. Due to current COVID-19 situation and the Company's efforts to minimise physical interactions and COVID-19 transmission risk to a minimum, the AGM will be held by way of electronic means and member will NOT be allowed to attend the AGM in person.
3. A member will not be able to vote through the Live Webcast. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
4. The Chairman of the Meeting, as a proxy, need not be a member of the Company.
5. The Proxy Form must be submitted to the Company in the following manner:
  - (a) by depositing a hard copy by post at registered office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623; or
  - (b) by sending a scanned PDF copy by email to srs.teamc@boardroomlimited.com.

in either case, no later than **3.00 p.m. on 23 January 2022, and failing which, this Proxy Form will not be treated as valid.**

6. A member who wishes to submit an instrument of proxy must first **download, complete and sign the proxy form**, before submitting it by depositing to the address provided above, or scanning and sending it by email to the email address provided above.
7. **In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms and/or questions relating to the resolutions tabled for approval at the AGM or the Group's business and operations by post, members are strongly encouraged to submit completed proxy forms and/or questions electronically via email.**
8. The instrument appointing the Chairman of the Meeting as proxy must be signed under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

Where this Proxy Form is submitted by email, it must be authorised in the following manner:

- (a) by way of the affixation of an electronic signature by the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or
- (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing this Proxy Form under hand and submitting a scanned copy of the signed Proxy Form by email.

Where this Proxy Form is signed or, as the case may be, authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this Proxy Form, failing which this Proxy Form may be treated as invalid.

9. Members who hold their shares through a Relevant Intermediary\* as defined in Section 181 of the Companies Act, Chapter 50 of Singapore (including CPF investors, SRS investors and holders under depository agents) who wish to exercise their votes by appointing the Chairman of the Meeting as proxy should approach their respective relevant intermediaries (including their respective CPF agent banks, SRS approved banks or depository agents) to submit their voting instructions.

\*A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
  - (b) a person holding a capital markets services licence to provide custodial services under the Securities and Futures Act (Cap. 289) of Singapore and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36) of Singapore (the "**CPF Act**"), in respect of shares purchased under the subsidiary legislation made under the CPF Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
10. CPF and SRS Investment Account Holders who wish to exercise their votes in respect of the resolutions to be tabled at the AGM, must appoint the Chairman of the Meeting as proxy. To submit their voting instructions, CPF and SRS Investment Account Holders should contact their respective CPF Agent Banks or SRS Approved Banks through which they hold their shares as soon as possible, and in any case by 3:00 p.m. on 17 January 2022. The Proxy Form referred to in Note 8 above is NOT valid for use by CPF and SRS Investment Account Holders and will be treated as invalid for all intents and purposes if used or purported to be used by such account holders.
  11. Persons who hold shares through Relevant Intermediary (other than for CPF and SRS Investment Account Holders) who wish to exercise their votes by appointing the Chairman of the Meeting as proxy should approach their Relevant Intermediary as soon as possible to make the necessary arrangements.

#### General:

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the Meeting as proxy). In addition, in the case of members whose shares are entered against their names in the depository register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if such members are not shown to have shares entered against their names in the depository register as at 72 hours before the time appointed for the AGM, as certified by The Central Depository (Pte) Limited to the Company.

#### Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated **11 January 2022**.





## **ANNUAL REPORT 2021**

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(Company Registration No. 201613903R)  
(Incorporated in the Republic of Singapore on 23 May 2016)

13 Woodlands Link  
Singapore 738725

<https://kimlygroup.sg>