Kimly™

The Flavours of Life

Greater Synergy, Enhanced Opportunities

ANNUAL REPORT 2022

Content

02 Corporate Profile
03 Our Businesses
04 Our Network
05 Milestones
07 Message to Shareholders
17 Board of Directors
19 Key Management
22 Financial Highlights
24 Financial Review
27 Corporate Information

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

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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 81 food outlets under "Kimly" and "foodclique" and three (3) Halal Food Outlets under the brand Kedai Kopi, 166 food stalls, nine (9) Tonkichi and Tenderfresh restaurants, seven (7) Rive Gauche confectionary shops and three (3) Tenderfresh kiosks across the heartlands of Singapore.

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. Food retail products are currently available for online ordering through GrabFood, Foodpanda, Deliveroo and the new integrated e-commerce platform on Kimly's corporate website.

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 70 coffeeshops, and four (4) industrial canteens, and two (2) 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 98.9% for a total of 648 stalls within our managed food outlets.

FOOD RETAIL DIVISION

Catering to a broad and varied customer base and supported by our central kitchens, the Group's 166 food stalls, nine (9) Tonkichi and Tenderfresh restaurants, seven (7) Rive Gauche confectionary shops and three (3) Tenderfresh kiosks under our Food Retail division.

Our Food Retail portfolio comprises Mixed Vegetable Rice, Teochew Porridge, Dim Sum, Seafood "Zi Char", Japanese Food, Western Food and confectionary shops which operate within the Group's coffeeshops, third party's coffeeshops, food courts, F&B kiosk and full service restaurants.

Our central kitchens supply sauces, marinades, pastries and semi-finished food products to our Mixed Vegetable Rice, Seafood "Zi Char", Dim Sum, Western food stalls and Rive Gauche confectionary shops.

Our central kitchen also engaged in manufacturing, processing and sale of food products to customers.

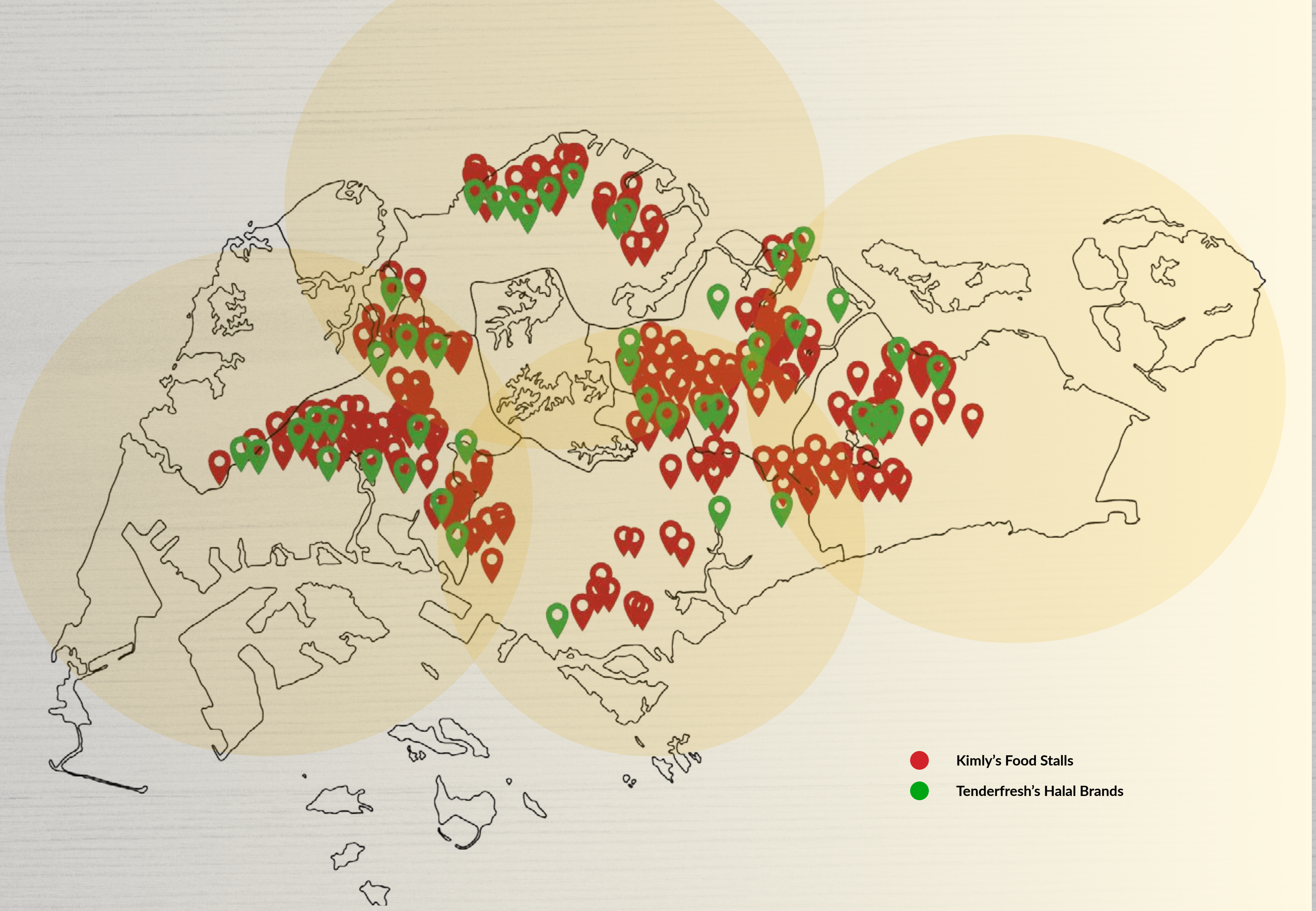
81	**3**	**141[*]**	**44**	**49**
Food Outlets	Halal Food Outlets	Food Stalls/ Restaurants/ Patisseries	Halal Food Stalls/ Restaurants/ Kiosks	Out of total 84 Food Outlets are open 24 hours

[*] Includes seven (7) Rive Gauche confectionary shops which have been disposed as at date of this annual report

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. Under this division, the Group operates four (4) coffeeshops, three (3) industrial canteens and a restaurant unit.

Our **Network**



🔴 Kimly's Food Stalls

🟢 Tenderfresh's Halal Brands

57	MIXED VEGETABLE RICE / TEOCHEW PORRIDGE
47	DIM SUM
27	SEAFOOD "ZI CHAR"
2	TONKICHI RESTAURANTS
1	KANAAJI KATSU JAPANESE FOOD STALL
7	RIVE GAUCHE CONFECTIONARY SHOPS
44	TENDERFRESH HALAL FOOD RESTAURANTS/FOOD STALLS/ KIOSKS

Milestones

2017

20 MAR - Successfully listed on the Catalist 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 digitalised 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 Group.

2022

9 MAY - Opened third Kedai Kopi at Ang Mo Kio 108

30 JUN - Entered into a joint venture agreement ("**JVA**") to operate and manage 808 French Road Coffeeshop

1 OCT - Launch of Kimly Curry Pau

1 NOV - Opened fourth Kedai Kopi at Yishun 925

24 NOV - Following the acquisition of Tenderfresh Group, the Group's FY2022 revenue crossed the S$300 million mark, the first time in the history of the Group. Proposed final dividend of 1.12 cents is the highest final dividend declared since the Group's IPO, subject to shareholders' approval.

Growing Our Revenue Base, Delivering Sustainable Returns

Opened third Kedai Kopi at Ang Mo Kio 108

New outlet under JVA located at 808 French Road

Diversifying our Product Offerings with the launch of Kimly Curry Pau

Message to Shareholders

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 2022 ("FY2022"). I am glad that we have persevered against all odds to deliver a commendable financial performance despite continued disruptions from the COVID-19 pandemic.

Singapore has slowly returned to normalcy as borders have reopened and social distancing measures are lifted. Singapore has moved towards an endemic living approach with COVID-19. Although working from home is no longer a default, we believe that coffeeshops will continue to be a popular dining option as they are part of the intangible cultural heritage of Singapore.

> "We stayed resilient during the year with our well-balanced portfolio of business lines which provide us with multiple revenue streams, without depending on any particular business division. Our cash-generative business nature and strong financial position also helped to cushion the impact of COVID-19."

Message to Shareholders

The series of initiatives and expansion which we have implemented in FY2021 has laid a solid foundation for us in FY2022. We stayed resilient during the year with our well-balanced portfolio of business lines which provide us with multiple revenue streams, without depending on any particular business division. Our cash-generative business nature and strong financial position also helped to cushion the impact of COVID-19. Our newly acquired Tenderfresh Group delivered its maiden set of results, the positive results underscored our optimism that the new business will broaden our revenue base, fast-track our reach into the promising Halal market and help deliver sustainable returns to our shareholders.

STRENGTHENING OPERATIONS

Driving innovation in the food and beverage ("F&B") industry is important for creating value and product differentiation. We have developed new product development capabilities to help us stay relevant to the changing consumer preferences. We have introduced our new in-house developed Kimly Curry Pau across our Dim Sum stalls. It is filled with a mix of chunky chicken and curry potato, wrapped in a whole grain bun. In addition, our Seafood "Zi Char" division has also revamped the menu offerings to suit the needs of the younger households in Singapore and created new set meals for online customers.

We remain focused on further expanding our central kitchen and enhancing its capabilities by leveraging on technology. We strive to bring synergy of the central kitchen to our Food Retail Division. Thus, we have increased the number of sauces and semi-finished food products prepared at our central kitchen before delivering to our food stalls. This helped to further ensure the consistency of quality and taste of our food products across all of our food stalls while helping us to reduce manpower reliance at the food stalls.

Tray return has been made mandatory for diners at food courts and coffeeshops since the start of 2022. The Group has demonstrated agility in completing the setting up of customised stainless steel tray return areas in convenient locations within our coffeeshops. We have further enhanced the roll-out by tapping on the grants from the National Environment Agency to create stainless-steel tray return apparatus. The practice of tray returns has further enhanced the hygiene level of our coffeeshops and reduced our cleaners' workload, allowing them to have extra bandwidth to maintain and upkeep the general cleanliness of our coffeeshops.

Online food delivery set to remain as an essential part of F&B business. This is largely due to consumers' sustained reliance on food delivery platforms for its convenience, wide array of options and quick delivery. Thus, we seized this opportunity to revamp our corporate website and also integrated e-commerce platform, to allow consumers to place their orders directly. We have launched it for our Dim Sum food division in September 2022 and will eventually roll it out gradually to other Food Retail divisions. A series of promotional and marketing activities are introduced to drive awareness and promote our new e-commerce platform. We are optimistic that this initiative will benefit us in the long run where profitability could be improved with lower operating cost.

We are relentless in adopting technology into our daily operations to further enhance customers' experience and boost productivity, supporting the government's aim to build a Smart Nation. Following our deployment of NETS Unified Payment terminals in our island-wide network of more than 220 point of sale terminals, we observed a significant rise in e-payment transactions. As e-payments are efficient, convenient, and green, the Group is also keen to introduce more cashless payment options to our customers going forward.

On 9 September 2022, we entered into a Business Transfer Agreement with Muginoho Global Pte. Ltd., a wholly-owned subsidiary of Muginoho Holdings Co., Ltd, incorporated in Japan, to dispose of our confectionary business operating under the name "Rive Gauche Patisserie", for a sale consideration of S$2.8 million. This is aligned with the Group's commitment to streamline the business operations and better utilise resources to the benefit of the core business in operating coffeeshops by serving up more outlets as well as diversifying our product offerings.

Message to Shareholders

Revitalising and rejuvenating our coffeeshops have been one of our key strategies, such initiative allows us to improve customers' dining experience and hygiene standards, enlarge the lettable area and sitting capacity, increase the rental yield, and income from sale of food and beverages, and through it all, maximise the commercial value of our business points. Five of our existing coffeeshops were refurnished and revitalised as part of our Outlet Revitalisation Program in FY2022. To keep the coffeeshops lively and provide greater food selections, new food stalls and food products were also introduced into these coffeeshops.

TENDERFRESH GROUP CONTINUES TO FLOURISH

We have gained a significant foothold in the Halal food market following the acquisition of Tenderfresh Group in October 2021. The Group has successfully opened 8 Tenderfresh food stalls in our coffeeshops in FY2022 and is in the midst of integrating and setting up more Tenderfresh food stalls in our chain of coffeeshops. We are constantly reinventing our food offerings to cater to evolving consumer preferences and needs. Tenderfresh Group has unveiled their new Tex-Mex concept with the opening of the Amigo's outlet at Jurong East Central where consumers get to enjoy feisty and bold flavours of Mexican food. In addition, Tenderfresh Group has also introduced new healthier rice bowls in view of an increasing number of health-conscious consumers. The rice bowls offer plenty of vegetables and consumers can expect to find our signature aromatic yellow steamed rice beneath all the goodness above.

Tenderfresh Group's modern-day cafe concept, Tenderbest Makcik Tuckshop is known for its tuckshop food in a cafe setting. This concept has gained traction among consumers since its launch. We are planning to apply this concept to our upcoming restaurant by the park, located at Sengkang Riverside Park, Singapore's largest man-made wetland that attracts a variety of mangrove birds, damselflies and aquatic plants. This family-friendly F&B cafe will complement the natural setting of the park through a variety of Halal food items that is value for money. The cafe will be a perfect spot for anyone to wind down or hang out.

Singapore has a vibrant halal dining scene where a variety of Halal food is available. There has been a surge in the number of F&B outlets opening and issuance of Halal certifications in recent years in Singapore. The Halal dining market in Singapore was worth about S$1 billion in 2019 with S$700 million spent by local Muslims and Muslim visitors to Singapore spending about S$300 million[1] according to a report on Muslim consumer behaviour and Halal food trends.

The Group has always been committed in growing and expanding its Food Retail Division. The acquisition of the Tenderfresh Group will propel the Food Retail Division forward and generate new revenue streams for the Group. In addition, Tenderfresh Group's competitive edge and extensive network in the Halal food market allows the Group to make further inroads into the Halal food segment and open more Tenderfresh Group's food stalls at our coffeeshops.

Following the success of our first Kedai Kopi at Clementi, we have opened our second outlet at Haig Road and third outlet at Ang Mo Kio during FY2022, the Group will continue to look for suitable expansion opportunities and create unique dining experiences for different markets in Singapore. Together with Tenderfresh Group, we firmly believe that there is tremendous potential in the Halal food market for us to explore, not just in Singapore but regionally.

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[1] https://www.halalweekly.com/2021/03/10/singapore-halal-dining-market-worth-usd-1-billion-crescentrating/

Message to Shareholders

NEW OUTLETS IN THE HEARTLANDS

We have been always on the lookout for suitable new food outlets and food stalls opportunities to further strengthen our foothold in the market. In June 2022, the Group entered into a joint venture agreement ("JVA") with 808 Ta Sun Pte. Ltd. to operate and manage the short-term HDB lease of the coffeeshop located at 808 French Road Kitchener Complex. By entering into JVA with the third parties to manage HDB coffeeshop leases, the Group is not only able to reach out to more customers and is also able to diversify and expand its revenue stream through additional and recurrent rental streams, which mitigates the uncertainties in the private leasing category. The Group endeavours to pursue opportunities to acquire and operate more strategically-located coffeeshops in mature estates with established footfalls.

Our time-tested experience and expertise in the industry have allowed us to have a competitive advantage in securing food outlets. Since Initial Public Offering, the Group has made good progress in expanding our outlet network, growing to a sizeable island-wide network of 84 food outlets and 185 food stalls/restaurants/shops from 64 food outlets and 121 food stalls respectively. It is the Group's commitment and relentless efforts that have contributed to the growth.

OUTLOOK

Many F&B establishments have been grappling with the shortage of manpower due to the tightening of foreign manpower policy and searching for locals to fill up the empty positions continues to be an uphill task. The manpower shortage in the F&B industry was also keenly felt following the easing of COVID-19 restrictions as the demand increases with the resumptions of activities. The Group expects to face continued mounting operating cost pressure brought on by the ongoing manpower crunch and worsened by the intensifying competition in the industry. To deal with the shortage of manpower, the Group has been placing a focus on productivity growth, improving work environment and training to attract and retain talents. In addition, we have also embarked on the journey of rationalising manpower resources by closing some underperforming restaurants and redeploying this same pool of employees to other food stalls.

Singapore has eased most of its social distancing measures as the country has pivoted to an endemic COVID-19 strategy where there will no longer be limits on group sizes or a requirement for safe distancing and all workers are now allowed to return to their workplaces whereby working from home will no longer be the default. As the Group's coffeeshops are predominantly located within the heartlands, the footfall to the coffeeshops might taper as more people return to their workplace. However, the lifting of dine-in group size limits may cushion the impact of the removal of the work-from-home default and local coffeeshops remain the steadfast choice for consumers.

Inflation has been making headlines around the world and the local F&B sector is not immune to this. In addition, the high cost of raw materials has been driven up even more by inflationary pressure, primarily as a result of supply chain disruptions. In the fast evolving world of F&B product development, standing still is not an option. The Group has strong R&D capabilities to reinvent and introduce new product offerings in a short span of time. This not only enables the Group to meet the changing customer needs but also tackles the challenges of certain ingredient shortages and rising raw material costs. This also allowed us to defend the selling price of our products while continuing to provide quality food products to our customers.

Going forward, the Group will stay focused on carrying out our four-pronged growth strategy to drive growth which includes expanding our footprint, diversifying product offerings and revenue channels, expanding the Food Retail Division and strengthening operational capabilities to improve efficiency and productivity. We will be taking proactive steps to look for opportunities to secure more food outlet leases in the heartlands of Singapore to deepen our market presence. Catering to ever-changing needs of the increasingly sophisticated consumers, the Group will continue to reinvent, innovate and upgrade its menu offerings while maintaining a high standard of food quality. Leveraging on our venture into Singapore's Halal F&B market through Tenderfresh Group, the Group is also aiming to further grow our Food Retail Division via joint ventures, mergers and acquisitions. In addition, we will continue with our efforts in exploring new technology solutions that could improve our efficiency as well as upgrading our central kitchen to boost productivity.

Message to Shareholders

We are mindful that the consumer sentiment may be dampened by recessionary fears arising from the uncertain global economic outlook. Thus, we will keep a close watch on the changing business landscapes and recalibrate our business strategies accordingly. We believe that the strong foundation that we have built over the years has equipped the Group with more capabilities to tide through any crisis and better serve our customers. Tapping on the strength and experience of the management team over the years, we have always managed to innovate and adapt accordingly to achieve greater heights. This has allowed us to remain relevant in the industry and to prepare for any unprecedented circumstances.

FINANCIAL PERFORMANCE

The Group's revenue registered a growth of 33.1% to S$317.7 million in FY2022. This was largely attributable to higher revenue contribution from all three of our Business Divisions in Food Retail, Outlet Management and Outlet Investment Business. Remarkably, the newly acquired Tenderfresh Group has contributed S$73.5 million to the Group's revenue in FY2022. Gross profit increased 18.5% to S$92.6 million in FY2022 but the gross profit margin decreased by 3.6 percentage points to 29.2% in FY2022, due to higher costs and lower government grants. Income tax expenses increased by S$2.0 million to S$7.2 million in FY2022. Effective rate was 16.3% as compared to 11.7% in FY2021. The higher income tax expense and effective tax rate were mainly due to lower non-taxable government grants received for the Jobs Support Scheme. As a result, profit attributable to the owners of the Company decreased from S$39.3 million in FY2021 to S$34.0 million in FY2022.

Our balance sheet remains healthy. The Group generated an operating cash flow of S$86.9 million with cash and cash equivalents as of 30 September 2022 at S$77.6 million. As of the date of this report, the Group has utilised S$41.3 million of its IPO net proceeds resulting in a balance of S$2.1 million.

REWARDING SHAREHOLDERS

We are very heartened by the unwavering support from our shareholders during this challenging period. To show our appreciation, the Board has recommended a final one-tier tax-exempt cash dividend of 1.12 Singapore cents per share for FY2022. Taking into account the interim dividend of 0.56 Singapore cents per share paid in July 2022, the total dividend payout for FY2022 amounts to 1.68 Singapore cents per share, representing a payout of about 61.4% of the Group's net attributable profit for FY2022. For the record, this is the highest final dividend declared since the Group's IPO in 2017. The final dividend is subject to shareholders' approval at the forthcoming annual general meeting on 18 January 2023.

WITH GRATITUDE AND APPRECIATION

On behalf of the Board of Directors, I would like to thank the team for their dedication and commitment throughout the year which have allowed the Group to thrive. Their efforts and contributions have been instrumental in the Group's growth journey. I would also like to express our appreciation to our customers, business partners, food stall operators, associates, suppliers and shareholders for their unwavering faith and confidence in us. We are grateful to have you on our journey and we look forward to this continued support as we endeavour to achieve new milestones and greater times together.

LAU CHIN HUAT

Non-Executive Independent Chairman

给股东的信息

> “我们多元化的业务组合为我们提供了多种收入来源，减少了对任何特定业务部门的依赖，为我们的业务保持坚韧性。我们业务的现金生成能力和雄厚的财务状况也缓冲疫情所带来的影响。”

亲爱的股东们，

我很荣幸代表金味董事会分享我们截至2022年9月30日财政年（“2022财政年”）的年报。尽管疫情持续干扰经济和商业活动，我很高兴我们仍然能克服重重困难，取得良好的财务业绩。

新加坡已开始逐渐放宽与疫情相关的限制措施及重新开放边境，迈入与新冠病毒共存的新常态。尽管居家办工不再是默认模式，但我们深信咖啡店仍然是国人偏爱的餐饮选择，因为咖啡店是新加坡非物质文化遗产的一部分。

我们在2021财政年实施的一系列举措和扩张计划为我们在2022财政年奠定了强固的业务基础。我们多元化的业务组合为我们提供了多种收入来源，减少了对任何特定业务部门的依赖，为我们的业务保持坚韧性。我们业务的现金生成能力和雄厚的财务状况也缓冲疫情所带来的影响。我们新收购的可爱鸡集团交出了首个业绩，它良好的业绩凸显了我们乐观的态度，即对新业务将扩大收入的基础，加快进入前景广阔的清真市场的步伐，并有助于为我们的股东带来可持续的回报。

强化营运

在餐饮业推动创新对于创造价值和产品特色化是非常重要的。我们强大的新产品研发能力，使我们在行业中具有相关性并能满足不断变化的消费者喜好。我们新推出的自制金味咖喱包，已在我们全岛点心摊位开始售卖。它的馅料是混合了鸡肉和咖喱土豆，包裹在全麦包里。此外，金味海鲜煮炒为了迎合新加坡年轻家庭的需求翻新了菜单，也为在线顾客设计了新的套餐配套。

我们一直致力于进一步提升和改进中央厨房，并通过利用科技来增强其性能。我们也继续努力地使中央厨房发挥的协同效应以保障食品零售部门的利益。因此，我们增加了中央厨房准备的酱汁和半成品的产量，再送到我们的熟食摊位。这有助于进一步确保我们熟食摊位的食品质量和口味的一致性，同时减少熟食摊位对人力的依赖。

给股东的信息

食阁及咖啡店已在2022年初强制食客归还碗碟托盘。集团在配合这项条例的实施下表现出灵活的应变能力，在咖啡店内方便食客的位置设立了不锈钢托盘归还区。我们善用了国家环境局的补贴来设置了不锈钢托盘归还装置。强制归还托盘和餐具落实以后，进一步提高了我们咖啡店的卫生水平，也减少了清洁员工的工作量，让他们有额外的时间来维持及提升咖啡店的整体清洁。

线上外卖成为了餐饮业生意必不可少的一部分。这主要是由于消费者持续依赖线上外卖平台的便利性、多样化的选择和快速配送食物上门。因此，我们抓住这个机会改造了我们公司网站，并整合了电子商务平台，让消费者可以直接下单。我们已于2022年9月为点心食品部门推出此平台，最终将逐步推广到其他食品零售部门。我们也推出了一系列的促销和营销活动，以提高品牌知名度并推广我们的新电子商务平台。我们乐观地认为，从长远来看，这一举措将使我们受益，因为可以通过降低营运成本，来提高盈利能力。

我们坚持不懈地在日常营运中应用科技，进一步提升顾客体验并提高生产力，支持政府建设智慧国家的目标。在全岛逾220台销售点终端采用了NETS统一支付系统后，我们发现电子支付量显著增加。由于电子支付方式的效率高、方便及环保，集团也热衷于在未来为顾客提供更多的无现金支付选择。

在2022年9月9日，我们与Muginoho Global Pte. Ltd.，一家属于在日本注册成立的Muginoho Holdings Co., Ltd. 的全资子公司，签订了一项业务转让协议，以280万新元的售价出售我们的糕点业务，Rive Gauche Patisserie。这符合集团欲精简业务营运的策略，并能更好地利用资源来服务更多的店面及提供更多样化的产品，让我们咖啡店的核心业务受益。

翻新和振兴咖啡店一直是我们主要策略之一，这举措旨在改善顾客的用餐体验和卫生水平，使我们能够扩大可出租面积和座位，增加租金收益以及食品和饮料零售收入，来强化我们的商业价值。我们在2022财政年的店面振兴计划里，翻新和振兴了现有的5家咖啡店。这些咖啡店也引进了新的熟食摊位和产品，以保持咖啡店的活力并提供更多的餐饮选择。

可爱鸡集团业务继续蓬勃发展

集团在2021年10月完成对于可爱鸡集团的收购后，成功在清真食品市场扎稳脚跟。在2022财政年成功地在集团旗下的咖啡店成功开设了8家可爱鸡熟食摊位，并且正在整合和设立更多可爱鸡熟食摊位。我们不断改进我们的食品供应，以迎合不断变化的消费者的偏好和需求。可爱鸡集团在裕廊东中心开设了一间Amigo品牌的分店，推出了全新的 Tex-Mex 概念，让消费者可以享受到美味独特的墨西哥美食。此外，鉴于越来越多消费者注重健康，可爱鸡集团还推出了新的健康盖饭。这盖饭里有很多不同种类的蔬菜，消费者可期待在上述的健康盖饭里享受到我们标志性的黄米饭。

可爱鸡集团旗下的品牌Tenderbest Makcik Tuckshop，以其现代咖啡馆概念闻名。这一概念自推出以来就受到了消费者的青睐。我们计划把这一概念用于我们即将在盛港河滨公园开设的公园餐厅，该餐厅位于新加坡最大的人造湿地，吸引了各种红树林鸟类、豆娘和水生植物。这家亲子餐饮咖啡馆将提供各种物有所值的清真食品，是一个适合放松或消遣的理想场所。

新加坡拥有充满活力的清真市场，提供各种清真食品。近年来，新加坡开设和获颁发清真认证的清真食品餐饮店数量激增。根据一份关于穆斯林消费者行为和清真食品趋势的报告，2019年新加坡的清真餐饮市场价值约10亿新元，其中本地穆斯林消费7亿新元，新加坡的穆斯林游客消费约3亿新元。

集团一直致力于发展和扩大其食品零售部门。收购可爱鸡集团将推动食品零售部门继续发展，并为集团创造新的收入来源。此外，可爱鸡集团在清真食品市场的竞争优势和广泛的网络使集团能够进一步进军清真食品领域，并能在我们的咖啡店开设更多可爱鸡集团的熟食摊位。

继第一家Kedai Kopi在金文泰（Clementi）取得成功后，我们在2022财政年在海格路（Haig Road）开设了第二家分店，第三家分店开设在红茂桥（Ang Mo Kio），集团将继续寻找合适的扩张机会，并为新加坡不同市场创造独特的用餐体验。与可爱鸡集团一起，我们坚信清真食品市场不仅在新加坡有巨大的潜力，而且在整个亚太区域都有着庞大的商机。

给股东的信息

在社区开设新店面

我们一直在寻找合适的新店面和熟食摊位，以进一步巩固我们在市场上的立足点。在 2022年6月，集团与808 Ta Sun Pte. Ltd.签订了一份合资企业协议，经营和管理位于808 French Road Kitchener Complex的政府组屋咖啡店的短期租约。通过与第三方的合资协议以管理政府组屋咖啡店的租赁，集团不仅可以服务到更多的顾客群，还可以通过额外和经常性的租金来源来多样化和扩大其收入来源，从而减轻私人租赁的不确定性。集团致力寻求机会，在人流量大的成熟组屋区，收购及经营拥有策略性位置的咖啡店。

我们久经考验的行业经验和专业知识使我们在具有店面的竞争优势。自首次公开募股以来，本集团在扩展店面方面取得良好发展，由64家咖啡店和121个熟食摊位，发展至全岛84家咖啡店和185家熟食摊位/餐厅/商店。正是集团的承诺和不懈努力，成就了集团的增长。

展望

由于外籍工人政策收紧，许多餐饮业者一直在努力应对人手短缺的问题，寻找本地人填补空缺职位仍然是一项艰巨的任务。随着新冠疫情限制措施的放宽，活动陆续恢复，需求也跟着增加，餐饮业的人手短缺也受到了极大的影响。集团预期将面对持续人手短缺所带来的持续增加的营运成本的压力，以及业界加剧的竞争压力。为应对人手短缺，集团一直专注提高生产力，改善工作环境及培训以吸引及挽留人才。此外，我们还通过关闭一些表现欠佳的熟食摊位，并将同一批员工重新调配到新的熟食摊位来合理化人力资源。

随着新加坡已朝着与新冠病毒共存的新常态迈进，政府也放宽了大部分疫情限制措施，将不再有团体人数限制或安全距离要求。所有员工也允许返回办公室，从而居家办公将不再是默认模式。由于集团的咖啡店主要位于邻里地带，随着越来越多的人返回工作场所，咖啡店的客流量可能会逐渐减少。然而，取消团体人数限制可能会缓解居家办工不再是默认模式所带来的影响，因为咖啡店仍然是消费者的坚定选择。

通货膨胀已经成为世界各地关注的课题，餐饮行业也不能幸免。此外，供应链中断导致的通胀上升，进一步推高了原材料成本。在快速发展的餐饮产品开发领域里，停滞不前进不是一种选择。集团拥有强大的研发能力，可以在短时间研发和推出新产品。这不仅使集团能够满足不断变化的顾客需求，还应对了某些原料短缺和原材料成本上涨的挑战。这也使我们能够在继续为顾客提供优质食品的同时捍卫产品的售价。

展望未来，本集团将继续专注于实施“四管齐下”的发展策略，以推动增长，包括扩大的业务版图、多元化产品和收入来源、扩大食品零售部门，以及加强营运能力，以提高效率和生产力。我们将采取积极的措施，在新加坡的邻里地带争取更多的咖啡店与食阁的租赁，以深化我们的市场布局。为迎合日益成熟的消费者的不断变化的需求，集团将继续重塑、创新和改良其菜单产品，同时保持高标准的食品质量。我们借助通过可爱鸡集团进军新加坡清真食品和餐饮市场的优势，集团旨在通过合资、并购及收购进一步发展食品零售部。此外，我们会继续致力探索可提高效率的新技术解决方案，以及升级我们的中央厨房以提高生产力。

我们清楚了解到消费者情绪可能会因全球经济前景不明朗所引发的担忧而受到抑制。因此，我们将密切关注不断变化的商业环境，并相应地调整我们的经营策略。我们相信，我们多年来建立的坚固基础让集团具备更多能力渡过任何危机并更好地服务我们的顾客。凭借多年来管理团队的实力和经验，我们始终设法创新和适应以取得更大的成就。这使我们能够在行业中保持相关性，并为任何前所未有的情况做好准备。

给股东的信息

财务表现

集团的收入在2022财政年增长了33.1%至3.177亿新元。这主要归于我们所有三个业务部门，分别为食品零售部，咖啡店管理部和店面投资业务的收入贡献的增加。新收购的可爱鸡集团的业务也交出亮眼的业绩，在2022财政年为集团贡献了7,350万新元。虽然2022财政年毛利率增长了18.5%至9,260万新元，但毛利率下降了3.6个百分点至29.2%，这是因为成本的上升和政府补助的减少。2022财政年的所得税费用增加了200万新元，达到720万新元，实际税率为16.3%，而2021财政年为11.7%。较高的所得税费用和实际税率主要是由于集团收到从雇佣补贴计划中较低的非应税政府补助。因此，集团的税后盈利，从2021财政年的3,930万新元下降至2022财政年的3,400万新元。

我们的资产负债表仍保持健康。截至2022年9月30日，集团的的营业现金流量为8,690万新元，现金及现金类资产为7,760万新元。截至本报告日期，本集团已使用了4,130万新元的首次公开募股所得款项净额，余额为210万新元。

回馈股东

股东在这段充满挑战时期给予了我们坚定不移的支持，让我们深受鼓舞。因此，董事会提议在2022财政年派发每普通股S$0.0112的年终免税现金股息。包括2022年7月份所支付的每股S$0.0056的年中免税现金股息，2022财政年宣派的股息总额则为每普通股S$0.0168。这相当于集团2022财政年应占净利润的约61.4%。根据记录，这是自集团于2017年首次公开募股以来，最高的年终股息。年终股息须在2023年1月18日所举行的年度股东大会上获得股东的批准。

致谢

我谨代表董事会，感谢整个团队在这一年来的奉献和承诺，正是他们的付出，让集团得以继续发展。他们的努力和贡献在集团的成长之路至关重要。我也要感谢我们的顾客、商业伙伴、档位经营者、联营公司、供应商及股东对我们坚定不移的信念和信心。我们很高兴有您加入我们的旅程，我们期待着在我们共同努力实现新的里程碑和开拓新时代时有您一如既往的支持。

刘进发
非执行独立主席

Leveraging on Technology

Adapted our workforce to digital platforms and integrated delivery platforms with our system

Deepened engagments with delivery aggregators and cultivated customised-ecommerce channels

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

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

Ms. Wong Kok Yoong Karen is our Executive Director and was appointed to our Board since 29 November 2018.

As Executive Director, she assists the Board in managing the Group's overall business development, expansion and various other business processes. Ms. Wong has over 16 years of experience in audit, accounting and finance. Prior to joining the Group as the Chief Financial Officer in 2016, 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. She was redesignated as Executive Director on 11 November 2021.

Key Management

MR. PEH KIM LEONG SUNNY

Director of Operations, Outlet Management Division

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

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. RONNIE YEO YIEN GEE

Director of Operations, Kimly Food Retail Division

Mr. Ronnie Yeo Yien Gee 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 confectionary businesses, Tonkichi and Rive Gauche in 2018.

Key Management

MR. CHUA YONG CHUAN KELVIN

Managing Director of Tenderfresh Group

Mr. Chua Yong Chuan Kelvin is the Managing Director of Tenderfresh Group and an 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

Ms. Lin Meiqi is the 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.

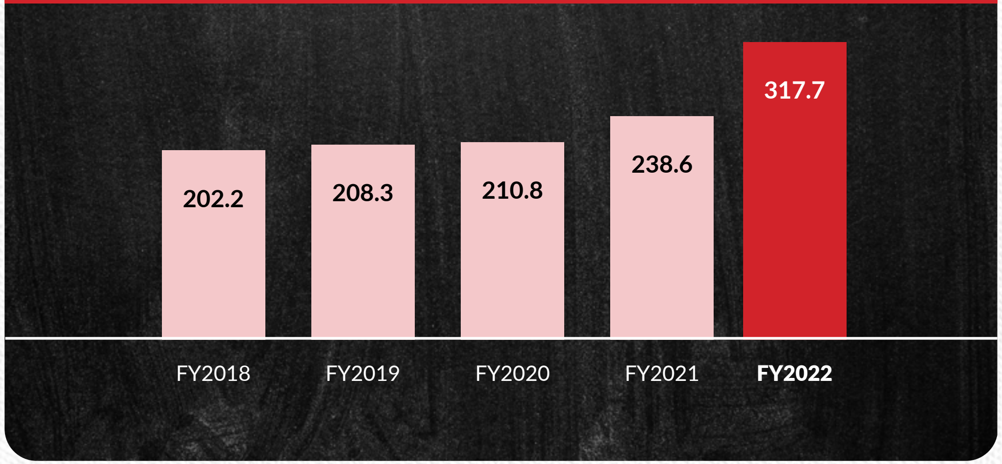
Synergising Growth with Strategic M&A

Opened eight (8) Tenderfresh food outlets in our coffeeshops in FY2022

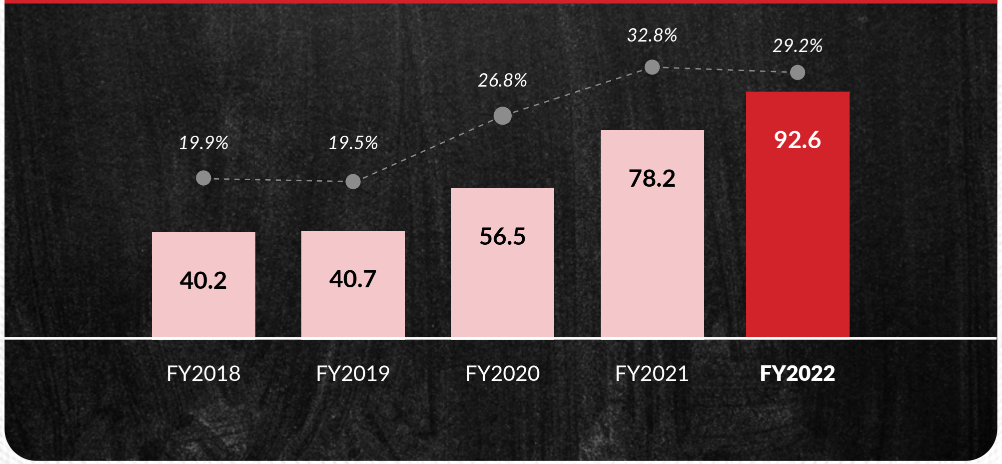
New product development capabilities to stay relevant to the changing consumer preferences

Financial Highlights

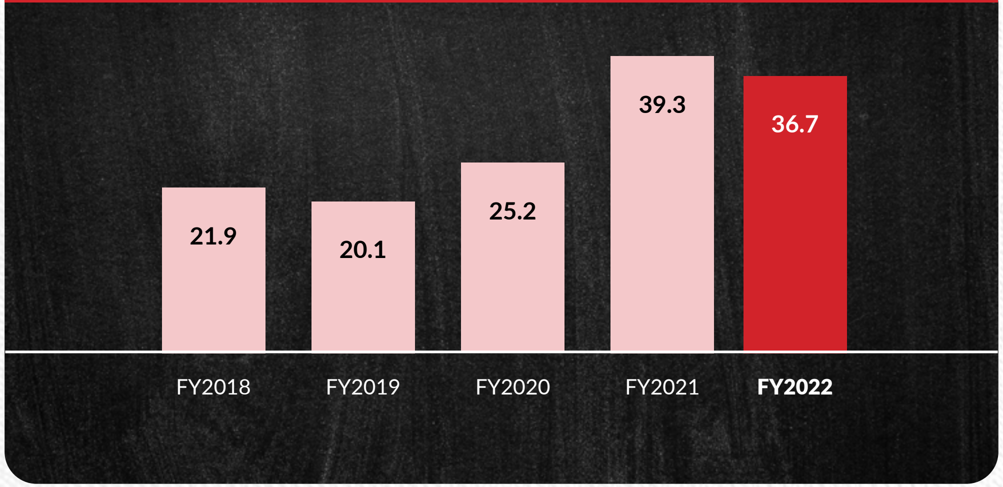
REVENUE (S$'M) — UP **33.1%** FROM FY2021



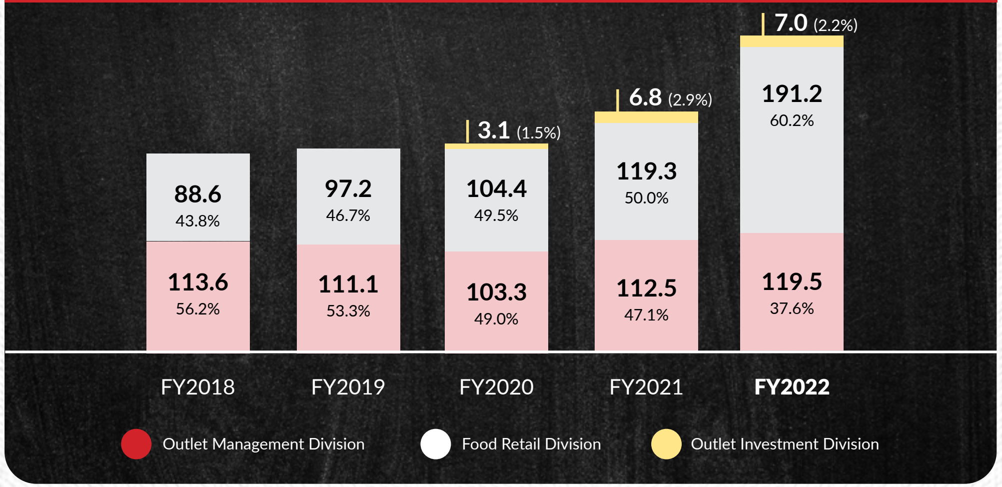
GROSS PROFIT (S$'M) **& GROSS PROFIT MARGIN** (%) — UP 18.5% & DOWN **3.6%** FROM FY2021



PROFIT FOR THE YEAR (S$'M) — DOWN **6.6%** FROM FY2021



REVENUE BREAKDOWN BY BUSINESS SEGMENT (S$MIL)



Financial Highlights

	2018	2019	2020	2021	2022
	S$'000	S$'000	S$'000	S$'000	S$'000
Income Statement					
Group Revenue	202,213	208,299	210,773	238,642	317,748
Revenue by Business Segment					
- Outlet Management	113,573	111,084	103,315	112,455	119,508
- Food Retail	88,640	97,215	104,373	119,361	191,202
- Outlet Investment Business	–	–	3,085	6,826	7,038
Group Profit Before Tax	25,069	23,943	29,696	44,485	43,870
Profit Before Tax by Segment					
- Outlet Management	11,532	10,392	11,350	19,243	13,405
- Outlet Investment Business	–	–	190	1,763	1,210
- Food Retail	18,769	19,194	24,909	33,269	36,812
Group Gross Profit	40,187	40,687	56,515	78,172	92,649
Group EBITDA	27,441	25,989	33,655*	49,938*	51,849*
Group Profit after Tax	21,883	20,053	25,225	39,292	36,712

	2018	2019	2020	2021	2022
	S$'000	S$'000	S$'000	S$'000	S$'000
Financial Position					
Total Assets	115,623	121,037	319,827	326,318	357,256
Total Liabilities	32,037	33,144	209,622	192,722	190,479
Equity attributable to owners of the Company	83,586	87,893	110,205	133,375	161,604
Cash and Cash equivalents	71,669	87,189	68,324	94,989	77,622
Per Share Information					
Earnings Per Share (cents)	1.89	1.74	2.18	3.30	2.74
Net Asset Value Per Share (cents)	7.23	7.65	9.27	11.20	13.00
Key Ratios					
Gross Profit margin (%)	19.9%	19.5%	26.8%	32.8%	29.2%
EBITDA margin (%)	13.6%	12.5%	16.0%	20.9%	16.3%
Profit after tax margin (%)	10.8%	9.6%	12.0%	16.5%	11.6%
Return on Shareholders' Fund (%)	26.2%	22.8%	22.9%	29.5%	21.1%

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

Financial Review

REVENUE
S$317.7m

GROSS PROFIT
S$92.6m

REVENUE

The Group's revenue increased by S$79.1 million to S$317.7 million in FY2022, an increase of 33.1% year-on-year ("yoy"), mainly due to revenue contribution from the newly acquired Tenderfresh Group.

The Food Retail Division registered a growth of 60.2% to S$191.2 million in FY2022. This was largely due to revenue contribution of S$73.5 million from the Tenderfresh Group, offset by a decrease in revenue contribution following the closure of 11 underperforming food stalls largely due to manpower shortage.

The increase in the Group's revenue was also attributable to higher revenue contribution of S$7.1 million and S$0.2 million from Outlet Management Division and Outlet Investment Business Division respectively. This was attributable to an increase in sale of beverages and tobacco products and rental income due to revenue contribution from the openings of 3 coffeeshops, which is offset by the decrease in contribution from the termination of management agreements of 5 coffeeshops under a Third Party Brand in 4QFY2022. Besides that, the increase in provision of utilities services which was in line with the rise in electricity tariff, increase in provision of cleaning services which was partially contributed by higher revenue contribution from Klovex Holdings Pte. Ltd. and reduction in rebates contributed to the growth in the Group's both divisions.

COST OF SALES

Cost of sales increased by S$64.6 million to S$225.1 million in FY2022. The increase in cost of sales was in tandem with the increase in revenue. Cost of sales as a percentage of revenue increased from 67.2% in FY2021 to 70.8% in FY2022. This was mainly driven by lower government grants, higher utilities charges which was in line with the rise in electricity tariff, higher employee benefits due to the increase in headcount from the Tenderfresh Group, salary adjustments for staff and increase in depreciation of right-of-use assets which was partially offset by an increase in rental rebates.

GROSS PROFIT

Gross profit as a result increased 18.5% yoy to S$92.6 million in FY2022 and the gross profit margin decreased by 3.6% from 32.8% in FY2021 to 29.2% in FY2022.

OTHER OPERATING INCOME

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

OPERATING EXPENSES

Selling and distribution expenses increased by S$8.9 million to S$19.1 million in FY2022 largely due to higher online food delivery fees and packing materials expenses from the Tenderfresh Group.

Administrative expenses increased by S$6.7 million to S$28.9 million in FY2022. This was mainly attributable to salary expenses, repair and maintenance, bank charges, depreciation of property, plant and equipment, right-of-use assets, insurance, professional fees, rental and general expenses of S$6.8 million incurred by the Tenderfresh Group; decrease in government grants received of S$1.2 million; higher depreciation of property, plant and equipment of S$0.4 million and increase in depreciation of right-of-use assets of S$0.2 million. The increase was offset by a decrease in employee benefits expenses of S$1.8 million due mainly to the resignations of the former Executive Chairman and Executive Director; and lower repair and maintenance charges of S$0.1 million.

OTHER OPERATING EXPENSES

The increase of S$1.0 million in other operating expenses was mainly due to amortisation of customer relationships and trademarks arising from the acquisition of 75% stake in Tenderfresh Group.

INCOME TAX EXPENSE

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

Financial Review

NET PROFIT

Consequently, net profit attributable to owners of the Group decreased to S$34.0 million for FY2022 from S$39.3 million in FY2021, an decrease of 13.4% yoy. The Group registered an EBITDA of S$51.8 million for FY2022, an increase of 3.8% yoy. Basic earnings per share for the Group decreased by 17.0% yoy to 2.74 Singapore cents in FY2022.

REVIEW OF THE GROUP'S FINANCIAL POSITION

The Group's financial position as at 30 September 2022 was healthy, with cash and cash equivalents of S$77.6 million. The Group's total assets rose by S$30.9 million to S$357.3 million as at 30 September 2022 from S$326.3 million as at 30 September 2021. Total liabilities as at 30 September 2022 stood at S$190.5 million compared to S$192.7 million as at 30 September 2021.

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

NON-CURRENT ASSETS

Non-current assets increased by S$39.5 million mainly due to property, plant and equipment, right-of-use assets, intangible assets (trademarks and customer contracts) and goodwill on consolidation arising from the acquisition of Tenderfresh Group amounting to S$67.0 million; recognition of right-of-use assets of S$28.0 million from the Group's new and renewed leases; renovations and additions of equipment for existing coffeeshops and food stalls of S$4.0 million; increase in investment in joint ventures of S$1.1 million mainly due to the investment in Da Sun Food House Pte. Ltd. as announced on 30 June 2022; and share of profit of an associate and joint ventures of S$0.7 million.

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

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

CURRENT ASSETS

Current assets decreased by S$8.6 million due mainly to decrease in cash and bank balances by S$17.4 million; offset by trade and other receivables, prepayments and inventories of S$5.9 million from Tenderfresh Group; assets held for sale of S$1.9 million; increase in trade and other receivables by S$0.6 million in line with the increase in revenue; and increase in prepayments by S$0.4 million.

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

Financial **Review**

CURRENT LIABILITIES

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

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

NON-CURRENT LIABILITIES

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

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

STATEMENT OF CASH FLOWS

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

Net cash flows used in investing activities of S$33.5 million in FY2022 were mainly due to net cash outflow on acquisition of Tenderfresh Group of S$28.7 million; purchase of property, plant and equipment of S$4.8 million; investment in a joint venture of S$1.1 million; and offset by dividends received from an associate and joint ventures of S$1.0 million.

Net cash flows used in financing activities of S$70.8 million in FY2022 were mainly attributable to repayment of lease liabilities and related interest expense of S$43.4 million; dividends paid to equity holders of the Company and non-controlling interests of S$24.9 million and S$1.1 million respectively; repayment of loans and borrowings and related interest expense of S$1.5 million.

As a result, net cash and cash equivalents decreased by S$17.4 million to S$77.6 million as at 30 September 2022.

Corporate Information

BOARD OF DIRECTORS

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

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

WEBSITE

https://kimlygroup.sg

AUDIT COMMITTEE

Mr. Wee Tian Chwee Jeffrey (Chairman)
Mr. Lim Teck Chai Danny
Mr. Lau Chin Huat

NOMINATING COMMITTEE

Mr. Lau Chin Huat (Chairman)
Mr. Lim Teck Chai Danny
Ms. Wong Kok Yoong Karen

REMUNERATION COMMITTEE

Mr. Lim Teck Chai Danny (Chairman)
Mr. Wee Tian Chwee Jeffrey
Mr. Lau Chin Huat

SPONSOR

PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay,
#10-00 Collyer Quay Centre,
Singapore 049318

INDEPENDENT AUDITOR

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

Partner-In-Charge: Ms. Tan Peck Yen
(Since Financial Year Ended 30 September 2022)

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

JOINT COMPANY SECRETARIES

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

Content

29 Corporate Governance

67 Directors’ Statement

70 Independent Auditor’s Report

75 Consolidated Statement of Comprehensive Income

76 Statements of Financial Position

79 Statements of Changes in Equity

82 Consolidated Statement of Cash Flows

86 Notes to the Financial Statements

181 Statistics of Shareholdings

184 Notice of Annual General Meeting

Proxy Form

Corporate Governance

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 2022 ("**FY2022**"), 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 FY2022.

<table>
<tr><th colspan="3">TABLE I - COMPLIANCE WITH THE CODE</th></tr>
<tr><th>Principle</th><th>Code and/or Guide Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><th colspan="3">BOARD MATTERS</th></tr>
<tr><th colspan="3">THE BOARD’S CONDUCT OF AFFAIRS</th></tr>
<tr><td>1.1</td><td><i>Board composition</i></td><td>As at the date of this report, the Board has 4 members and comprises the following:
<table>
<tr><th colspan="2"><i>Composition of the Board</i></th><th colspan="3"><i>Composition of the Board Committees</i>
• C – Chairman
• M - Member</th></tr>
<tr><th>Name of Director</th><th>Designation</th><th>AC(1)</th><th>NC(2)</th><th>RC(3)</th></tr>
<tr><td>Lau Chin Huat</td><td>Non-Executive Independent Chairman</td><td>M</td><td>C</td><td>M</td></tr>
<tr><td>Wong Kok Yoong Karen</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>
</table>
Notes:
(1) <i>The AC comprises 3 members who are all independent, including the Chairman. All the members of the AC are non-executive Directors.</i>
(2) <i>The NC comprises 3 members, the majority of whom, including the Chairman, are independent.</i>
(3) <i>The RC comprises 3 members who are all independent, including the Chairman. All the members of the RC are non-executive Directors.</i></td></tr>
<tr><td></td><td><i>Role of Board</i></td><td>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 principal functions are to:
• 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;
• 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;
• Review key management personnel’s performance;
• Ensure good corporate governance practices to protect the interests of shareholders;
• Oversee, through the NC, the appointments, re-election and resignation of Directors and the Management;
• Oversee, through the RC, the design and operation of an appropriate remuneration framework;
• Provide entrepreneurial leadership, approve the business strategies including significant acquisitions and disposals of subsidiaries or assets and liabilities;</td></tr>
</table>

TABLE I - COMPLIANCE WITH THE CODE		
Principle	**Code and/or Guide Description**	**Company's Compliance or Explanation**
		• Identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation; • Set the Company's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are adhered to; • Approve the annual budgets, major funding proposals, significant capital expenditures and investment and divestment proposals; • 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 • 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 • 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 FY2022 will be released on the SGXNet on 3 January 2023.
	Practices relating to conflict of interest	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.
1.2	*Directors' training and orientation*	
	(a) Are new Directors given formal training? If not, please explain why.	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, principal locations of operations and meet with key management personnel. In addition, as required under the SGX-ST Listing Manual: Section B: Rules of Catalist ("**Catalist Rules**"), 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 FY2022.

TABLE I - COMPLIANCE WITH THE CODE		
Principle	**Code and/or Guide Description**	**Company's Compliance or Explanation**
	(b) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date?	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. 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 Executive Director/Chief Executive Officer ("**CEO**") (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.
	Training attended for FY2022	Courses, conferences and seminars attended by some of the Directors include ACRA-SGX-SID Audit Committee Seminar 2022, Managing Cyber Risks in a Post-Pandemic World, Cyber Security for Directors, Valuation in Southeast Asia's Technology Industry and SID Corporate Governance Roundup 2022.
1.3	*Matters requiring Board's approval*	Matters that require the Board's approval include • corporate strategies and business plans; • material acquisitions and disposals; • investments; • financing; • material non-trade contracts with third parties; • share issuance, dividend release or changes in capital; • budgets, financial results announcements, annual reports and audited financial statements; and • interested person transactions exceeding S$100,000.
1.4	*Delegation to Board Committees*	The Board delegated certain responsibilities to the Audit Committee (the "**AC**"), the Remuneration Committee (the "**RC**") and the Nominating Committee (the "**NC**") (collectively, the "**Board Committees**"). The composition of the Board Committees is set out in Section 1.5 of Table I.

TABLE I - COMPLIANCE WITH THE CODE

Principle	Code and/or Guide Description	Company's Compliance or Explanation
1.5	*Attendance of Board and Board Committees*	The Board meets on a quarterly basis, and as and when circumstances require. In FY2022 (for the avoidance of doubt, the period from 1 October 2021 to 30 September 2022), the number of Board and Board Committee meetings held, and the attendance of each Board member are shown below.

	BOARD	AC	NC	RC
Number of Meetings Held	4	4	1	1
Name of Director	**No. of meetings attended**			
Lau Chin Huat	4	4	1	1
Wong Kok Yoong Karen	4	4*	1	1*
Lim Teck Chai Danny	4	4	1	1
Wee Tian Chwee Jeffrey	4	4	1*	1

* – *By invitation*

The Company's Constitution allow for meetings to be held through telephone and/or videoconference.

<table>
<tr><th colspan="3">TABLE I - COMPLIANCE WITH THE CODE</th></tr>
<tr><th>Principle</th><th>Code and/or Guide Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr>
<td>1.6</td>
<td>Access to information

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?</td>
<td>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.

Management provides the Board with key information that is complete, adequate and timely prior to meetings and whenever required. The information provided to Directors for FY2022 is set out in the table below.

<table>
<tr><th colspan="3">TABLE 1.6 – TYPES OF INFORMATION PROVIDED BY MANAGEMENT</th></tr>
<tr><th></th><th>Information</th><th>Frequency</th></tr>
<tr><td>1.</td><td>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.</td><td>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.</td><td>Budgets and/or forecasts (with variance analysis), management accounts (with financial ratios analysis), and external auditor’s (“EA”) report(s)</td><td>Quarterly except for EA report on annual basis</td></tr>
<tr><td>4.</td><td>Reports on on-going or planned corporate actions</td><td>As and when appropriate</td></tr>
<tr><td>5.</td><td>Internal auditors’ (“IA”) report(s)</td><td>Quarterly</td></tr>
<tr><td>6.</td><td>Research report(s)</td><td>As and when appropriate</td></tr>
<tr><td>7.</td><td>Shareholding statistics</td><td>Quarterly</td></tr>
</table>

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.

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.</td>
</tr>
</table>

TABLE I - COMPLIANCE WITH THE CODE		
Principle	**Code and/or Guide Description**	**Company's Compliance or Explanation**
1.7	*Change of company secretary* *Access to Management and company secretary* *Access to professional advice*	The appointment and removal of the company secretary is a matter for the Board as a whole. Directors have separate and independent access to the Management and company secretary at all times. 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 2.2 2.3 3.3	*Board composition* Does the Company comply with the guideline on the proportion of Independent Directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company. *Lead Independent Director*	During FY2022, the Board comprises an Executive Director and three independent Directors (who are also Non-Executive Directors). 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. The Company does not have a Lead Independent Director given that the majority of the Board is non-executive and that the Chairman is independent. Furthermore, the NC, the RC and the AC are all chaired by the Independent Directors.

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	*Independence assessment of Directors*	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. 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. 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.
	(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. (b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	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.

TABLE I - COMPLIANCE WITH THE CODE

Principle	Code and/or Guide Description	Company's Compliance or Explanation
	Independent Directors serving beyond nine years 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.	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. There are no Independent Directors who has served beyond nine years since the date of his first appointment.
	Board diversity (a) What is the Board's policy with regard to diversity in identifying director nominees?	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.

TABLE I - COMPLIANCE WITH THE CODE

Principle	Code and/or Guide Description	Company's Compliance or Explanation
	(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.	The Board composition provides a diversity of skills, experience and knowledge to the Company as follows:

TABLE 2.4 – DIVERSITY OF THE BOARD

	Number of Directors	Proportion of Board
Core Competencies		
- Accounting or finance	3	75.0%
- Business management	2	50.0%
- Legal or corporate governance	1	25.0%
- Relevant industry knowledge or experience	2	50.0%
- Strategic planning experience	3	75.0%
- Customer based experience or knowledge	2	50.0%
- Information technology	2	50.0%
Gender		
- Male	3	75.0%
- Female	1	25.0%

TABLE I - COMPLIANCE WITH THE CODE		
Principle	**Code and/or Guide Description**	**Company's Compliance or Explanation**
	(c) What steps have the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?	The Board took the following steps to maintain or enhance its balance and diversity: • 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 • 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. 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.
2.5	*Meeting in the absence of the Management*	The Non-Executive Independent Directors meet in the absence of key management personnel to discuss concerns or matters such as the effectiveness of Management. For FY2022, the Non-Executive Directors have met once in the absence of key management personnel.
CHAIRMAN AND CHIEF EXECUTIVE OFFICER		
3.1 3.2	*Role of Chairman and CEO*	The Independent 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 Independent 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. The Executive Director/CEO (or equivalent) is responsible for the overall management, operations, business development and strategic planning of the Group, and ensuring a cohesive working relationship among the Directors and timeliness of information flow between the Board and Management.
	Relationship between Chairman and CEO	The Company has a separate Chairman and Executive Director/CEO (or equivalent). This ensures a clear division of responsibilities, increased accountability and greater capacity of the Board for independent decision making. The Chairman and the Executive Director/CEO (or equivalent) are not related.

TABLE I - COMPLIANCE WITH THE CODE		
Principle	**Code and/or Guide Description**	**Company's Compliance or Explanation**
BOARD MEMBERSHIP		
4	*Steps taken to progressively renew the Board composition*	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. To meet the changing challenges in the industry 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.
4.1	*Role of NC*	The NC is guided by key terms of reference as follows: (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 Director/CEO (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). (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. (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. (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. (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. (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.

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<tr><th colspan="3">TABLE I - COMPLIANCE WITH THE CODE</th></tr>
<tr><th>Principle</th><th>Code and/or Guide Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>(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.
(h) If necessary, to set up internal guidelines to address the competing time commitments that is faced when Directors serve on multiple boards.
(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
(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.

For the review of succession plans and Board’s composition for FY2022, 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, which has come into effect from 1 January 2022.</td></tr>
<tr><td>4.3</td><td><i><u>Selecting, Appointment and Re-appointment of Directors</u></i>

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.</td><td>
<table>
<tr><th colspan="3"><i>Table 4.3(a) –Selection and Appointment of New Directors</i></th></tr>
<tr><td colspan="3">The NC: -</td></tr>
<tr><td>1.</td><td>Determines selection criteria</td><td>• In consultation with the Board, identifies the current needs and inadequacies the Board requires to complement and strengthen the Board.
• Determines the role which competencies required for the new appointment after such consultation.</td></tr>
<tr><td>2.</td><td>Candidate search</td><td>• Considers candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary.</td></tr>
<tr><td>3.</td><td>Assesses shortlisted candidates</td><td>• Meets and interviews the shortlisted candidates to assess their suitability.</td></tr>
<tr><td>4.</td><td>Proposes recommendations</td><td>• Makes recommendations for Board’s consideration and approval.</td></tr>
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TABLE I - COMPLIANCE WITH THE CODE

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<tr><th>Principle</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><th colspan="3">Table 4.3(b) – Re-election of Incumbent Directors</th></tr>
<tr><td colspan="3">The NC: -</td></tr>
<tr><td>1.</td><td>Assesses incumbent director</td><td>• Assesses the performance of the director in accordance with the performance criteria set by the Board.
• Considers the current needs of the Board.</td></tr>
<tr><td>2.</td><td>Proposes re-appointment of director</td><td>• Recommends the re-appointment of the Director to the Board for its consideration and approval, subject to its satisfactory assessment.</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 Wee Tian Chwee Jeffrey and Ms Wong Kok Yoong Karen be nominated for re-election at the forthcoming Annual General Meeting ("AGM").</p>
<p>Mr Wee Tian Chwee Jeffrey, upon re-election as an Independent Director of the Company, remain as the Chairman of Audit Committee and a member of the Remuneration Committee. Ms Wong Kok Yoong Karen will, upon re-election as a Director of the Company, remain as an Executive Director and a member of the Nominating Committee. Mr Wee Tian Chwee Jeffrey will be considered independent for the purposes of the Rule 704(7) of the Catalist Rules.</p>
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<tr><th colspan="3">TABLE I - COMPLIANCE WITH THE CODE</th></tr>
<tr><th>Principle</th><th>Code and/or Guide Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td>4.5</td><td><i>Assessment of Directors’ duties</i></td><td>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: -
• Declarations by each Director of their other listed company directorships and principal commitments;
• 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
• 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.
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 FY2022.</td></tr>
<tr><td></td><td><i>Other listed company directorships and principal commitments of Directors</i></td><td>
<table>
<tr><th colspan="3"><i>Table 4.5 – Other listed company directorships and principal commitments of Directors</i></th></tr>
<tr><th>Name of Director</th><th>Listed Company Directorships</th><th>Principal Commitments</th></tr>
<tr><td>Lau Chin Huat</td><td>None</td><td>Lau Chin Huat & Co.</td></tr>
<tr><td>Wong Kok Yoong Karen</td><td>None</td><td>None</td></tr>
<tr><td>Wee Tian Chwee Jeffrey</td><td>None</td><td>T.C. Wee & Co.</td></tr>
<tr><td>Lim Teck Chai Danny</td><td>• Stamford Land Corporation Limited
• Choo Chiang Holdings Ltd
• Advancer Global Limited
• ValueMax Group Limited</td><td>Partner of Rajah & Tann Singapore LLP</td></tr>
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TABLE I - COMPLIANCE WITH THE CODE

Principle	Code and/or Guide Description	Company's Compliance or Explanation
	Multiple Directorships (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?	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. 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.
	(c) What are the specific considerations in deciding on the capacity of directors?	The specific considerations in assessing the capacity of Directors include: • Expected and/or competing time commitments of Directors, including whether such commitment is a full-time or part-time employment capacity; • Geographical location of Directors; • Size and composition of the Board; • Nature and scope of the Group's operations and size; and • Capacity, complexity and expectations of the other listed directorships and principal commitments held.
PG 4	*Alternate Directors*	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. The Company currently does not have any alternate directors.

TABLE I - COMPLIANCE WITH THE CODE

Principle	Code and/or Guide Description	Company's Compliance or Explanation
BOARD PERFORMANCE		
5.1	*Performance Criteria*	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.

Table 5 – Performance Criteria

	Board	Individual Directors
Qualitative	1. Size and composition 2. Access to information 3. Risk management 4. Board processes 5. Strategic planning 6. Board accountability 7. Succession planning	1. Commitment of time 2. Knowledge and abilities 3. Teamwork 4. Independence and objectivity 5. Integrity 6. Overall effectiveness 7. Track record in good decision making
Quantitative	1. Performance of the Group	1. Attendance at Board and Board Committee meetings

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.

The NC did not propose any changes to the performance criteria for FY2022 as compared to the previous financial year as Board composition and the Group's principal business activities remained the same.

TABLE I - COMPLIANCE WITH THE CODE		
Principle	**Code and/or Guide Description**	**Company's Compliance or Explanation**
5.2	*Performance Review* (a) What was the process upon which the Board reached the conclusion on its performance for the financial year?	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. For FY2022, the review process was as follows: 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; 2. The Company Secretary collated and submitted the questionnaire results to the NC Chairman in the form of a report; 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 4. The results of the performance review were deliberated during the NC meeting and tabled at the Board meeting for further discussion. 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. No external facilitator was used in the evaluation process.
	(b) Has the Board met its performance objectives?	Yes, the Board has met its performance objectives for FY2022.
REMUNERATION MATTERS		
DEVELOPING REMUNERATION POLICIES		
6.1 6.3	*Role of the RC*	The RC is guided by key terms of reference which includes: (a) Review and recommend to the Board a general framework of remuneration and specific remuneration packages for each Director and key management personnel; (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 Director's 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; (c) Review and recommend to the Board the service contracts of Executive Director/CEO (or equivalent) and key management personnel and ensure that such services contracts are fair and not excessively long or with onerous renewal/termination clauses;

TABLE I - COMPLIANCE WITH THE CODE		
Principle	**Code and/or Guide Description**	**Company's Compliance or Explanation**
		(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; (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; (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 (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. The RC's review and recommendations cover all aspects including fees, salaries, allowance, bonuses, options, share-based incentives, awards and benefits-in-kind. 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.
6.4	*Engagement of Remuneration Consultants*	No remuneration consultants were engaged by the Company in FY2022. 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	*"Claw-back" Provisions*	There are no contractual provisions which allows the Company to reclaim incentives from the Executive Director 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 Director and key management personnel, "claw-back" provisions in the service agreements may not be relevant or appropriate.

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<tr><th>Principle</th><th>Code and/or Guide Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td colspan="3">LEVEL AND MIX OF REMUNERATION</td></tr>
<tr><td colspan="3">DISCLOSURE ON REMUNERATION</td></tr>
<tr><td rowspan="3">7.1
7.2
7.3
8.1</td><td><i>Remuneration Policy</i></td><td>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.</td></tr>
<tr><td><i>Remuneration Structure for Executive Directors and key management personnel</i>
(a) Please describe how the remuneration received by Executive Directors and key management personnel has been determined by the performance criteria.</td><td>The remuneration received by the Executive Director and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group for FY2022. 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.
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 Director and key management personnel for the RC’s review, which would thereafter recommend for the Board’s approval.</td></tr>
<tr><td><i>Performance Criteria</i>
(b) What were the performance conditions used to determine their entitlement under the short term and long-term incentive schemes?</td><td>The following performance conditions for determining incentive plans were chosen to motivate Executive Director and key management personnel to work in alignment with the goals of all stakeholders:
<table>
<tr><th colspan="3"><i>Table 7.1 - Performance Criteria</i></th></tr>
<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>
<tr><td>Qualitative</td><td>1. Leadership
2. People development
3. Commitment
4. Teamwork
5. Current market and industry practices
6. Macro-economic factors</td><td>1. Employee share options scheme (Kimly Share Option Scheme)
2. Kimly Performance Share Plan
3. Current market and industry practices</td></tr>
<tr><td>Quantitative</td><td>–</td><td>1. Performance of the Group</td></tr>
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<tr><th colspan="3">TABLE I - COMPLIANCE WITH THE CODE</th></tr>
<tr><th>Principle</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td>(c) Were all of these performance conditions met? If not, what were the reasons?</td><td>Yes, the RC has reviewed and is satisfied that the performance conditions were met for FY2022.</td></tr>
<tr><td>7.2</td><td><i><u>Remuneration Structure of Non-Executive Directors</u></i></td><td>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.

The RC has reviewed and assessed that the remuneration of the Non-Executive Directors for FY2022 is appropriate, considering the effort, time spent and responsibilities.</td></tr>
<tr><td>8.1(a)
8.1(b)</td><td>(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?</td><td>The breakdown for the remuneration of the Directors for FY2022 is as follows:
<table>
<tr><th>Name</th><th>Salary (%)</th><th>Variable or performance-related income/ bonus (%)</th><th>Directors Fees (%)⁽¹⁾</th><th>Total (%)</th></tr>
<tr><td colspan="5">Between S$500,001 to S$750,000</td></tr>
<tr><td>Wong Kok Yoong Karen</td><td>57.3</td><td>42.7</td><td>–</td><td>100.0</td></tr>
<tr><td colspan="5">Below S$250,000</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>
</table>
Note:
<i>(1) The Directors' fees were approved by the shareholders at the AGM held on 26 January 2022.</i>

There was no termination, retirement, post-employment benefits that may be granted to the Directors, and top 5 key management personnel.

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.</td></tr>
</table>

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?	During FY2022, the Company has only 5 top key management personnel. The breakdown for the remuneration of the Company's key management personnel (who are not Directors or the CEO (or equivalent)) for FY2022 is as follows:
	(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 5 key management personnel for FY2022 was S$1,861,000.

Table 8.1(b) – Remuneration of Key Management Personnel

Name	Salary (%)	Bonus (%)	Share awards (%)	Total (%)
Between S$500,001 to S$750,000				
Peh Kim Leong Sunny	36.7	31.5	31.8	100.0
Chua Yong Chuan Kelvin	49.1	27.7	23.2	100.0
Between S$250,001 to S$500,000				
Tan Chong Sing Roy	40.0	32.0	28.0	100.0
Below S$250,000				
Ronnie Yeo Yien Gee	68.9	31.1	0.0	100.0
Lin Meiqi	69.0	31.0	0.0	100.0

TABLE I - COMPLIANCE WITH THE CODE		
Principle	**Code and/or Guide Description**	**Company's Compliance or Explanation**
8.2	*Related Employees* 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.	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 equivalent) whose remuneration exceeded S$100,000 in FY2022.
8.3	*Employee Share Scheme(s)*	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 pages 68 to 69 of this Annual Report.
ACCOUNTABILITY AND AUDIT		
RISK MANAGEMENT AND INTERNAL CONTROLS		
9 9.1	*Risk Governance by the Board*	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.
	Identification of the Group's risks	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, while 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. 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.

TABLE I - COMPLIANCE WITH THE CODE

Principle	Code and/or Guide Description	Company's Compliance or Explanation
	Management of risks	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.
9.2	*Confirmation of Internal Controls* (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.	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 FY2022. The bases for the Board's view are as follows: 1. Assurance has been received from the Executive Director/CEO (or equivalent) and Financial Controller (refer to Section 9.2(b); 2. An internal audit has been done by the IA and significant matters highlighted to the AC and key management personnel were appropriately addressed; 3. Key management personnel evaluates, monitors material risks and reports to the AC on a regular basis; 4. Discussions were held between the AC and auditors in the absence of the key management personnel to review and address any potential concerns; 5. An enterprise risk management framework was established to identify, manage and mitigate significant risks; 6. Risk appetite statements with tolerance limits have been approved by the Board to contain risks within acceptable levels; and 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.
	(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?	Yes, the Board has obtained such assurance from the Executive Director/CEO (or equivalent) and Financial Controller in respect of FY2022. The Board had additionally relied on IA reports in respect of, amongst others, revenue and cash management, human resource and payroll, tenancy management and interested party transactions issued to the Company as assurances that the Company's risk management and internal control systems are effective.

TABLE I - COMPLIANCE WITH THE CODE		
Principle	**Code and/or Guide Description**	**Company's Compliance or Explanation**
AUDIT COMMITTEE		
10.1 10.3	*Role of the AC*	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. The AC is guided by its key terms of reference, which includes: (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; (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; (c) Reviewing the assurance from the Executive Director/CEO (or equivalent) and the Financial Controller on the financial records and financial statements; (d) Reviewing the adequacy, effectiveness, independence, scope and results of the external audit and internal audit function; (e) Reviewing the scope and results of the external audit, and the independence and objectivity of the EA; (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; (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; (h) Review the system of internal controls and management of financial risks with the internal auditors and the external auditors; (i) Review the co-operation given by the management to the external auditors and internal auditors, where applicable; (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; (k) Review and approve any interested person transactions; (l) Review potential conflicts of interest (if any) and to set out a framework to resolve or mitigate any potential conflicts of interests; (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; (n) Investigate any matters within its terms of reference;

TABLE I - COMPLIANCE WITH THE CODE

Principle	Code and/or Guide Description	Company's Compliance or Explanation
		(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 (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.
	Whistleblowing Policy	The Group has implemented a whistle-blowing policy, which provides employees and any other persons with channels through which they may report any concern, irregularity or improper act committed by another employee of the Group. The policy is endorsed by the AC and report(s) or concern(s) over wrongdoing or malpractice are made directly to the Chairman of the AC. All reports or complaints including the identity of the complainant will be treated as private and strictly confidential. The AC may commission independent investigations of any suspected fraud or irregularity, which has or is likely to have a material impact on the Group's operating results or financial position, and to review the findings of such investigations. The AC is responsible for oversight and monitoring of whistle blowing and ensures that there are unobstructed channels for investigations to be overseen by the AC, where necessary and will review appropriate follow-up actions warranted. The Company is committed to ensuring the protection of the whistleblower against any detrimental and unfair treatment, intimidation, retaliation or adverse employment action, for reports made in good faith and without malice. No whistle-blowing concerns were reported for FY2022.
10.2	*Qualification of the AC members*	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. The members of the AC collectively have approximately a combined 92 years of strong accounting and related financial management expertise and experience and are appropriately qualified to discharge their responsibilities.
10.4	*Internal Audit Function*	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. The AC is satisfied that internal auditor is able to discharge its duties effectively as the internal auditor: • 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; • is adequately resourced; and • 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.

TABLE I - COMPLIANCE WITH THE CODE		
Principle	**Code and/or Guide Description**	**Company's Compliance or Explanation**
10.5	*Met Auditors in Management's Absence*	The AC has met with the IA and the EA once in the absence of key management personnel in FY2022.
SHAREHOLDER RIGHTS AND ENGAGEMENT		
SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS		
11.1	*Shareholders' Participation at General Meetings*	As permitted under 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 will be conducting the AGM for FY2022 via electronic means. As per the Regulator's Column dated 23 May 2022, general meetings which are conducted virtually on or after 1 October 2022 and annual general meetings for FY ending 30 June 2022 onwards, will need to provide both (i) real-time electronic voting and (ii) real-time electronic communication. 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.
	Appointment of Proxies	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	*Bundling of Resolutions*	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.
11.3	*Directors' Attendance*	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 2022.
11.4	*Absentia Voting*	The Company's Constitution allows for abstentia voting (including but not limited to the voting by mail, electronic mail or facsimile).
11.5	*Publication of Minutes*	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.

TABLE I - COMPLIANCE WITH THE CODE		
Principle	**Code and/or Guide Description**	**Company's Compliance or Explanation**
11.6	*Dividend Policy*	
	(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 1.12 Singapore cents per ordinary share for FY2022 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 HYFY2022 on 15 July 2022. The total dividend paid for FY2022 amounted to 1.68 Singapore cents per share.
ENGAGEMENT WITH SHAREHOLDERS		
12.1 12.2 12.3 13.3	*Communication with Shareholders*	
	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	The Company solicits feedback from and addresses the concerns of shareholders (including institutional and retail investors) via: • a dedicated external investor relations team, Woodnote Consulting to assist the Company in its investor relations initiatives and the investor relations team can be reached at jingwen@woodnoteconsulting.com; and • investor/analyst briefings. In FY2022, the management has also briefed shareholders on the Company's performance during the general meetings held.
	(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.

TABLE I - COMPLIANCE WITH THE CODE		
Principle	**Code and/or Guide Description**	**Company's Compliance or Explanation**
	(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 https://kimlygroup.sg. 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.
MANAGING STAKEHOLDERS RELATIONSHIP		
ENGAGEMENT WITH STAKEHOLDERS		
13.1 13.2	*Stakeholders Management*	The Company undertakes an annual review in identifying its material stakeholders. It assesses the material environmental, social and governance factors that affects the Group. Please refer to the Company's latest sustainability report for FY2022 which will be released on 3 January 2023 for the assessment process and how such relationships with stakeholders are managed.

<table>
<tr><th colspan="3">TABLE II - COMPLIANCE WITH CATALIST RULES</th></tr>
<tr><th>Rule</th><th>Rule Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td>720(5)</td><td><i>Information relating to Directors seeking re-election</i></td><td>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.</td></tr>
<tr><td>1204(6)(A)</td><td><i>Non-audit fees</i>

(a) Please provide a breakdown of the fees paid in total to the EA for audit and non-audit services for the financial year.</td><td>
<table>
<tr><th colspan="3">Table 1204(6)(A) – Fees Paid/Payable to the EA for FY2022</th></tr>
<tr><th></th><th>S$</th><th>% of total</th></tr>
<tr><td>Audit fees</td><td>549,000</td><td>100.0</td></tr>
</table>
</td></tr>
<tr><td>1204(6)(B)</td><td><i>Confirmation by AC</i>

(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.</td><td>No non-audit services rendered during FY2022.</td></tr>
<tr><td>1204(6)(C)</td><td><i>Appointment of Auditors</i></td><td>The Company confirms its compliance to Rules 712 and 715 of the Catalist Rules.</td></tr>
<tr><td>1204(8)</td><td><i>Material Contracts</i></td><td>As at 30 September 2022, the amount owing by the Group to a substantial shareholder, Mr Lim Hee Liat amounted to S$3,919,000. The loan is 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).

Save as disclosed above and in Note 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 equivalent), 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.</td></tr>
<tr><td>1204(10)</td><td><i>Adequacy of Internal Controls</i></td><td>Please refer to the confirmation provided by the Board in Section 9.2.</td></tr>
</table>

<table>
<tr><th colspan="3">TABLE II - COMPLIANCE WITH CATALIST RULES</th></tr>
<tr><th>Rule</th><th>Rule Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>1204(10C)</td><td>*Adequacy of Internal Audit Function*</td><td>The AC is of the opinion that the internal audit function is independent, effective and adequately resourced.</td></tr>
<tr><td>1204(17)</td><td>*Interested Person Transactions ("IPT")*</td><td>The Group had obtained a general mandate from shareholders for IPTs disclosed in pages 147 to 153 of the Offer Document. The general mandate for IPT has been renewed at the Extraordinary General Meeting held on 26 January 2022.

There were no IPTs with value-at-risk of S$100,000 or more transacted during FY2022.</td></tr>
<tr><td>1204(19)</td><td>*Dealing in Securities*</td><td>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.

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.</td></tr>
<tr><td>1204(21)</td><td>*Non-sponsor Fees*</td><td>No non-sponsor fees were paid/payable to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. for FY2022.</td></tr>
<tr><td>1204(22)</td><td>*Use of IPO Proceeds*</td><td>As at the date of this Annual Report, the status on the use of the IPO net proceeds is as follows:

<table>
<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>
<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>(2,895)</td><td>2,105</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>**Total**</td><td>**43,450**</td><td>**(41,345)**</td><td>**2,105**</td></tr>
</table>

The above utilisations are in accordance with the intended use of IPO net proceeds, as stated in the Company's Offer Document.</td></tr>
</table>

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	
	Wee Tian Chwee Jeffrey	**Wong Kok Yoong Karen**
Date of appointment announcement (“**Previous Announcement**”)	15 February 2017	29 November 2018
Any changes to the Previous Announcement?	No	No
Date of last re-appointment	21 January 2020	26 January 2021
Age	73	46
Country of principal residence	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Nominating Committee (“**NC**”), having considered the attendance and participation of Mr Wee at Board and Board Committees’ meetings, and taking into account Mr Wee’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 Wee who will be retiring pursuant to Regulation 112 of the Company’s Constitution at the forthcoming AGM. The Board supported the NC’s recommendation. Mr Wee had abstained from voting on any resolution and making any recommendation and/or participating in respect of his own re-election.	The NC, having considered the attendance and participation of Ms Wong at Board and Board Committees’ meetings, in particular, Ms Wong’s contributions to the Company as well as Board processes, had recommended to the Board the re-election of Ms Wong who will be retiring pursuant to Regulation 112 of the Company’s Constitution at the forthcoming AGM. The Board supported the NC’s recommendation. Ms Wong had abstained from voting on any resolution and making any recommendation and/or participating in respect of her own re-election.
Whether the appointment has changed from non-executive to executive. If so, please state the area of responsibility	Non-Executive.	Executive To assist the Board in managing the Group’s overall business development, expansion and various other business processes.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Chairman of the Audit Committee and Remuneration Committee member	Executive Director and Nominating Committee Member

TABLE III – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION

	Name of Director to be re-elected	
	Wee Tian Chwee Jeffrey	**Wong Kok Yoong Karen**
Professional qualifications	A member of the Institute of Singapore Chartered Accountants and a fellow member of The Association of Chartered Certified Accountants.	Bachelor of Accounting (Hons), Northern University of Malaysia Chartered Accountant of the Malaysian Institute of Accountants Member of the Malaysian Institute of Certified Public Accountants
Working experience and occupation(s) during the past 10 years	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 practice as a public accountant at T. C. Wee & Co., which he established since 1981.	November 2021 to present – Executive Director, Kimly Limited November 2018 to October 2021 – Finance Director, Kimly Limited June 2016 to November 2018 – Chief Financial Officer, Kimly Limited December 2015 to May 2016 – Regional Financial Controller, Connell Bros. Holding (Singapore) Pte. Ltd. November 2013 to November 2015 – Regional Head, Financial Planning & Analysis, Maybank Investment Banking Group September 2005 to October 2013 – Senior Manager, Ernst & Young LLP (Singapore)
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil
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

TABLE III – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION		
	Name of Director to be re-elected	
	Wee Tian Chwee Jeffrey	**Wong Kok Yoong Karen**
Other Principal Commitments* Including Directorship# * "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8) Past (for the last 5 years)	T.C. Wee & Co.	Nil
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

TABLE III – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION		
	Name of Director to be re-elected	
	Wee Tian Chwee Jeffrey	**Wong Kok Yoong Karen**
(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

TABLE III – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION

		Name of Director to be re-elected	
		Wee Tian Chwee Jeffrey	**Wong Kok Yoong Karen**
(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
(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

TABLE III – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION

	Name of Director to be re-elected	
	Wee Tian Chwee Jeffrey	**Wong Kok Yoong Karen**
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: -	No	No
(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

TABLE III – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION

	Name of Director to be re-elected	
	Wee Tian Chwee Jeffrey	**Wong Kok Yoong Karen**
(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
Prior Experience as a Director of a Listed Company on the Exchange		
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 2022.

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 2022 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 Karen

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.

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 1967, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest			Deemed interest		
Name of director	**At the beginning of financial year**	**At the end of financial year**	**At 21 October 2022**	**At the beginning of financial year**	**At the end of financial year**	**At 21 October 2022**
Ordinary shares of the Company						
Lau Chin Huat	1,280,000	1,280,000	1,280,000	–	–	–
Lim Teck Chai Danny	–	–	–	684,600*	684,600*	684,600*

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

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.

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.

5. SHARE OPTIONS AND AWARDS (CONT'D)

As at 30 September 2022, no options or awards of shares has been granted under the Kimly ESOS and Kimly PSP to directors or to controlling shareholders and their associates. The following table illustrates the movement in the share awards granted to the employees of the Company during the financial year:

	Group	
	2022	2021
	No. of shares award	No. of shares award
Outstanding as at 1 October	668,671	313,576
Movement during the financial year		
- awarded	1,642,089	1,240,984
- granted via the transfer of Treasury Shares	(1,384,560)	(885,889)
Outstanding as at 30 September	926,200	668,671

The weighted average market price (last done price) of the shares awards on date of grant for the financial year was $0.390 (2021: $0.369) per share. The share awards expire on 15 July 2024, 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 shares 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.

6. AUDIT COMMITTEE

The Audit Committee performed the functions specified in the Singapore Companies Act 1967. 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 Karen
Director

30 December 2022

Independent Auditor's Report

For the financial year ended 30 September 2022

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 2022, 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 1967 (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 2022 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.

KEY AUDIT MATTERS (CONT’D)

Completeness of revenue

For the financial year ended 30 September 2022, the Group’s revenue from sale of food, beverages and tobacco products amounted to $270,625,000, which accounted for 85.2% 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 2022. We used data analytics technique to analyse the correlation between revenue, trade receivables and cash to evaluate the occurrence and completeness of revenue recorded during the financial year ended 30 September 2022. We assessed the adequacy of the disclosures related to revenue, and cash and cash equivalents in Note 4 and Note 23 respectively.

Acquisition of subsidiaries

On 1 October 2021, the Group has completed the acquisition of 75% stake of the issued shares in Tenderfresh Group Pte. Ltd. (“Tenderfresh Group”) for a purchase consideration of $54,188,000 via cash and share issuance with an Earn-out Consideration of $4,000,000 payable in accordance with the terms of the Acquisition Agreement. The acquisition of Tenderfresh Group was accounted for using the acquisition method and the Group performed a purchase price allocation (“PPA”) exercise as disclosed in Note 17 of the financial statements.

Significant judgement and estimates were made in the PPA exercise on the identification of intangible assets, valuation of the acquired assets and liabilities and measurement of the fair value of the new shares issued as part of the purchase consideration. Given the quantitative materiality of this acquisition, the significant management judgement required in the PPA exercise, we considered the accounting for the acquisition of Tenderfresh Group to be a key audit matter.

In auditing the accounting for the acquisition, we read the relevant agreements to obtain an understanding of the transaction and the key terms. We corroborated the identification of the acquired assets based on discussion with management and our understanding of the Tenderfresh Group. We engaged our internal valuation specialists to assist us in reviewing the nature and basis of the valuation adjustments to the purchase consideration and the acquired assets and assessing the competency, capabilities and objectivity of the external valuers by considering their professional background, reputation and experience in similar industry. We reviewed the appropriateness of the valuation methodology used by management in the fair valuation of acquired assets and liabilities, including determining whether the assumptions used in valuing the acquired intangible assets were consistent with what a market participant would use. We also assessed the adequacy and appropriateness of the disclosures in Note 17 of the financial statements.

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.

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.

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 Peck Yen.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

30 December 2022

Consolidated Statement of Comprehensive Income

For the financial year ended 30 September 2022

(Amounts in Singapore Dollars)

	Note	2022 $'000	2021 $'000
Revenue	4	317,748	238,642
Cost of sales		(225,099)	(160,470)
Gross profit		92,649	78,172
Other items of income			
Finance income	6	174	208
Other operating income	5	4,038	3,253
Other items of expense			
Selling and distribution expenses		(19,103)	(10,183)
Administrative expenses		(28,897)	(22,229)
Finance costs	6	(4,008)	(4,375)
Other operating expenses	7	(1,657)	(679)
Share of profit of an associate and joint ventures	18,19	674	318
Profit before tax	8	43,870	44,485
Income tax expense	11	(7,158)	(5,193)
Profit for the year		36,712	39,292
Profit attributable to:			
Owners of the Company		34,019	39,278
Non-controlling interests		2,693	14
Profit for the year		36,712	39,292
Earnings per share (cents per share)			
- Basic	12	2.74	3.30
- Diluted	12	2.74	3.30

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

Statements of Financial Position

As at 30 September 2022

(Amounts in Singapore Dollars)

	Note	Group		Company	
		2022 $'000	2021 $'000	2022 $'000	2021 $'000
Assets					
Non-current assets					
Property, plant and equipment	13	73,397	72,961	–	–
Investment properties	14	6,796	6,939	–	–
Intangible assets and goodwill	15	61,800	4,751	–	–
Right-of-use assets	16	101,982	119,743	–	–
Investment in subsidiaries	17	–	–	239,297	239,047
Investment in an associate and joint ventures	18,19	13,038	12,239	–	–
Deferred tax assets	20	212	644	–	–
Other receivables	21	5,985	6,428	–	–
		263,210	223,705	239,297	239,047
Current assets					
Trade and other receivables	21	9,640	5,667	102,814	51,314
Inventories	22	3,916	1,456	–	–
Prepayments		921	501	39	39
Cash and cash equivalents	23	77,622	94,989	34,825	70,241
		92,099	102,613	137,678	121,594
Assets held for sale	24	1,947	–	–	–
		94,046	102,613	137,678	121,594
Total assets		357,256	326,318	376,975	360,641

Statements of Financial Position

As at 30 September 2022

		Group		Company	
	Note	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Current liabilities					
Trade and other payables	25	32,674	23,541	38,970	44,629
Other liabilities	26	14,960	12,913	583	2,559
Interest-bearing loans and borrowings	27	1,138	1,052	–	–
Lease liabilities	16	37,237	34,553	–	–
Provision for restoration costs	28	149	263	–	–
Provision for taxation		8,444	6,605	20	21
		94,602	78,927	39,573	47,209
Liabilities directly associated with the assets held for sale	24	1,499	–	–	–
		96,101	78,927	39,573	47,209
Net current (liabilities)/assets		(2,055)	23,686	98,105	74,385

Statements of Financial Position

As at 30 September 2022

(Amounts in Singapore Dollars)

	Note	Group		Company	
		2022 $'000	2021 $'000	2022 $'000	2021 $'000
Non-current liabilities					
Interest-bearing loans and borrowings	27	22,107	23,358	–	–
Lease liabilities	16	68,187	88,128	–	–
Deferred tax liabilities	20	1,987	336	2	2
Other payables	25	1,021	1,222	–	–
Provision for restoration costs	28	1,076	751	–	–
		94,378	113,795	2	2
Total liabilities		190,479	192,722	39,575	47,211
Net assets		166,777	133,596	337,400	313,430
Equity attributable to owners of the Company					
Share capital	29(a)	316,145	297,451	316,145	297,451
Treasury shares	29(b)	(1,818)	(2,187)	(1,818)	(2,187)
Share-based compensation reserve	29(c)	140	140	140	140
Other reserves	30	(120,123)	(120,123)	–	–
Premium paid on acquisition of non-controlling interests	2.4(c)	(113,030)	(113,030)	–	–
Retained earnings		80,290	71,124	22,933	18,026
		161,604	133,375	337,400	313,430
Non-controlling interests		5,173	221	–	–
Total equity		166,777	133,596	337,400	313,430
Total equity and liabilities		357,256	326,318	376,975	360,641

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 2022

(Amounts in Singapore Dollars)

		Attributable to owners of the Company								
	Note	Share capital (Note 29a) $'000	Treasury shares (Note 29b) $'000	Share-based compensation reserve (Note 29c) $'000	Other reserves (Note 30) $'000	Premium paid on acquisition of non-controlling interests $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Group										
At 1 October 2021		297,451	(2,187)	140	(120,123)	(113,030)	71,124	133,375	221	133,596
Profit for the year, representing total comprehensive income for the year		–	–	–	–	–	34,019	34,019	2,693	36,712
Contributions by and distributions to owners										
Acquisition of subsidiaries	17	–	–	–	–	–	–	–	3,251	3,251
Capital contribution from a non-controlling interest		–	–	–	–	–	–	–	98	98
Dividends on ordinary shares	35	–	–	–	–	–	(24,853)	(24,853)	(1,090)	(25,943)
Issuance of ordinary shares for acquisition of subsidiaries	17	18,694	–	–	–	–	–	18,694	–	18,694
Share-based payment expenses (Kimly Performance Share Plan)	9	–	–	369	–	–	–	369	–	369
Treasury shares transferred on vesting of share awards granted under the Kimly Performance Share Plan	29	–	369	(369)	–	–	–	–	–	–
Total contributions by and distributions to owners		18,694	369	–	–	–	(24,853)	(5,790)	2,259	(3,531)
At 30 September 2022		316,145	(1,818)	140	(120,123)	(113,030)	80,290	161,604	5,173	166,777

Statements of Changes in Equity

For the financial year ended 30 September 2022

(Amounts in Singapore Dollars)

	Note	Attributable to owners of the Company								
		Share capital (Note 29a) $'000	Treasury shares (Note 29b) $'000	Share-based compensation reserve (Note 29c) $'000	Other reserves (Note 30) $'000	Premium paid on acquisition of non-controlling interests $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Group										
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
Contributions by and distributions to owners										
Acquisition of a subsidiary	17	–	–	–	–	–	–	–	60	60
Capital contribution from a non-controlling interest		–	–	–	–	–	–	–	147	147
Dividends on ordinary shares	35	–	–	–	–	–	(16,655)	(16,655)	–	(16,655)
Share-based payment expenses (Kimly Performance Share Plan)	9	–	–	237	–	–	–	237	–	237
Treasury shares transferred on vesting of share awards granted under the Kimly Performance Share Plan	29	–	237	(237)	–	–	–	–	–	–
Issuance of ordinary shares for acquisition of a subsidiary	17	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

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 2022

(Amounts in Singapore Dollars)

	Note	Share capital (Note 29a) $'000	Treasury shares (Note 29b) $'000	Share-based compensation reserve (Note 29c) $'000	Retained earnings $'000	Total $'000
Company						
At 1 October 2021		297,451	(2,187)	140	18,026	313,430
Profit for the year, representing total comprehensive income for the year		–	–	–	29,760	29,760
Contributions by and distributions to owners						
Dividends on ordinary shares	35	–	–	–	(24,853)	(24,853)
Issuance of ordinary shares for acquisition of subsidiaries	17	18,694	–	–	–	18,694
Share-based payment expenses (Kimly Performance Share Plan)	9	–	–	369	–	369
Treasury shares transferred on vesting of share awards granted under the Kimly Performance Share Plan	29	–	369	(369)	–	–
At 30 September 2022		316,145	(1,818)	140	22,933	337,400
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
Contributions by and distributions to owners						
Dividends on ordinary shares	35	–	–	–	(16,655)	(16,655)
Issuance of ordinary shares for acquisition of a subsidiary	17	310	–	–	–	310
Share-based payment expenses (Kimly Performance Share Plan)	9	–	–	237	–	237
Treasury shares transferred on vesting of share awards granted under the Kimly Performance Share Plan	29	–	237	(237)	–	–
At 30 September 2021		297,451	(2,187)	140	18,026	313,430

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 2022

(Amounts in Singapore Dollars)

	Note	2022 $'000	2021 $'000
Operating activities			
Profit before tax		43,870	44,485
Adjustments for:			
Amortisation of intangible assets	15	1,634	675
Depreciation of investment properties	14	143	151
Depreciation of property, plant and equipment	13	6,012	4,420
Depreciation of right-of-use assets	16	40,567	36,688
(Gain)/loss on derecognition of right-of-use assets and lease liabilities	5,7	(376)	1
Interest expense on lease liabilities	6	3,644	3,960
Interest expense on loans and borrowings	6	364	415
Interest income arising from the discount implicit in non-current receivables	6	(27)	(111)
Interest income from short-term deposits	6	(147)	(97)
Net gain on disposal of property, plant and equipment		(109)	(19)
Share of profit of an associate and joint ventures	18,19	(674)	(318)
Share-based payments (Kimly Performance Share Plan)	9	369	237
Write-off of property, plant and equipment	7	13	3
Total adjustments		51,413	46,005

Consolidated Statement of Cash Flows

For the financial year ended 30 September 2022

(Amounts in Singapore Dollars)

	Note	2022 $'000	2021 $'000
Operating cash flows before changes in working capital		95,283	90,490
Changes in working capital			
Decrease in trade and other receivables		2,186	7,126
(Increase)/decrease in inventories		(1,169)	245
Increase in prepayments		(420)	(185)
Decrease in trade and other payables		(5,065)	(493)
Increase/(decrease) in other liabilities		2,047	(2,259)
Total changes in working capital		(2,421)	4,434
Cash flows from operations		92,862	94,924
Interest received		111	93
Income taxes paid		(6,053)	(4,920)
Net cash flows generated from operating activities		86,920	90,097
Investing activities			
Dividend income received from associate and joint ventures		1,002	409
Investment in joint ventures		(1,127)	(2,597)
Net cash outflow on acquisition of subsidiaries	17(b)	(28,681)	(695)
Purchase of property, plant and equipment	A	(4,802)	(3,347)
Purchase of intangible assets	B	(52)	(46)
Proceeds from disposal of property, plant and equipment		129	30
Net cash flows used in investing activities		(33,531)	(6,246)

Consolidated Statement of Cash Flows

For the financial year ended 30 September 2022

(Amounts in Singapore Dollars)

	Note	2022 $'000	2021 $'000
Financing activities			
Capital contribution from a non-controlling interest		98	147
Dividends paid on ordinary shares	35	(24,853)	(16,655)
Dividends paid to non-controlling interests		(1,090)	–
Interest expense on lease liabilities paid		(3,644)	(3,959)
Interest expense on loans and borrowings paid		(364)	(415)
Repayment of lease liabilities		(39,738)	(35,200)
Repayment of loans and borrowings		(1,165)	(1,104)
Net cash flows used in financing activities		(70,756)	(57,186)
Net (decrease)/increase in cash and cash equivalents		(17,367)	26,665
Cash and cash equivalents at 1 October		94,989	68,324
Cash and cash equivalents at 30 September	23	77,622	94,989

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

A. *Property, plant and equipment*

	Note	2022 $'000	2021 $'000
Current year additions to property, plant and equipment	13	3,998	4,047
Less:			
Reversal/(provision) for restoration costs	28	30	(121)
Decrease/(increase) in other payables		774	(579)
Net cash outflow for purchase of property, plant and equipment		4,802	3,347

B. *Intangible assets*

	Note	2022 $'000	2021 $'000
Current year additions to intangible assets	15	14	46
Less:			
Decrease in other payables		38	–
Net cash outflow for purchase of intangible assets		52	46

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

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.

As at 30 September 2022, the Group was in current liabilities position of $2,055,000. The directors and management of the Group are of the opinion that the Group is able to meet its short-term debt obligations as and when they fall due, as it continues to generate positive cash flows from operations.

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

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 2021. The adoption of these new standards did not have any material effect on the financial performance or position of the Group.

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 SFRS(I) 16: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 1-37: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to SFRS(I) 1-8: Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 10 & SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	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.

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.

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 are 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 which was satisfied through the issuance of ordinary shares in the Company. 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 amounting to $113,030,000.

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.

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.

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.

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.

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

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 events 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.

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

Computer software is 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.

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

2.9 Intangible assets (cont'd)

Trademarks

The trademarks were acquired in business combinations. The trademarks relating to the Tenderfresh Group are amortised over their estimated useful lives of 10 years.

Customer contracts

The customer contracts were acquired in a business combination. The useful lives of the customer contracts are estimated to be 10 years based on the current assessment. The customer contracts are amortised on a straight-line basis over the expected benefit period.

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.

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 is 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 ventures is 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 ventures 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 ventures. In addition, when there has been a change recognised directly in the equity of the associate or joint ventures, 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 ventures are eliminated to the extent of the interest in the associate or joint ventures.

The aggregate of the Group's share of profit or loss of an associate and joint ventures 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 ventures.

The financial statements of the associate or joint ventures 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.

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

2.12 Associate and joint ventures (cont'd)

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.

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.

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

2.13 Financial instruments (cont'd)

(a) *Financial assets (cont'd)*

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.

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

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.

2.15 Assets held for sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position. Additional disclosures are provided in Note 24 to the financial statements.

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

2.16 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.

2.17 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.

2.18 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.

2.19 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.

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

2.20 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.

2.21 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.

2.22 Employee benefit

(a) Defined contribution plans

The Group makes 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.

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

2.22 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.

2.23 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:

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

2.23 Leases (cont'd)

Group as a lessee (cont'd)

(a) *Right-of-use assets*

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 5 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.

(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.

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

2.23 Leases (cont'd)

Group as a lessee (cont'd)

(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.

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 2.24(b). Contingent rents are recognised as revenue in the period in which they are earned.

2.24 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.

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

2.24 Revenue (cont'd)

(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.

2.25 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.

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

2.25 Taxes (cont'd)

(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, associates and joint ventures, 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, associates and joint ventures, 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.

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.

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

2.25 Taxes (cont'd)

(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.

2.26 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 reviews 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 32, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.27 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.

2.28 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.29 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.

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.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgement which have the most significant effect on the amounts recognised in the consolidated financial statements:

Purchase price allocation for Tenderfresh Group Pte. Ltd. ("Tenderfresh Group")

The Group has exercised significant judgement regarding the allocation of the purchase price to the assets and liabilities acquired for the acquisition of Tenderfresh Group, including judgement made relating to the identification of the intangible assets and key assumptions such as pre-tax discount rate, terminal growth rate and royalty rate, fair value adjustments to the carrying amount of assets and liabilities of the acquired businesses, and the allocation of the resultant goodwill.

3.2 Key source of estimation uncertainty

The Group will assess key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Management is of the opinion that there is no estimation uncertainty that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. REVENUE

	Group	
	2022	2021
	$'000	$'000
Sale of food, beverages and tobacco products	270,625	196,415
Fixed rental income from lease of premises to tenants	28,446	28,048
Contingent rental income from lease of premises to tenants	119	58
Provision of cleaning and utilities services	16,553	12,155
Outlet management fee	2,005	1,966
	317,748	238,642
Timing of transfer of goods or services		
At a point in time	270,625	196,415
Over time	47,123	42,227
	317,748	238,642

5. OTHER OPERATING INCOME

	Group	
	2022 $'000	2021 $'000
Government grants:		
- Senior Employment Credit	184	383
- Special Employment Credit	–	503
- Wage Credit Scheme	244	550
- Others	846	411
Sponsorships	1,198	753
Insurance claims	271	86
Gain on disposal of property, plant and equipment	118	19
Gain on derecognition of right-of-use assets and lease liabilities	376	–
Others	801	548
	4,038	3,253

Senior Employment Credit

The Senior Employment Credit was introduced as a 2020 Unity Budget to support employers in implementing the key recommendations by the Tripartite Workgroup on Older Workers on increasing the Retirement Age, Re-employment Age, and CPF contribution rates of senior workers; and a new wage offset scheme to support the employment of persons with disabilities. The wage offset applies to Singaporean workers aged 55 and above and earning below $4,000 per month. It will take effect from 1 January 2021 to 31 December 2022. For wages paid during this period, employers will receive up to 8% of the wages paid to Singaporean workers aged 55 and above, depending on the workers' age and wage.

Wage Credit Scheme

The Wage Credit Scheme ("WCS") was introduced as a 2013 Budget and extended in Budget 2015 to help businesses which may face rising wage costs in a tight labour market. 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.

6. FINANCE INCOME/(COSTS)

	Group 2022 $'000	Group 2021 $'000
Finance income		
Interest income from:		
- Short-term deposits	147	97
- Interest income arising from the discount implicit in non-current receivables	27	111
	174	208
Finance costs		
Interest expense on:		
- Lease liabilities	(3,644)	(3,960)
- Loans and borrowings	(364)	(415)
	(4,008)	(4,375)

7. OTHER OPERATING EXPENSES

	Note	Group 2022 $'000	Group 2021 $'000
Amortisation of intangible assets	15	1,634	675
Loss on derecognition of right-of-use assets and lease liabilities		–	1
Loss on disposal of property, plant and equipment		9	–
Write-off of property, plant and equipment	13	13	3
Others		1	–
		1,657	679

8. PROFIT BEFORE TAX

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

	Note	Group 2022 $'000	 2021 $'000
Audit fees to auditors of the Company		549	413
Non-audit fees:			
- Other auditors		35	57
Depreciation of property, plant and equipment	13	6,012	4,420
Depreciation of investment properties	14	143	151
Depreciation of right-of-use asset	16	40,567	36,688
Directors' fees		200	200
Employee benefits expenses	9	90,266	53,460
Lease expenses not capitalised in lease liabilities, net of rental relief received*		178	(1,377)
Property tax expense#		105	72

* During the financial year ended 30 September 2022, the Group recognised COVID-19 related rent concessions of $4,645,000 (2021: $3,630,000) recorded against lease expenses not capitalised in lease liabilities.

\# Included in the property tax expense is property tax rebates of $199,000 (2021: $170,000) 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. 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.

9. EMPLOYEE BENEFITS EXPENSES

	Group	
	2022 $'000	2021 $'000
Employee benefits expenses (including Executive Directors):		
- Salaries, bonuses and other costs	82,745	48,480
- Central Provident Fund contributions	5,021	3,548
- Other short-term benefits	2,131	1,195
- Share-based payments (Kimly Performance Share Plan)	369	237
	90,266	53,460

Employee benefits expenses recorded in cost of sales and administrative expenses amounted to $77,231,000 (2021: $43,258,000) and $13,035,000 (2021: $10,202,000) respectively.

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 2022, the Group recognised grant income under the JSS of $1,627,000 (2021: $13,545,000) against salaries, bonuses and other costs.

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 $369,000 (2021: $237,000), and the carrying amount of the liability recognised in the Group's statement of financial position relating to such share awards at 30 September 2022 is $216,000 (2021: $250,000).

During the financial year, the Company granted 1,384,560 (2021: 885,889) share awards via the transfer of treasury shares.

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:

	Group	
	2022 **$'000**	**2021** **$'000**
Rental paid to corporations related to a substantial shareholder/director-related companies	8,569	8,140
Rental paid to an associate	1,224	1,124
Rental paid to joint venture companies	198	146

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	
	2022 $'000	2021 $'000
Lease commitment with corporations related to a substantial shareholder/director-related companies		
Not later than one year	9,269	8,561
Later than one year but not later than five years	10,358	17,123
	19,627	25,684
Lease commitment with joint ventures		
Not later than one year	175	220
Later than one year but not later than five years	–	162
	175	382
Lease commitment with an associate		
Not later than one year	1,233	1,224
Later than one year but not later than five years	4,620	5,853
	5,853	7,077

10. RELATED PARTY TRANSACTIONS (CONT'D)

(c) *Compensation of key management personnel*

	Group	
	2022	2021
	$'000	$'000
Salaries, bonuses and other costs	2,529	4,219
Central Provident Fund contributions	118	90
	2,647	4,309
Comprise amounts paid to:		
Directors of the Company	786	3,268
Other key management personnel	1,861	1,041
	2,647	4,309

11. INCOME TAX EXPENSE

(a) Major components of income tax expense

The major components of income tax expense for the years ended 30 September 2022 and 2021 are:

	Group	
	2022	**2021**
	$'000	**$'000**
Current income tax		
- Current income taxation	7,482	5,996
- Over provision in respect of previous years	–	(269)
	7,482	5,727
Deferred income tax		
- Origination and reversal of temporary differences	(324)	(534)
Income tax expense recognised in profit or loss	7,158	5,193

11. INCOME TAX EXPENSE (CONT'D)

(b) Relationship between tax expense and profit before tax

A reconciliation between tax expense and the product of profit before tax multiplied by the applicable corporate tax rate for the years ended 30 September 2022 and 2021 is as follows:

	Group	
	2022	**2021**
	$'000	**$'000**
Profit before tax	43,870	44,485
Tax at corporate tax rate of 17% (2021: 17%)	7,458	7,562
Adjustments:		
- Non-deductible expenses	732	429
- Income not subject to taxation	(402)	(2,373)
- Effect of partial tax exemption and tax relief	(759)	(580)
- Over provision in respect of previous years	–	(269)
- Deferred tax assets not recognised	202	503
- Others	(73)	(79)
Income tax expense recognised in profit or loss	7,158	5,193

As at 30 September 2022, the Group has unutilised tax losses and unabsorbed capital allowances of approximately $1,100,000 and $87,000 (2021: $2,372,000 and $1,130,000) 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.

During the financial year ended 30 September 2021, unabsorbed tax losses and capital allowance of approximately $1,649,000 and $598,000 have been utilised under Group relief.

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	
	2022	2021
Profit for the year attributable to owners of the Company used in the computation of basic and diluted earnings per share ($'000)	34,019	39,278
Weighted average number of ordinary shares for basic earnings per share computation ('000)	1,240,419	1,189,502
Effect of dilution:		
Share awards granted under the Kimly Performance Share Plan ('000)	926	315
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	1,241,345	1,189,817
Basic earnings per share (cents)	2.74	3.30
Diluted earnings per share (cents)	2.74	3.30

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold building $'000	Leasehold buildings $'000	Electrical and renovations $'000	Equipment and fittings $'000	Motor vehicles $'000	Total $'000
Group						
At cost						
At 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 and 1 October 2021	9,265	59,264	10,685	12,919	2,236	94,369
Acquisition of subsidiaries (Note 17)	–	–	542	1,880	222	2,644
Additions	–	–	1,865	1,732	401	3,998
Disposals	–	–	(574)	(551)	(313)	(1,438)
Written-off	–	–	(263)	(345)	(90)	(698)
Reclassified as assets held for sale (Note 24)	–	–	(74)	(263)	(116)	(453)
At 30 September 2022	9,265	59,264	12,181	15,372	2,340	98,422

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

	Freehold building $'000	Leasehold buildings $'000	Electrical and renovations $'000	Equipment and fittings $'000	Motor vehicles $'000	Total $'000
Accumulated depreciation and impairment						
At 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 and 1 October 2021	247	2,721	7,737	9,157	1,546	21,408
Depreciation charge for the year	185	1,091	1,861	2,639	236	6,012
Disposals	–	–	(574)	(540)	(304)	(1,418)
Written-off	–	–	(263)	(332)	(90)	(685)
Reclassified as assets held for sale (Note 24)	–	–	(60)	(221)	(11)	(292)
At 30 September 2022	432	3,812	8,701	10,703	1,377	25,025
Net carrying amount						
At 30 September 2022	8,833	55,452	3,480	4,669	963	73,397
At 30 September 2021	9,018	56,543	2,948	3,762	690	72,961

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

Restoration costs

Included in the Group's carrying amount of electrical and renovations is $50,000 (2021: $188,000) of provision for restoration costs.

Assets pledged as security

As at 30 September 2022, leasehold and freehold properties with carrying amounts of $52,976,000 (2021: $53,893,000) and $8,833,000 (2021: $9,018,000), respectively, have been pledged to a bank to secure bank facilities granted as disclosed in Note 27.

Details of freehold and leasehold properties as at 30 September 2022 are as follows:

Location	Description	Tenure	Floor area (sq m)
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

14. INVESTMENT PROPERTIES

	Group $'000
Consolidated statement of financial position	
At cost	
At 1 October 2020, 30 September 2021, 1 October 2021 and 30 September 2022	7,130
Accumulated depreciation	
At 1 October 2020	40
Depreciation charge for the year	151
At 30 September 2021 and 1 October 2021	191
Depreciation charge for the year	143
At 30 September 2022	334
Net carrying amount	
At 30 September 2022	6,796
At 30 September 2021	6,939

14. INVESTMENT PROPERTIES (CONT'D)

	2022 $'000	2021 $'000
Consolidated statement of comprehensive income		
Rental income from investment properties	252	248
Direct operating expenses (including repairs and maintenance) arising from rental generating properties *	(65)	(47)

* Included in the direct operating expenses is property tax rebates of $Nil (2021: $10,000) received by the Group as disclosed in Note 8.

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 2022, investment properties with carrying amounts of $6,796,000 (2021: $6,939,000) have been pledged to a bank to secure bank facilities granted as disclosed in Note 27.

15. INTANGIBLE ASSETS AND GOODWILL

	Goodwill $'000	Customer contracts $'000	Lease assignment fees $'000	Trademarks $'000	Computer software $'000	Total $'000
Group						
Cost						
At 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 and 1 October 2021	1,626	50	15,140	72	763	17,651
Acquisition of subsidiaries (Note 17)	48,436	1,428	–	8,805	–	58,669
Additions	–	–	–	–	14	14
Reclassified as assets held for sale (Note 24)	–	–	–	–	(6)	(6)
At 30 September 2022	50,062	1,478	15,140	8,877	771	76,328
Accumulated amortisation and impairment						
At 1 October 2020	705	–	10,875	72	573	12,225
Charge for the year	–	50	535	–	90	675
At 30 September 2021 and 1 October 2021	705	50	11,410	72	663	12,900
Charge for the year	–	143	535	880	76	1,634
Reclassified as assets held for sale (Note 24)	–	–	–	–	(6)	(6)
At 30 September 2022	705	193	11,945	952	733	14,528
Net carrying amount						
At 30 September 2022	49,357	1,285	3,195	7,925	38	61,800
At 30 September 2021	921	–	3,730	–	100	4,751

15. INTANGIBLE ASSETS AND GOODWILL (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 and trademarks

Goodwill is derived from the excess of purchase consideration over the fair values of the identifiable net assets acquired. The carrying amounts of goodwill and trademarks allocated to each CGU are as follows:

	Klovex		**Tenderfresh Group**		**Total**	
	2022 **$'000**	**2021** **$'000**	**2022** **$'000**	**2021** **$'000**	**2022** **$'000**	**2021** **$'000**
Goodwill	921	921	48,436	–	49,357	921
Trademarks	–	–	8,805	–	8,805	–

The recoverable amounts of the CGUs have been determined based on value-in-use calculations using cash flow projections from financial budgets approved by management covering a five-year period.

Key assumptions used in the value-in-use calculations

The calculation of value-in-uses for Klovex and Tenderfresh Group are most sensitive to the following assumptions:

Budgeted gross margins – Gross margins are forecasted as a percentage of budgeted revenue and are estimated based on historical trend and management's assessment of outlook of the CGU and industry.

Pre-tax discount rate – Discount rate represents the current market assessment of the risks specific to each CGU, 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. The pre-tax discount rate applied in the cash flow projection is 14% (2021: 14%), which reflects management's estimation of the risk specific to the operating segments.

15. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Growth rates – The forecasted growth rates are based on management's judgement applied in the financial budgets which include average growth rates. The growth rates applied to Klovex and Tenderfresh Group ranges from 1.0% to 8.0% (2021: 1.0% to 6.7%) and 1.0% to 2.5% respectively.

Sensitivity to changes in assumptions

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

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.

16. LEASES (CONT'D)

Group as a lessee (cont'd)

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

(a) ***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
Cost					
As at 1 October 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 and 1 October 2021	183,276	3,017	1,123	560	187,976
Acquisition of subsidiaries (Note 17)	4,183	97	1,161	394	5,835
Additions for the year	10,256	419	–	–	10,675
Modifications *	16,097	1,220	–	–	17,317
Cessation	(16,673)	(248)	–	–	(16,921)
Reclassified as assets held for sale (Note 24)	(1,932)	–	(148)	–	(2,080)
As at 30 September 2022	195,207	4,505	2,136	954	202,802

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

16. LEASES (CONT'D)

Group as a lessee (cont'd)

(a) ***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
Accumulated depreciation					
As at 1 October 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 and 1 October 2021	66,134	1,672	209	218	68,233
Depreciation charge for the year	38,262	1,408	645	252	40,567
Cessation	(7,109)	(249)	–	–	(7,358)
Reclassified as assets held for sale (Note 24)	(597)	–	(25)	–	(622)
As at 30 September 2022	96,690	2,831	829	470	100,820
Net carrying amount					
As at 30 September 2022	98,517	1,674	1,307	484	101,982
As at 30 September 2021	117,142	1,345	914	342	119,743

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	
	2022	**2021**
	$'000	**$'000**
As at 1 October	122,681	137,134
Acquisition of subsidiaries (Note 17)	5,927	–
Additions	10,675	6,183
Modifications *	17,317	14,635
Accretion of interests	3,644	3,960
Lease payments	(43,382)	(39,160)
Cessation	(9,939)	(71)
Lease liabilities directly associated with the assets held for sale (Note 24)	(1,499)	–
At 30 September	105,424	122,681
Current	37,237	34,553
Non-current	68,187	88,128
	105,424	122,681

* 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 33(b).

16. LEASES (CONT'D)

Group as a lessee (cont'd)

(c) ***Amounts recognised in profit or loss***

The following are the amounts recognised in profit or loss:

	Group	
	2022	**2021**
	$'000	**$'000**
Depreciation expenses of right of use assets		
- Cost of sales	38,810	35,270
- Administrative expenses	1,757	1,418
Interest expense on lease liabilities	3,644	3,960
Lease expenses not capitalised in lease liabilities:		
- Expenses relating to low value assets	389	320
- Expenses relating to short-term leases:		
- Lease expense	3,876	1,690
- Rental relief	–	(147)
- Expenses relating to variable lease payments:		
- Contingent rental	558	243
- Rental relief	(4,645)	(3,483)
Total amount recognised in profit or loss	44,389	39,271

16. LEASES (CONT'D)

(c) ***Amount recognised in profit or loss (cont'd)***

The Group had total cash outflows for leases (including lease expenses not capitalised in lease liabilities) of $43,560,000 (2021: $37,783,000) for the financial year ended 30 September 2022. The Group also had non-cash changes to right-of-use assets and lease liabilities of $11,071,000 and $18,053,000 (2021: $20,908,000 and $20,818,000) respectively in the financial year ended 30 September 2022.

Future minimum rental payable for lease contract which has not yet commenced as at 30 September 2022 and 2021 are as follows:

	Group	
	2022	**2021**
	$'000	**$'000**
Not later than one year	173	–
Less than one year but not later than five years	736	–
	909	–

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 five years.

Future minimum rentals receivable under non-cancellable operating leases as at 30 September 2022 and 2021 are as follows:

	Group	
	2022	**2021**
	$'000	**$'000**
Not later than one year	8,905	7,140

17. INVESTMENT IN SUBSIDIARIES

	Company	
	2022 $'000	2021 $'000
Unquoted equity shares, at cost	122,778	122,528
Issuance of shares for acquisition of non-controlling interests in subsidiaries	116,519	116,519
	239,297	239,047

(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 2022	2021
Held by the Company:				
Kimly Food Holdings Pte. Ltd. (a)	Singapore	Manufacture of cooked food preparations	100	100
Chodee Food Holdings Pte. Ltd. (a)	Singapore	Provision of management services	100	100
LHL Group Pte. Ltd. (a)	Singapore	Provision of management services	100	100
Jin Wei Food Holdings Pte. Ltd. (a)	Singapore	Letting and operating of coffee shop	100	100
Kimly Food Products Pte. Ltd. (a)	Singapore	Operating of restaurant and confectionary shop	100	100
Jin Wei Investments Pte. Ltd. (a)	Singapore	Provision of management services	100	100
Hawkermania Pte. Ltd. (a)(b)	Singapore	Letting and operating of coffee shops	100	–

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	
			2022	2021
Held through Kimly Food Holdings Pte. Ltd.				
Kimly Makan Place Pte. Ltd. (a)	Singapore	Operating of coffee shop	100	100
Kimly MVR Pte. Ltd. (a)	Singapore	Sale of food products	100	100
Kimly Seafood Pte. Ltd. (a)	Singapore	Sale of food products	100	100
Held through Chodee Food Holdings Pte. Ltd.				
Kimly Dim Sum Pte. Ltd. (a)	Singapore	Sale of food products	100	100
Klovex Holdings Pte. Ltd. (a)	Singapore	Provision of cleaning services	60	60
Held through Jin Wei Food Holdings Pte. Ltd.				
Choh Dee (TW143) Food House Pte. Ltd. (a)	Singapore	Letting and operating of coffee shops	100	100
Wei Sheng Holdings Pte. Ltd. (a)	Singapore	Letting and operating of coffee shops	100	100
Din Yun Pte Ltd (a)	Singapore	Letting and operating of coffee shops	100	100
Northstar (2001) Pte. Ltd. (a)	Singapore	Investment holding	100	100

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 2022	2021
Held through Kimly Makan Place Pte. Ltd.				
881 Hougang Food House Pte. Ltd. (a)	Singapore	Operating of coffee shop	100	100
147 Serangoon Food House Pte. Ltd. (a)	Singapore	Operating of coffee shop	100	100
BN123 Food House Pte. Ltd. (a)	Singapore	Operating of coffee shop	100	100
Chai Chee 29 Food House Pte. Ltd. (a)	Singapore	Operating of coffee shop	100	100
Choh Dee Place (163A) Pte. Ltd. (a)	Singapore	Operating of coffee shop	100	100
Choh Dee Place (346A) Pte. Ltd. (a)	Singapore	Operating of coffee shop	100	100
Gourmet Express Food House Pte. Ltd. (a)	Singapore	Operating of coffee shop	100	100
Jurong West 651 Food House Pte. Ltd. (a)	Singapore	Operating of coffee shop	100	100
Park (E) Crescent Food House Pte. Ltd. (a)	Singapore	Operating of coffee shop	100	100
Park Reservoir Food House Pte. Ltd. (a)	Singapore	Operating of coffee shop	100	100
PP146 Food House Pte. Ltd. (a)	Singapore	Operating of coffee shop	100	100
Sengkang 266 Food House Pte. Ltd. (a)	Singapore	Operating of coffee shop	100	100
Tampines West Food Court Pte. Ltd. (a)	Singapore	Operating of coffee shop	100	100
CDP Kimly Pte. Ltd. (a)	Singapore	Operating of coffee shop	100	100

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**	
			2022	**2021**
Held through Kimly Makan Place Pte. Ltd. (cont'd)				
Yong Yun Pte. Ltd. (a)	Singapore	Operating of coffee shop	100	100
Foodclique (Capeview) Pte. Ltd. (a)	Singapore	Operating of coffee shop	100	100
Foodclique Pte. Ltd. (a)	Singapore	Operating of coffee shop	100	100
Kedai Kopi Pte. Ltd. (a)	Singapore	Operating of coffee shop	51	51
Held through Jin Wei Investments Pte. Ltd.				
Tenderfresh Group Pte. Ltd. (a)(c)	Singapore	Investment holding	75	–
Held through Kimly MVR Pte. Ltd.				
Kimly MVR Central Pte. Ltd. (a)	Singapore	Sale of food products	100	100
Kimly MVR East Pte. Ltd. (a)	Singapore	Sale of food products	100	100
Kimly MVR West Pte. Ltd. (a)	Singapore	Sale of food products	100	100

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**	
			2022	**2021**
Held through Kimly Seafood Pte. Ltd.				
Kimly Seafood Central Pte. Ltd. (a)	Singapore	Sale of food products	100	100
Kimly Seafood East Pte. Ltd. (a)	Singapore	Sale of food products	100	100
Kimly Seafood West Pte. Ltd. (a)	Singapore	Sale of food products	100	100
Held through Kimly Dim Sum Pte. Ltd.				
Kimly Dim Sum East Pte. Ltd. (a)	Singapore	Sale of food products	100	100
Kimly Dim Sum West Pte. Ltd. (a)	Singapore	Sale of food products	100	100
Kimly Food Manufacturing Pte. Ltd. (a)	Singapore	Central food processing centre	100	100
Held through Tenderfresh Group Pte. Ltd.				
Ke Ai Ji F&B Pte. Ltd. (a)(c)	Singapore	Provision of management services	75	–
Tenderbest Restaurants Pte. Ltd. (a)(c)	Singapore	Provision of management services	75	–
Tenderfresh Fried & BBQ Chicken Pte. Ltd. (a)(c)	Singapore	Central food processing centre	75	–

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 2022	2021
Held through Ke Ai Ji F&B Pte. Ltd				
Ke Ai Ji (North) Pte. Ltd. [(a)(c)]	Singapore	Sale of food products	75	–
Ke Ai Ji (East) Pte. Ltd. [(a)(c)]	Singapore	Sale of food products	75	–
Ke Ai Ji (West) Pte. Ltd. [(a)(c)]	Singapore	Sale of food products	75	–
Held through Tenderfresh Restaurants Pte. Ltd.				
Tenderbest (East) Pte. Ltd. [(a)(c)]	Singapore	Sale of food products	75	–
Tenderbest (West) Pte. Ltd. [(a)(c)]	Singapore	Sale of food products	75	–
Held through Tenderfresh Fried & BBQ Chicken Pte. Ltd.				
Caterfresh Pte. Ltd. [(a)(c)]	Singapore	Provision of food catering service	75	–
Sultan Burger Enterprise Pte. Ltd. [(a)(c)]	Singapore	Wholesale of livestock, meat, poultry, eggs and seafood	75	–
TDF Food Pte. Ltd. [(a)(c)]	Singapore	Manufacturing and processing of premix flour, premix seasoning and spices	75	–

(a) Audited by Ernst & Young LLP, Singapore
(b) Incorporated during the financial year ended 30 September 2022
(c) Acquired on 1 October 2021

17. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) *Acquisition of subsidiaries under Tenderfresh Group*

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

Pursuant to the Acquisition Agreement, the purchase consideration of $50,000,000 is as follows:

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

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.

From 1 October 2021 to 30 September 2022, Tenderfresh Group contributed revenue of $73,515,000 and profit before tax of $10,146,000 to the Group's results.

17. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

Assets acquired and liabilities assumed

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

	$'000
Property, plant and equipment	2,644
Right-of-use assets	5,835
Intangible assets	10,233
Trade and other receivables	5,905
Inventories	1,362
Cash and cash equivalents	5,319
Trade and other payables	(9,185)
Provision for taxation	(794)
Lease liabilities	(5,927)
Provision for restoration costs	(365)
Deferred tax liabilities	(2,024)
Net assets acquired and liabilities assumed	13,003
Non-controlling interests	(3,251)
Goodwill arising on acquisition	48,436
Purchase consideration transferred	58,188

17. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

	$'000
Total purchase consideration satisfied by:	
- Cash	34,000
- Issuance of shares at fair value	18,694
- Adjustment in accordance with Acquisition Agreement relating to net assets of Tenderfresh Group on acquisition date not included in the purchase consideration (Note 25)	1,494
- Contingent liability relating to Earn-out Consideration (Note 25)	4,000
Total purchase consideration	58,188

Issuance of shares at fair value

The Company issued 51,216,389 ordinary shares as consideration for the 75% interest in Tenderfresh Group. 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 $0.365 per share. The fair value of the consideration satisfied by issuance of shares was therefore $18,694,000.

Goodwill arising from consolidation

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

Analysis of cash flows on acquisition:

	$'000
Purchase consideration paid in cash	34,000
Less: Cash and cash equivalent of Tenderfresh Group acquired	(5,319)
Net cash used in acquisition of Tenderfresh Group	28,681

17. INVESTMENT IN SUBSIDIARIES (CONT'D)

(c) *Acquisition of Klovex Holdings Pte. Ltd.*

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:

	$'000
Property, plant and equipment	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 balances acquired	5
Purchase consideration transferred	1,010
Total purchase consideration satisfied by:	
- Cash	700
- Issuance of shares at fair value	310
	1,010

17. INVESTMENT IN SUBSIDIARIES (CONT'D)

(c) *Acquisition of Klovex Holdings Pte. Ltd. (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 $951,000 of revenue and loss before tax of $705,000 to the Group's profit after tax for the financial year ended 30 September 2021. If the acquisition had taken place at the beginning of the financial year 30 September 2021, the contribution to the Group's revenue would have been $1,902,000 and the contribution to the Group's profit after tax would have been loss before tax of $1,410,000 for the financial year ended 30 September 2021.

Analysis of cash flows on acquisition:

	$'000
Purchase consideration paid in cash	700
Less: Cash and cash equivalent balances acquired	(5)
Net cash used in acquisition of a subsidiary, Klovex	695

17. INVESTMENT IN SUBSIDIARIES (CONT'D)

(d) *Summarised financial information about subsidiaries with material NCI*

Summarised financial information based on the subsidiaries' financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on consolidation are as follows:

Summarised balance sheet

	Tenderfresh Group $'000
Current	
Assets	17,851
Liabilities	(12,354)
Net current assets	5,497
Non-current	
Assets	65,372
Liabilities	(4,469)
	60,903
Net assets	66,400

17. INVESTMENT IN SUBSIDIARIES (CONT'D)

(d) ***Summarised financial information about subsidiaries with material NCI (cont'd)***

Summarised statement of comprehensive income

	Tenderfresh Group $'000
Current	
Revenue	73,515
Profit before income tax	11,028
Income tax expense	(1,757)
Profit after tax, representing total comprehensive income	9,271

Other summarised financial information

	Tenderfresh Group $'000
Net cash flows from operations	14,273
Dividend paid on ordinary shares	(4,000)

18. INVESTMENT IN AN ASSOCIATE

	Group	
	2022	2021
	$'000	$'000
Investment in an associate	6,039	6,061
Investment in joint ventures (Note 19)	6,999	6,178
Investment in an associate and joint ventures	13,038	12,239

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

	2022	2021
	$'000	$'000
Current assets	2,943	3,077
Non-current assets	30,495	30,941
Current liabilities	252	255
Non-current liabilities	8,946	9,440
Equity	24,240	24,323
Group's share in equity - 25% (2021: 25%)	6,060	6,081
Other adjustment	(21)	(20)
Carrying amount of the investment	6,039	6,061

18. INVESTMENT IN AN ASSOCIATE (CONT'D)

Summarised statement of comprehensive income

	2022 $'000	2021 $'000
Revenue	1,224	1,110
Profit for the year	492	459
Total comprehensive income	492	459
Group's share of profit for the year, pre-tax	123	115
Taxation	(21)	(20)
Group's share of profit for the year, after-tax	102	95
Dividends received during the year	124	115

The associate had no contingent liabilities or capital commitments as at 30 September 2022 and 2021.

19. INVESTMENT IN JOINT VENTURES

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

	2022 $'000	2021 $'000
Da Sun Food House Pte. Ltd. ("Da Sun")	1,118	–
Hong Kah Food Place Pte. Ltd. ("Hong Kah")	1,252	1,370
Jin Yuan 134 Food House Pte. Ltd. ("Jin Yuan")	736	725
Joo Seng Food Place Pte. Ltd. ("Joo Seng")	1,016	1,093
Sin Tong Hong Eating House Pte. Ltd. ("Sin Tong Hong")	1,094	1,165
Zhen Wei Food House Pte. Ltd. ("Zhen Wei")	1,783	1,825
	6,999	6,178

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

19. INVESTMENT IN JOINT VENTURES (CONT'D)

Details of the joint ventures are as follows:

Name of joint ventures	Principal place of business	Principal activities	Proportion (%) of ownership interest	
			2022	2021
Held through Kimly Makan Place Pte. Ltd.				
Da Sun Food House Pte. Ltd. (1)	Singapore	Operating of coffee shop	49	–
Hong Kah Food Place Pte. Ltd. (1)	Singapore	Operating of coffee shop	49	49
Jin Yuan 134 Food House Pte. Ltd. (1)	Singapore	Operating of coffee shop	49	49
Joo Seng Food Place Pte. Ltd. (1)	Singapore	Operating of coffee shop	49	49
Sin Tong Hong Eating House Pte. Ltd. (1)	Singapore	Operating of coffee shop	49	49
Zhen Wei Food House Pte. Ltd. (1)	Singapore	Operating of coffee shop	49	49

(1) Audited by Ernst & Young LLP, Singapore

19. INVESTMENT IN JOINT VENTURES (CONT'D)

Summarised statements of financial position

	Da Sun $'000	Hong Kah $'000	Jin Yuan $'000	Joo Seng $'000	Sin Tong Hong $'000	Zhen Wei $'000	Total $'000
2022							
Cash and cash equivalents	125	758	450	566	739	717	3,355
Trade receivables	–	–	–	–	8	–	8
Other current assets	26	182	94	200	148	76	726
Current assets	151	940	544	766	895	793	4,089
Non-current assets	414	41	200	207	96	246	1,204
Total assets	565	981	744	973	991	1,039	5,293
Current liabilities	173	358	219	304	399	407	1,860
Non-current liabilities	66	15	18	49	31	23	202
Total liabilities	239	373	237	353	430	430	2,062
Equity	326	608	507	620	561	609	3,231
Proportion of the Group's ownership	49%	49%	49%	49%	49%	49%	49%
Group's share in equity	160	298	249	304	275	298	1,584
Other adjustments:							
Lease assignment fees, net	958	1,005	487	767	813	1,485	5,515
Others	–	(51)	–	(55)	6	–	(100)
Carrying amount of the investments	1,118	1,252	736	1,016	1,094	1,783	6,999

19. INVESTMENT IN JOINT VENTURES (CONT'D)

Summarised statements of financial position (cont'd)

	Hong Kah $'000	Jin Yuan $'000	Joo Seng $'000	Sin Tong Hong $'000	Zhen Wei $'000	Total $'000
2021						
Cash and cash equivalents	836	271	463	718	315	2,603
Trade receivables	–	–	–	–	–	–
Other current assets	161	54	96	92	80	483
Current assets	997	325	559	810	395	3,086
Non-current assets	10	322	1,732	926	340	3,330
Total assets	1,007	647	2,291	1,736	735	6,416
Current liabilities	374	196	382	729	362	2,043
Non-current liabilities	–	67	1,339	474	10	1,890
Total liabilities	374	263	1,721	1,203	372	3,933
Equity	633	384	570	533	363	2,483
Proportion of the Group's ownership	49%	49%	49%	49%	49%	49%
Group's share in equity	310	188	279	261	178	1,216
Other adjustments:						
Lease assignment fees, net	1,111	537	869	898	1,647	5,062
Others	(51)	–	(55)	6	–	(100)
Carrying amount of the investments	1,370	725	1,093	1,165	1,825	6,178

19. INVESTMENT IN JOINT VENTURES (CONT'D)

Summarised statements of comprehensive income

	Da Sun $'000	Hong Kah $'000	Jin Yuan $'000	Joo Seng $'000	Sin Tong Hong $'000	Zhen Wei $'000	Total $'000
2022							
Revenue	428	1,812	1,346	2,244	2,231	1,988	10,049
Operating expense	(395)	(1,318)	(936)	(1,716)	(1,675)	(1,394)	(7.434)
	33	494	410	528	556	594	2,615
Income tax expense	(7)	(69)	(56)	(77)	(78)	(86)	(373)
Profit after tax	26	425	354	451	478	508	2,242
Total comprehensive income	26	425	354	451	478	508	2,242
Group's share of profit for the year	13	208	173	221	234	249	1,098
Other adjustment:							
Amortisation of lease assignment fees	(22)	(106)	(50)	(102)	(83)	(163)	(526)
Group's share of (loss)/profit for the year	(9)	102	123	119	151	86	572
Dividends received during the year	–	221	113	196	221	127	878

19. INVESTMENT IN JOINT VENTURES (CONT'D)

Summarised statements of comprehensive income (cont'd)

	Hong Kah $'000	Jin Yuan $'000	Joo Seng $'000	Sin Tong Hong $'000	Zhen Wei $'000	Total $'000
2021						
Revenue	1,755	664	1,912	1,978	652	6,961
Operating expense	(1,291)	(564)	(1,536)	(1,440)	(576)	(5,407)
	464	100	376	538	76	1,554
Income tax expense	(79)	(17)	(64)	(92)	(13)	(265)
Profit after tax	385	83	312	446	63	1,289
Total comprehensive income	385	83	312	446	63	1,289
Group's share of profit for the year	189	41	153	219	30	632
Other adjustment:						
Amortisation of lease assignment fees	(106)	(50)	(102)	(83)	(68)	(409)
Group's share of profit/(loss) for the year	83	(9)	51	136	(38)	223
Dividends received during the year	98	–	98	98	–	294

20. DEFERRED TAX

Deferred tax as at 30 September relates to the following:

	Consolidated statement of financial position		Consolidated statement of comprehensive income	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Deferred tax (liabilities)/assets				
Differences in depreciation for tax purposes	(606)	(426)	(203)	(322)
Difference in amortisation of intangible assets	(6)	(17)	(11)	7
Fair value adjustments on acquisition of businesses	(1,862)	(19)	(181)	–
Leases	545	499	(46)	(241)
Provisions	93	129	36	(33)
Unutilised tax losses	–	42	42	(42)
Unutilised capital allowances	61	100	39	97
	(1,775)	308		
Deferred tax expense			(324)	(534)
Reflected in the statement of financial position as follows:				
Deferred tax assets	212	644		
Deferred tax liabilities	(1,987)	(336)		
Deferred tax (liabilities)/ assets, net	(1,775)	308		

Tax consequences of proposed dividends

There are no income tax consequences (2021: $Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 35).

21. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Trade and other receivables (current)				
Trade receivables	1,952	939	–	–
Other receivables				
- Loans to employees	115	161	–	–
- Deposits	5,145	2,173	19	50
- Government grant receivable	–	1,046	–	–
- Others	2,428	1,348	48	11
Loans to subsidiaries	–	–	98,295	47,455
GST receivable	–	–	3	13
Amount due from subsidiaries (trade)	–	–	2,833	2,264
Amount due from subsidiaries (non-trade)	–	–	1,616	1,521
	9,640	5,667	102,814	51,314
Other receivables (non-current)				
Loans to employees	43	83	–	–
Deposits	5,942	6,345	–	–
	5,985	6,428	–	–
Total trade and other receivables (current and non-current)	15,625	12,095	102,814	51,314
Add:				
Cash and cash equivalents (Note 23)	77,622	94,989	34,825	70,241
Less: GST Receivable	–	–	(3)	(13)
Less: Government grant receivable	–	(1,046)	–	–
Total financial assets carried at amortised cost	93,247	106,038	137,636	121,542

21. TRADE AND OTHER RECEIVABLES (CONT'D)

A floating charge has been placed on rental receivables with carrying amounts of $22,000 (2021: $29,000) from lease of certain leasehold, freehold, and investment properties that had been pledged to a bank for bank facilities granted as disclosed in Note 27.

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 represent 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% (2021: 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.

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 2022 and 30 September 2021, there is no allowance for expected credit loss of trade receivables computed based on lifetime ECL.

22. INVENTORIES

	Group	
	2022 $'000	2021 $'000
Consolidated statement of financial position:		
Raw materials and consumables, at cost	3,916	1,456
Consolidated statement of comprehensive income:		
Inventories recognised as an expense in cost of sales	93,059	73,512

During the financial years ended 30 September 2022 and 2021, there has been no inventory written-off or allowance for inventory obsolescence.

23. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Cash at banks and on hand	49,340	58,779	6,543	34,031
Short-term deposits	28,282	36,210	28,282	36,210
	77,622	94,989	34,825	70,241

Cash at banks earn interest at floating rate. Short-term deposits are made for varying periods of between one to twelve months (FY2021: 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 2022 for the Group and the Company were 1.98% (2021: 0.23%). Cash and short-term deposits are denominated in SGD.

24. ASSETS HELD FOR SALE

On 9 September 2022, the Group's subsidiary, Kimly Food Products Pte. Ltd. entered into a business transfer agreement with Muginoho Global Pte. Ltd. (the "Purchaser") for the disposal of the Group's confectionary business operating under the name "Rive Gauche Patisserie" (the "Confectionary Business"), for a sale consideration of $2,800,000 (the "Purchase Price"). The completion of disposal transaction has taken place on 15 December 2022 ("Completion").

The Group received 90% of the Purchase Price, being $2,520,000, on Completion as partial payment of the Purchase Price. The remaining 10% of the Purchase Price shall be paid upon fulfilment by the Group of certain undertakings to facilitate the transfer of the Confectionary Business. The major classes of assets and liabilities of the Confectionary Business are classified as held for sale as at 30 September 2022 are, as follows:

	$'000
Assets	
Property, plant and equipment	161
Intangible assets	–
Right-of-use assets	1,458
Inventories	72
Cash floats	7
Deposits	249
Assets held for sale	1,947
Liabilities	
Lease liabilities, representing liabilities directly associated with the assets held for sale (Note 16)	(1,499)
Net assets held for sale	448

The gain on disposal of the Confectionary Business amounted to $2,515,000.

25. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Trade and other payables (current)				
Trade payables	10,193	7,674	–	–
Adjustment to purchase consideration in accordance with Acquisition Agreement (Note 17)	1,494	–	–	–
Amount due to an associate (non-trade)	750	750	–	–
Amounts due to the then-existing shareholders of subsidiaries (non-trade)	7,517	7,517	–	–
Amount due to subsidiaries (non-trade)	–	–	38,967	44,570
Contingent liability relating to Earn-out Consideration (Note 17)	4,000	–	–	–
Deposits from tenants	1,718	1,336	–	–
GST payable	2,947	2,267	–	–
Other payables	4,055	3,997	3	59
	32,674	23,541	38,970	44,629
Other payables (non-current)				
Deposits from tenants	1,021	1,222	–	–
Total trade and other payables	33,695	24,763	38,970	44,629
Add:				
Interest-bearing loans and borrowings (Note 27)	23,245	24,410	–	–
Accrued operating expenses (Note 26)	14,701	12,341	583	2,559
Less:				
GST payable	(2,947)	(2,267)	–	–
Total financial liabilities carried at amortised cost	68,694	59,247	39,553	47,188

25. TRADE AND OTHER PAYABLES (CONT'D)

There are no trade and other payables denominated in foreign currencies as at 30 September 2022 and 2021.

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.

26. OTHER LIABILITIES

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Accrued operating expenses	14,701	12,341	583	2,559
Deferred rental relief payable	–	572	–	–
Deferred revenue	259	–	–	–
	14,960	12,913	583	2,559

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.

27. INTEREST-BEARING LOANS AND BORROWINGS

	Group	
	2022 $'000	2021 $'000
Current	1,138	1,052
Non-current	22,107	23,358
	23,245	24,410

	Maturity	2022 $'000	2021 $'000
Bank loans			
Bank loan 1	2039	5,262	5,555
Bank loan 2	2040	2,650	2,778
Bank loan 3	2040	3,967	4,162
Bank loan 4	2040	3,607	3,783
Bank loan 5	2040	7,759	8,132
Total interest-bearing loans and borrowings		23,245	24,410

All the bank loans are Singapore Dollars loans with effective interest rates ranging from 3.3% to 3.6% per annum (2021: 3.3% to 6.6% per annum).

Bank loan 1 bears interest at 1.48% per annum for the first three years, and SORA in advance + 3% per annum from fourth year onwards till maturity (2021: 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.).

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

Bank loan 2 to Bank loan 5 bear interest at 1.48% per annum for the first three years, and 3-months SIBOR + 3% per annum from fourth 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.

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.

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

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

	2022 $'000	Cash flows $'000	Other $'000	2022 $'000
Interest-bearing loans and borrowings				
- Current	1,052	(1,165)	1,251	1,138
- Non-current	23,358	–	(1,251)	22,107
Total	24,410	(1,165)	–	23,245

	2021 $'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

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.

28. PROVISION FOR RESTORATION COSTS

	Group	
	2022 $'000	2021 $'000
At 1 October	1,014	893
Acquisition of subsidiaries (Note 17)	365	–
(Reversal of)/provision for	(30)	121
Reversal of provision in relation to acquisition of subsidiaries	(124)	–
At 30 September	1,225	1,014
Current	149	263
Non-current	1,076	751
	1,225	1,014

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.

29. SHARE CAPITAL, TREASURY SHARES AND SHARE-BASED COMPENSATION RESERVE

(a) *Share capital*

	Group and Company			
	2022		2021	
	No. of shares '000	$'000	No. of shares '000	$'000
Issued and fully paid ordinary shares:				
At 1 October	1,198,787	297,451	1,197,787	297,141
Issuance of ordinary shares	51,216	18,694	1,000	310
At 30 September	1,250,003	316,145	1,198,787	297,451

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.

29. SHARE CAPITAL, TREASURY SHARES AND SHARE-BASED COMPENSATION RESERVE (CONT'D)

(b) *Treasury shares*

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

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

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

30. OTHER RESERVES

	Group	
	2022 $'000	2021 $'000
Merger reserve	(120,591)	(120,591)
Deemed contribution from shareholders of subsidiary under common control	468	468
	(120,123)	(120,123)

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.

31. FAIR VALUE OF ASSETS AND LIABILITIES

Fair value hierarchy

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

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

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

Level 3 – Unobservable inputs for the asset or liability.

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

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

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

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

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

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

Fair value hierarchy (cont'd)

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

		2022	
	Note	**Carrying amount $'000**	**Fair value measurement using significant unobservable inputs (Level 3) $'000**
Group			
Assets			
Investment properties	14	6,796	7,000
Liabilities			
Interest-bearing loans and borrowings	27	23,245	23,608

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

Fair value hierarchy (cont'd)

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

		2021	
	Note	**Carrying amount**	**Fair value measurement using significant unobservable inputs (Level 3)**
		$'000	**$'000**
Group			
Assets			
Investment properties	14	6,939	6,800
Liabilities			
Interest-bearing loans and borrowings	27	24,410	24,410

Determination of fair value

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

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

32. 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, Dim Sum stalls, Seafood "Zi Char" stalls, Teochew Porridge stalls, Western food stalls, Tenderbest restaurants, food kiosks, Tonkichi restaurants, Kanaaji Japanese Tonkatsu stall and Rive Gauche shops. Food retail segment is engaged in manufacturing, processing and sale of food products to customers.

(d) Others

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

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

32. 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.

32. SEGMENT INFORMATION (CONT'D)

	Outlet management $'000	Food retail $'000	Outlet investment business $'000	Others $'000	Adjustments and eliminations $'000	Note	Group $'000
2022							
Revenue							
Revenue from external customers	119,508	191,202	7,038	–	–		317,748
Inter-segment revenue	34,680	68,811	880	63,274	(167,645)	A	–
Total revenue	154,188	260,013	7,918	63,274	(167,645)		317,748
Results:							
Amortisation of intangible assets	(552)	(1,029)	–	(53)	–		(1,634)
Depreciation of investment properties	–	–	(143)	–	–		(143)
Depreciation of property, plant and equipment	(2,221)	(2,006)	(1,328)	(457)	–		(6,012)
Depreciation of right-of-use assets	(33,840)	(6,569)	(56)	(102)	–		(40,567)
Employee benefits expense	(29,826)	(53,296)	(1,348)	(5,796)	–		(90,266)
Finance costs							
- Lease liabilities	(3,289)	(312)	(2)	(41)	–		(3,644)
- Loans and borrowings	(4)	–	(360)	–	–		(364)
Government grants	782	362	53	77	–		1,274
Interest income from short-term deposits	–	–	–	(147)	–		(147)
Net gain on disposal of property, plant and equipment	–	109	–	–	–		109
Rental expense on short-term leases and low-value assets, net of rental rebates received	2,010	(2,116)	(70)	(2)	–		(178)
Share-based payment expenses (Kimly Performance Share Plan)	(331)	(38)	–	–	–		(369)
Share of profit of an associate and joint venture	674	–	–	–	–		674
Write-off of property, plant and equipment	–	(13)	–	–	–		(13)
Segment profit/(loss)	13,405	36,812	1,210	(7,557)	–		43,870
Segment assets	130,769	105,214	76,178	45,095	–		357,256
Segment liabilities	(114,069)	(35,898)	(25,274)	(15,238)	–		(190,479)

32. SEGMENT INFORMATION (CONT'D)

	Outlet management $'000	Food retail $'000	Outlet investment business $'000	Others $'000	Adjustments and eliminations $'000	Note	Group $'000
2021							
Revenue							
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	–
Total revenue	140,871	154,848	7,520	48,990	(113,587)		238,642
Results:							
Amortisation of intangible assets	(607)	(5)	–	(63)	–		(675)
Depreciation of investment properties	–	–	(151)	–	–		(151)
Depreciation of property, plant and equipment	(1,762)	(937)	(1,261)	(460)	–		(4,420)
Depreciation of right-of-use assets	(33,046)	(3,440)	(58)	(144)	–		(36,688)
Employee benefits expense	(17,369)	(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)
Segment profit/(loss)	19,243	33,269	1,763	(9,790)	–		44,485
Segment assets	153,197	18,801	71,127	83,193	–		326,318
Segment liabilities	(136,917)	(17,617)	(26,438)	(11,750)	–		(192,722)

Note

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

33. 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, liquidity risk and interest rate 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.

33. 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 Group 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.

33. 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.

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

(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.

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
Group				
2022				
Financial assets:				
Trade and other receivables	9,640	6,255	635	16,530
Cash and short-term deposits	77,622	–	–	77,622
Total undiscounted financial assets	87,262	6,255	635	94,152
Financial liabilities:				
Trade and other payables	29,727	1,021	–	30,748
Accrued operating expenses	14,960	–	–	14,960
Interest-bearing loans and borrowings	1,517	6,920	22,143	30,580
Lease liabilities	40,098	68,694	3,075	111,867
Total undiscounted financial liabilities	86,302	76,635	25,218	188,155
Total net undiscounted financial assets/(liabilities)	960	(70,380)	(24,583)	(94,003)

33. 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
Group				
2021				
Financial assets:				
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
Financial liabilities:				
Trade and other payables	21,274	1,222	–	22,496
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	73,168	95,860	31,525	200,553
Total net undiscounted financial assets/(liabilities)	26,442	(90,209)	(30,630)	(94,397)

33. 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
Company		
2022		
Financial assets:		
Trade and other receivables	102,811	102,811
Cash and short-term deposits	34,825	34,825
Total undiscounted financial assets	137,636	137,636
Financial liabilities:		
Trade and other payables	38,970	38,970
Accrued operating expenses	583	583
Total undiscounted financial liabilities	39,553	39,553
Total net undiscounted financial assets	98,083	98,083
2021		
Financial assets:		
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
Financial liabilities:		
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

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

(c) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their Interest-bearing loans and borrowings from financial institution. The Group currently does not use any derivative financial instruments to manage its exposure to changes in interest rates and the Group's policy is to obtain the most favourable interest rates available.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD interest rates had been 2.48% (2021: 50 basis points) lower/higher with all other variables held constant, the Group's profit before tax would have been $574,000 (2021: $124,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility as in prior years.

34. 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 2022 and 2021.

35. DIVIDENDS

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Declared and paid during the financial year:				
Dividends on ordinary shares:				
- Final exempt (one-tier) dividend for 2021: 0.84 (2020: 0.84) cents per share	10,437	9,988	10,437	9,988
- Interim exempt (one-tier) dividend for 2022: 0.56 (2021: 0.56) cents per share	6,962	6,667	6,962	6,667
- Special exempt (one-tier) dividend for 2021: 0.60 (2020: Nil) cents per share	7,454	–	7,454	–
	24,853	16,655	24,853	16,655
Proposed but not recognised as a liability as at 30 September:				
Dividends on ordinary shares, subject to shareholders' approval at the AGM:				
- Final exempt (one-tier) dividend for 2022: 1.12 (2021: 0.84) cents per share	13,922	10,431	13,922	10,431
- Special exempt (one-tier) dividend for 2022: Nil (2021: 0.60) cents per share	–	7,451	–	7,451
	13,922	17,882	13,922	17,882

36. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

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

Statistics of Shareholdings

As At 12 December 2022

SHARE CAPITAL

Number of Ordinary Shares in Issue (excluding treasury shares and subsidiary holdings)	: 1,243,037,950
Number of treasury shares held	: 6,965,171 (0.56%) *
Number of subsidiary holdings	: -
Class of Shares	: Ordinary
Voting Rights	: One vote for each ordinary share 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	9	0.36	245	0.00
100 - 1,000	174	6.91	120,200	0.01
1,001 - 10,000	1,032	41.05	5,946,416	0.48
10,001 - 1,000,000	1,232	49.01	113,939,662	9.16
1,000,001 AND ABOVE	67	2.67	1,123,031,427	90.35
TOTAL	**2,514**	**100.00**	**1,243,037,950**	**100.00**

Statistics of Shareholdings

As At 12 December 2022

TWENTY LARGEST SHAREHOLDERS AS AT 12 DECEMBER 2022

NO.	NAME	NO. OF SHARES	%
1	LIM HEE LIAT	493,915,165	39.73
2	PEH OON KEE	99,309,105	7.99
3	DBS NOMINEES (PRIVATE) LIMITED	76,381,857	6.14
4	NG LAY BENG	60,486,866	4.87
5	NG THIAN HOO	49,123,124	3.95
6	NG HAN KEOW	47,406,862	3.81
7	SOH CHUN KING	27,234,315	2.19
8	OCBC SECURITIES PRIVATE LIMITED	24,016,822	1.93
9	RAFFLES NOMINEES (PTE.) LIMITED	17,185,296	1.38
10	CHIA CHER KHIANG (XIE SHUQIANG)	16,513,391	1.33
11	WONG HONG KOON	11,640,860	0.94
12	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	11,033,400	0.89
13	TAN CHING SAN	10,054,100	0.81
14	ONG EE HAR	9,800,000	0.79
15	KOH WAH TECK	8,000,000	0.64
16	TAN PUAY LING	8,000,000	0.64
17	ANG KOK HUI	7,418,024	0.60
18	ANG LAY HIONG (HONG LIXIANG)	7,266,191	0.58
19	OW SOON POOH	6,845,850	0.55
20	PHILLIP SECURITIES PTE LTD	6,641,600	0.53
	TOTAL	**998,272,828**	**80.29**

Statistics of Shareholdings

As At 12 December 2022

SUBSTANTIAL SHAREHOLDERS AS AT 12 DECEMBER 2022

As recorded in the Register of Substantial Shareholders

Name of shareholder	Direct Interest	%	Deemed Interest	%
LIM HEE LIAT	493,915,165	39.73%	–	-
PEH OON KEE	99,309,105	7.99%	–	-
NG LAY BENG	60,486,866	4.87%	10,300,000^	0.83%

^ 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 12 December 2022, 46.33% 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 by way of electronic means on Wednesday, 18 January 2023 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 2022 and the Auditors' Report thereon. **(Resolution 1)**

2. To declare a Tax Exempt One-Tier final dividend of 1.12 Singapore cents per ordinary share for the financial year ended 30 September 2022. **(Resolution 2)**

3. To re-elect the following Directors of the Company retiring pursuant to Regulation 112 of the Company's Constitution:

   Mr Wee Tian Chwee Jeffrey **(Resolution 3)**
   Ms Wong Kok Yoong Karen **(Resolution 4)**
   [See Explanatory Note (i)]

4. To approve the payment of Directors' fees of up to S$200,000 for the financial year ending 30 September 2023. (FY2022: S$200,000) **(Resolution 5)**

5. To re-appoint Messrs Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

6. To transact any other routine business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS:

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

7. **SHARE ISSUE MANDATE**

   THAT authority be hereby given to the Directors of the Company ("**Directors**") pursuant to Section 161 of the Companies Act 1967 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 Catalis**t") 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);

(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 7)**

8. **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,

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 8)**

9. **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 9)**

10. **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

(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 10)**

11. **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 11)**

By Order of the Board

Toh Li Ping, Angela
Company Secretary

3 January 2023

Explanatory Notes:

(i) **Resolution 3** is to re-elect Mr Wee Tian Chwee Jeffrey ("**Mr Wee**") as an Independent Director of the Company. Mr Wee, upon re-election, will remain as an Independent Director, Chairman of the Audit Committee and a member of the Remuneration Committee of the Company. Mr Wee will be considered independent for the purposes of Rule 704(7) of the Rules of the Catalist.

Resolution 4 is to re-elect Ms Wong Kok Yoong Karen ("**Ms Wong**") as a Director of the Company. Ms Wong, upon re-election, will remain as an Executive Director of the Company and a member of the Nominating Committee of the Company.

The information relating to Mr Wee Tian Chwee Jeffrey and Ms Wong Kok Yoong Karen as required under Rule 720(5) of the Rules of Catalist is set out from pages 60 to 66 of the Annual Report.

(ii) **Resolution 7** proposed in item 7. 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 7 (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 8** proposed in item 8. 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 9** proposed in item 9. 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.

(v) **Resolution 10** proposed in item 10. 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 11** proposed in item 11. 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 (as amended from time to time), the AGM will be held by way of electronic means and members will NOT be allowed to attend the AGM in person.

2. There will be no despatch of printed copies and this Notice of AGM together with the following documents are made available to members on 3 January 2023 via SGXNet at the following URL: https://www.sgx.com/securities/company-announcements and the Company's website at the following URL: https://kimlygroup.sg:

   (a) Annual Report;
   (b) Appendix to Annual Report; and
   (c) Proxy Form in relation to the AGM.

3. Alternative arrangements are instead put in place to allow members/proxies to participate in the AGM by:

   (a) watching or listening to the AGM proceedings via a Live Webcast (as defined below). Members/proxies who wish to participate as such will have to pre-register in the matter outlined in Notes 4 to 8 below;

   (b) submitting questions ahead of or "live" at the AGM. Please refer to the Notes 9 to 12 below for further details; and

   (c) voting (i) "live" by the members or by their duly appointed proxy(ies) (other than the Chairman of the AGM); or (ii) by appointing the Chairman of the AGM as proxy to vote on their behalf at the AGM. Please refer to Notes 13 to 21 below for further details.

Participation in AGM proceedings via "live webcast"

4. A member of the Company, their proxy(ies) 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/proxy(ies) must pre-register by 3.00 p.m. on 15 January 2023, being seventy-two (72) hours before the time appointed for the AGM ("**Registration Cut-Off Time**"), at the following URL: https://go.lumiengage.com/kimlyagm2023 (the "**Pre-registration Website**"), to create an account.

5. 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.

6. Members/proxies who have pre-registered by the Registration Cut-Off Time in accordance with paragraph (4) above but do not receive an email response by 3.00 p.m. on 16 January 2023 may contact the Company's live webcast provider by 10.00 a.m. on 17 January 2023 for assistance at the following email address: srs.teamc@boardroomlimited.com, with the following details included:

   (a) the member's/proxy's full name;

   (b) his/her/its identification/company registration number; and

   (c) the manner in which the shares are held (e.g. via The Central Depositor (Pte) Limited ("**CDP**"), Central Provident Fund ("**CPF**") Investment Scheme, or Supplementary Retirement Scheme ("**SRS**")).

7. Non-CPF/SRS holders whose shares are registered under Depository Agents ("**DAs**") must also contact their respective DAs to indicate their interest in order for their respective DAs to make the necessary arrangements for them to participate in the Live Webcast of the AGM proceedings.

8. Corporate shareholders must also submit the Corporate Representative Certificate to Share Registrar in the following manner:

   (a) via the pre-registration website at the URL: https://go.lumiengage.com/kimlyagm2023; or

   (b) by sending a scanned PDF copy by email to srs.teamc@boardroomlimited.com,

   in addition to the registration procedures as set out in paragraph (4) above, by the Registration Cut-Off Time, for verification purpose.

Submission of questions prior to the AGM

9. Members (including CPF and SRS Investors) may also submit questions relating to the resolutions to be tabled for approval at the AGM or the Company's businesses and operations ahead of the AGM.

10. To do so, all questions must be submitted no later than 3.00 p.m. on 11 January 2023 through any of the following means:

    (a) via the pre-registration website at the URL: https://go.lumiengage.com/kimlyagm2023;

    (b) in physical copy by depositing the same at the registered office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632; or

    (c) by email to the Company at 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/company registration number for verification purposes, failing which the submission will be treated as invalid.

11. The Company will address all substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM or the Company's business and operations by publishing its responses to such questions, if any, on the Company's corporate 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 at least 48 hours prior to the deadline for submission of Proxy Forms. Should there be subsequent clarification sought, or follow-up questions after the deadline of the submission of questions, the Company will address those substantial and relevant questions prior to the AGM through publication on SGXNET, or at the AGM.

Submission of questions "live" at the AGM

12. Members (including CPF and SRS Investors) may submit textual questions "live" at the AGM in the following manner:

    (a) Members (including CPF and SRS Investors) or where applicable, their appointed proxy(ies) who have pre-registered and are verified to attend the AGM can ask questions relating to the ordinary resolutions tabled for approval at the AGM "live" at the AGM, by typing in and submitting their questions through the "live" ask-a-question function via the webcast platform during the AGM.

    (b) Members who wish to appoint a proxy(ies) (other than the Chairman of the AGM) to ask questions "live" at the AGM on their behalf must, in addition to completing and submitting a Proxy Form, ensure that their proxy(ies) pre-register separately via the registration link that will be sent to the appointed proxy(ies) via email upon verification of the Proxy Form(s).

    (c) Members (including CPF and SRS Investors) or, where applicable, their appointed proxy(ies) must access the AGM proceedings via the "live" webcast platform in order to ask questions "live" at the AGM.

    (a) The Company will, during the AGM itself, address the substantial and relevant questions (which are related to the resolutions to be tabled for approval at the AGM) which have not already been addressed prior to the AGM, as well as those received "live" at the AGM itself, as reasonably practicable. Where there are substantially similar questions, the Company will consolidate such questions; consequently, not all questions may be individually addressed.

Submission of Proxy Form, or voting "live" at the AGM

13. Members who wish to exercise their voting rights at the AGM may:

    (a) (where such members are individuals) vote "live" via electronic means at the AGM or (where such members are individuals or corporates) appoint a proxy(ies) (other than the Chairman of the AGM)* to vote "live" via electronic means at the AGM on their behalf; or

    *For the avoidance of doubt, CPF and SRS investors will not be able to appoint third party proxy(ies) (i.e., persons other than the Chairman of the AGM) to vote "live" at the AGM on their behalf.

    (b) (where the member is an individual or corporate) appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM 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 for that resolution will be treated as invalid.

    A proxy need not be a member of the Company.

14. A member of the Company who is not a relevant intermediary entitled to attend the meeting and vote is entitled to appoint one or two proxies to attend and vote in his/her stead. Where a member who is not a relevant intermediary appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

15. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

    "Relevant intermediary" means:

    (a) a banking corporation licensed under the Banking Act 1970 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 2001 of Singapore and who holds shares in that capacity; or

    (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 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.

16. Subject to Note 20 below, completion and return of Proxy Form shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Live Webcast of the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the AGM.

17. The completed and signed Proxy Form must be submitted to the Company in the following manner:

    (a) via the pre-registration website at the URL: https://go.lumiengage.com/kimlyagm2023;

    (b) by depositing a hard copy by post at registered office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632; or

    (c) by sending a scanned PDF copy by email to srs.teamc@boardroomlimited.com.

    in either case, no later than 3.00 p.m. on 15 January 2023 ("**Proxy Deadline**"), **being seventy-two (72) hours before the time appointed for the AGM**.

18. 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.

19. The Proxy Form must be signed by the appointer or his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

20. Investor who holds shares under the CPF Investment Scheme and/or the SRS (as may be applicable) and wishes to appoint the Chairman of the AGM as their proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. 9 January 2023 at 5.00 p.m.).

21. The Company shall be entitled to reject the Proxy Form 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 Proxy Form (including any related attachment) (such as in the case where the appointor submits more than one Proxy Form). In addition, in the case of Shares entered in the Depository Register, the Company may reject any Proxy Form lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By pre-registering for the Live Webcast, submitting a Proxy Form appointing the proxy(ies) and/or representative(s) 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 the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis and facilitation by the Company (or its agents or service providers) 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 or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the 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:

1. The Annual General Meeting ("**AGM**" or "**Meeting**") is being convened by electronic means 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.
2. A member will not be able to attend the AGM in person. Alternative arrangements relating to the attendance of the AGM through electronic means, as well as conduct of the AGM and relevant guidance with full details are set out in the Notice of AGM dated 3 January 2023 which has been uploaded on SGXNET at the URL at: https://www.sgx.com/securities/company-announcements on the same day. The announcement and the Notice of Annual General Meeting can also be assessed at the Company's corporate website (https://kimlygroup.sg). **Printed copies of this Proxy Form and the Notice of AGM will not be sent to members.**
3. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") and wishes to vote should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes to appoint the Chairman of the AGM as their proxy, at least seven (7) working days before the AGM (i.e. 9 January 2023 at 5.00 p.m.).
4. **This Proxy Form is not valid for use by CPF Investors and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.**

I/We*, ______________________ (Name), NRIC/Passport number/Co Regn. No.* ______________________
of ____ (Address)
being a member/members of KIMLY LIMITED (the "**Company**"), hereby appoint(s):

Name	Address	Email Address	NRIC/ Passport No.	Proportion of Shareholdings	
				No. of Shares	%

and/or (delete as appropriate)

Name	Address	Email Address	NRIC/ Passport No.	Proportion of Shareholdings	
				No. of Shares	%

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the AGM of the Company to be held by way of electronic means on Wednesday, 18 January 2023 at 3.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

No.	Ordinary Resolutions relating to:	For**	Against**	Abstain**
1.	Directors' Statement and Audited Financial Statements for the financial year ended 30 September 2022			
2.	Approval of Tax Exempt One-Tier final dividend of 1.12 Singapore cents per ordinary share for the financial year ended 30 September 2022			
3.	Re-election of Mr Wee Tian Chwee Jeffrey as a Director			
4.	Re-election of Ms Wong Kok Yoong Karen as a Director			
5.	Approval of Directors' fees of up to S$200,000 for the financial year ending 30 September 2023			
6.	Re-appointment of Messrs Ernst & Young LLP as Auditors			
7.	Approval of the Share Issue Mandate			
8.	Authority for Directors to offer and grant options and allot and issue shares under the Kimly Employee Share Option Scheme			
9.	Authority for Directors to offer and grant awards and allot and issue shares under the Kimly Performance Share Plan			
10.	Approval of the Proposed Renewal of Share Buyback Mandate			
11.	Approval of the Proposed Renewal of the Shareholders' General Mandate for Interested Person Transactions			

* Delete where inapplicable

** If you wish to use all your votes "For", "Against" or "Abstain", please indicate with an "√" within the box provided. Otherwise, please indicate number of votes "For", "Against" or "Abstain" for each resolution within the box provided. If you mark "√" in the "Abstain" box for a particular resolution, you are directing your proxy(ies) not to vote on that resolution.

Dated this ______________ day of January 2023

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature of Member(s)
or, Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS FORM

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 2001), 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 Proxy Form shall be deemed to relate to all the Shares held by you.

2. Members will not be able to attend the AGM in person. If a member (individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it may:

   (a) (where the member is an individual) vote "live" via electronic means at the AGM or (where the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the AGM)*** to vote "live" via electronic means at the AGM on his/her/its behalf; or

   ***For the avoidance of doubt, CPF Investors and SRS Investors will not be able to appoint third party proxy(ies) (i.e., persons other than the Chairman of the AGM) to vote "live" at the AGM on their behalf.

   (b) (where the member is an individual or corporate) appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM 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 for that resolution will be treated as invalid.

   A proxy need not be a member of the Company.

3. A member of the Company who is not a relevant intermediary entitled to attend the meeting and vote is entitled to appoint one or two proxies to attend and vote in his/her stead.

4. Where a member who is not a relevant intermediary appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

5. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "Relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act 1970 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;
   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
   (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that 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 Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

6. Subject to paragraph 9 below, completion and return of this Proxy Form shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Live Webcast of the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the AGM.

7. The completed and signed Proxy Form must be submitted to the Company in the following manner:

   a. via the pre-registration website at the URL: https://go.lumiengage.com/kimlyagm2023;

   b. by depositing a hard copy (whether in person or by post) at the registered office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632; or

   c. by sending a scanned PDF copy by email to srs.teamc@boardroomlimited.com,

   in either case **by no later than 3.00 p.m. on 15 January 2023, being seventy-two (72) hours before the time appointed for the AGM**.

   A member who wishes to submit a Proxy Form 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.

8. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form 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 the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

9. Investor who holds shares under the CPF Investment Scheme and/or the SRS (as may be applicable) and wishes to appoint the Chairman of the AGM as their proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. 9 January 2023 at 5.00 p.m.).

PERSONAL DATA PRIVACY:

By submitting a Proxy Form, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 3 January 2023.

GENERAL:

The Company shall be entitled to reject the Proxy Form 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 Proxy Form. In addition, in the case of Shares entered in the Depository Register, the Company may reject any Proxy Form lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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The Flavours of Life

ANNUAL REPORT 2022

(Company Registration No. 201613903R)
(Incorporated in the Republic of Singapore on 23 May 2016)

13 Woodlands Link
Singapore 738725

https://kimlygroup.sg