Kimly®
The Flavours of Life

Annual Report 2023

Optimising Resources For **Sustainable Returns**

Content

01 Corporate Profile

02 Our Businesses

03 Our Network

05 Message to Shareholders

15 Board of Directors

17 Key Management

20 Financial Highlights

22 Financial Review

25 Corporate Information

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 80 food outlets under “Kimly” and “foodclique” and five (5) Halal food outlets under the brand, Kedai Kopi, 173 food stalls, ten (10) Tonkichi and Tenderfresh restaurants and four (4) 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 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**

80 Food Outlets

5 Halal Food Outlets

139 Food Stalls/Restaurants

48 Halal Food Stalls/ Restaurants/Kiosks

48 Out of total 85 Food Outlets are open 24 hours

Outlet Management Division

Under our Outlet Management Division, the Group operates and manages 66 traditional coffeeshops, four (4) industrial canteens, five (5) Halal coffeeshops under the brand, Kedai Kopi 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 99.2% for a total of 634 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 173 food stalls, ten (10) Tonkichi and Tenderfresh restaurants and four (4) Tenderfresh kiosks under our Food Retail division.

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

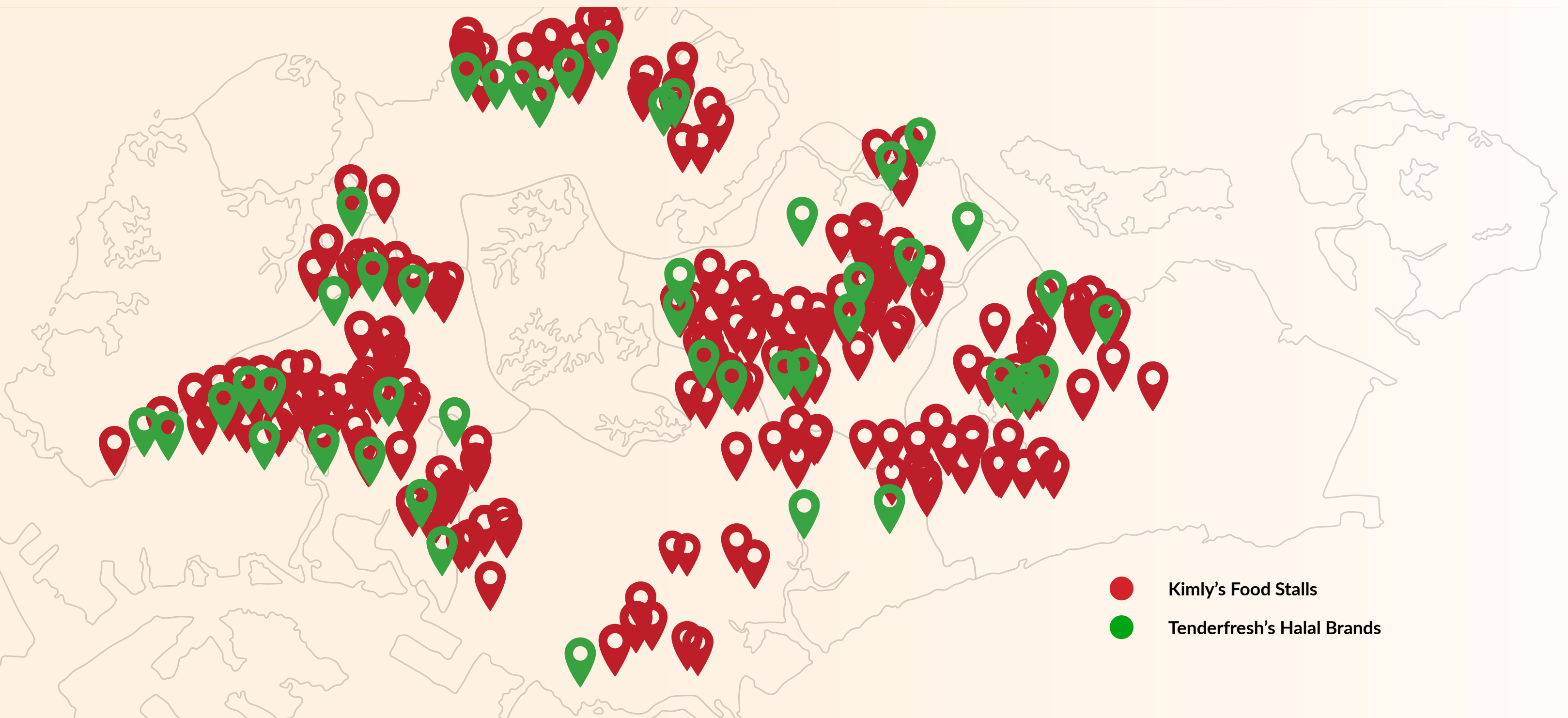
Our central kitchens supply sauces, marinades and semi-finished food products to our Mixed Vegetable Rice, Seafood "Zi Char", Dim Sum and Western food stalls.

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

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**



48 Dim Sum

27 Seafood "Zi Char"

2 Tonkichi Restaurants

61 Mixed Vegetable Rice / Teochew Porridge

1 Kanaaji Katsu Japanese Food Stall

48 Tenderfresh Halal Food Restaurants/ Food Stalls/Kiosks

Optimising Processes
Strengthening Business Operations

Message to **Shareholders**

On 2 November 2023, the Group won the "Highest Weighted Return on Equity (ROE) over three years" under the Cyclical Consumer Products and Cyclical Consumer Services sector at The Edge Centurion Dollar Club Awards 2023.

Dear shareholders,

On behalf of the Board of Directors (the "Board"), I am pleased to present our results for the financial year ended 30 September 2023 ("FY2023").

Each year brings its unique set of challenges, and the current year has been marked by significant volatility and uncertainty. Notably there has been a noticeable increase in inflation, prompting major central banks to implement multiple interest rate hikes in an effort to combat rising inflation. Against the backdrop of a global economic slowdown, Singapore's economy is facing several headwinds, particularly impacting the Food and Beverage ("F&B") industry. However, we take pride in Kimly's unwavering resilience throughout the year. Our ability to navigate these difficulties can be largely attributed to the foundation provided by our past acquisitions and initiatives, which have given the Group a solid footing. This also served as a testament to the adaptability of our business operations, bolstered by the strength of our branding and the execution capabilities of our dedicated team.

The Group is well aware of the forthcoming challenges and anticipates a sustained high level of uncertainty within the external operating environment. We are committed to closely monitoring the evolving landscapes and leveraging our robust operational foundation and core values to drive productivity and foster continued growth.

On 2 November 2023, the Group won the "Highest Weighted Return on Equity (ROE) over three years" under the Cyclical Consumer Products and Cyclical Consumer Services sector, at The Edge Centurion Dollar Club Awards 2023. The Edge Singapore Centurion Club recognises outstanding performance among companies listed on the Singapore Exchange (SGX) within the market capitalisation range from $100 million to $999 million. This achievement notably acknowledges the Group's improvement in ROE over the past three financial years, showcasing the Group's resilience during the COVID-19 period. This award also serves as a testament to the Group for its enduring dedication and unwavering commitment to providing sustained long-term value for our shareholders.

Message to **Shareholders**

STRENGTHENING OPERATIONS

The central kitchens continue to play an ongoing, pivotal role in bolstering the Food Retail Division's food processing capabilities and decrease reliance on manpower. By doing so, they empower the Food Retail Division to spearhead the development of new product offerings and food concepts that seamlessly adapt to the ever-changing preferences of consumers. As part of our commitment to this endeavour, we will continuously integrate new technologies to upgrade our central kitchens, aiming to improve operational efficiency and productivity.

We embarked on an innovative venture by introducing a brand-new concept stall, "Lion City Dim Sum", specifically designed to cater to both tourists and locals. This distinctive establishment is located within the vibrant heritage precinct of Singapore, Lau Pa Sat. Here, visitors and residents alike have the opportunity to immerse themselves in a culinary journey, savouring an extensive array of delicious dim sum delights. Our aim is to provide a unique gastronomic experience, celebrating the rich heritage of Singapore and offering a diverse selection of delectable dim sum options. We have also onboarded "Lion City Dim Sum" on leading e-commerce platforms such as Shopee and Lazada.

The pandemic has notably boosted the demand for online delivery and hastened the e-commerce adoption within the F&B industry. While the initial surge has tapered off post-pandemic, consumers have grown accustomed to the convenience of online ordering. Leveraging on this trend, we continued with our efforts to work on our e-commerce platform. Our e-commerce platforms have been progressively rolled out across Kimly Dim Sum, Kimly Seafood "Zi Char" and Tenderfresh Group since October 2022. This strategic move aims to offer our consumers enhanced purchasing convenience and diversify our revenue streams. While this initiative remains a work in progress, the adoption rates are steadily increasing.

Dim Sum Pasar, an innovative e-commerce endeavour initiated by the Group and launched in August 2023, offers a dependable next-day delivery e-commerce solution, catering to the growing demand for Kimly Dim Sum among our valued customers. We take pride in delivering cost-effective chilled Dim Sum directly from our central kitchen daily, providing an ideal solution for those seeking hassle-free meal planning, home gatherings, corporate luncheons, and office events. This platform incentivises customers with enticing discounts on larger bulk orders, ensuring both convenience and savings for our discerning clientele.

Another key area of our focus has been the revitalisation and rejuvenation of existing coffeeshops. In FY2023 through our Outlet Revitalisation Program, we successfully refurbished, revitalised, and upgraded four (4) of our established coffeeshops. This initiative aims to enhance the overall dining experience and hygiene standards for our customers. New food stalls and food products are introduced into the coffeeshops to ensure a dynamic and vibrant atmosphere. One of the newly renovated coffeeshop at Block 827 Tampines Street 81 has undergone a grand makeover and reopened on 21 April 2023. This revamped coffeeshop features nine stalls, each offering budget-friendly meal options, thus ensuring that the cost of dining in the heartlands remains affordable. Additionally, this dining destination is now open around the clock, providing 24-hour service to cater to the diverse needs of its patrons. We are dedicated to continually improving our outlets to elevate the dining experience for our customers and are committed to serving them even better.

The Group is unwavering in its pursuit of expanding its presence through the opening of new food outlets. Drawing upon our expansive network and a well-established brand within the industry, we have successfully and strategically opened four (4) new food outlets, 14 food stalls, one (1) restaurant and one (1) kiosk, bringing our total food outlets and food stalls/restaurants/kiosks to 85 and 187 respectively in FY2023. The Group continues to enjoy healthy food stall occupancy rate of 99.2% with a pool of quality food stall tenants and anchor tenants.

Message to **Shareholders**

FURTHER EXPANSION INTO HALAL MARKET

Tenderfresh Group has continued to demonstrate solid performance since 2021. It serves as an affirmation to our strategic decision to venture into the promising Halal market via the acquisition of Tenderfresh Group. In today's ever-evolving culinary landscape, the pursuit of creating innovative new food items is not just a strategy but a necessity for staying relevant and meeting the shifting demands of consumers. Thus, we have unveiled a unique pizza option that allows consumers to freely mix and match any two flavors on a single pizza. Furthermore, we have rolled out an exciting new sizzling hotplate concept with a black pepper theme at our Halal Coffeeshop, Kedai Kopi. This innovative offering, known as Hotplate Pepper Rice, incorporates premium pepper and butter, inviting our customers to "cook" up their own meal.

The Group opened its 5th Halal Coffeeshop, Kedai Kopi at Block 376 Bukit Batok in September 2023 where the bakery and Indian cuisine shop were converted into Kedai Kopi, situated right beside Kimly coffeeshop wing. This Kedai Kopi, together with the adjacent Kimly coffeeshop, is the Group's flagship outlet as it is the biggest non-air-conditioned coffeeshop in Singapore, which serves both Halal and non-Halal food varieties and could accommodate over 420 guests. Riding on the growing demand in the Halal market, the Group has also opened a Tenderfresh restaurant at 71 Geylang Bahru in December 2023. Powered by the Group's determination in expanding its footprints, one (1) restaurant, five (5) food stalls and one (1) kiosk were successfully opened under the Tenderfresh's brands in FY2023.

Building on the resounding success and positive reviews garnered on Tenderbest Makcik Tuckshops, situated at the Punggol Driving Range and Sengkang Riverside Park, we are expecting to open our third Tenderbest Makcik Tuckshop at Punggol Park in 1H FY2024. Surrounded by mature HDB heartland estates, Punggol Park covers a sprawling 16 hectares and offers an array of amenities and activities designed to delight families of all ages. It will be our largest establishment to date, featuring an expansive outdoor refreshment area spanning over 218 sqm and an internal dining space encompassing more than 205 sqm.

Singapore is currently holding the 7th spot on the Global Islamic Economy Indicator. The nation boasts a remarkable offering of more than 50,000 Halal-certified products and is home to over 5,000 Halal-certified establishments. Backed by a robust regulatory Halal framework and a prestigious Halal certification system, Singapore stands out as one of the leading Muslim-friendly travel destinations among non-Muslim countries.

The Halal food scene in Singapore has experienced a rapid and extensive expansion, with a diverse array of Halal cuisines now available. According to a 2021 report by CrescentRating on Singapore's Halal food culture, it is the local Muslim millennials who are the driving force behind this growth. This demographic, composed of individuals aged between 25 and 40, constitutes 24% of the Singaporean Muslim population and has an annual per capita expenditure of S$1,117, contributing significantly to the flourishing Halal culinary landscape[1]. As awareness and appreciation of Halal products and services continue to rise, the Group is well-positioned to ride on the positive trend with its further expansion in the Halal market. Moving ahead, the Group will continue to tap on Tenderfresh Group's competitive strengths and brand reputation to fast-track our reach into the promising Halal market. Underscoring the Group's long-held belief to build a resilient business model supported by multiple revenue streams.

Message to **Shareholders**

OUTLOOK

Singapore's F&B sector continues to face an acute manpower shortage, posing significant challenges to the industry's sustainability and growth. This ongoing manpower crunch has also put financial pressure on businesses that may need to offer higher wages to attract and retain talent. Additionally, the implementation of Progressive Wage Model which mandates annual increases in the minimum wages of workers over three years, further compounds the pressures faced by F&B establishments[2]. To tackle pressing manpower needs, the Group continues with our manpower rationalisation strategy where we redeploy the workers from underperforming food stalls that we have ceased operations to newly opened food stalls. This resource rationalisation not only bolsters operational efficiency but also alleviates the challenges associated with manpower recruitment.

The F&B industry in Singapore is grappling with rising utility costs, particularly with the expected increase in gas and electricity prices due to surging fuel and energy expenses. Simultaneously, the sector is contending with escalating raw material costs. They put additional pressure on the industry's profitability. To mitigate the impact of these cost hikes, we typically secure our raw material supplies and prices from diverse sources for a specific duration, minimising the vulnerability to price fluctuations. This strategic approach is vital for our sustainability in a highly competitive market, allowing us to uphold the delivery of quality and value to our customers.

As we progress, the Group will persist in seeking new outlet opportunities to expand our footprints, with a focused emphasis on identifying strategically located coffeeshops within well-established neighbourhoods. We are also committed to revitalising our menu offerings, aiming to captivate new customers while ensuring the satisfaction of our existing clientele. This effort will be complemented by the expansion of both our physical stores and online business presence, intended to widen the Group's overall revenue base.

While our commitment to expanding our Halal business remains unwavering, we are equally dedicated to the growth of our existing businesses. Looking forward, the Group maintains a steadfast pursuit of suitable expansion opportunities, with the goal of curating distinctive dining experiences tailored to various market segments across Singapore, thereby to broaden our revenue base and focus on strengthening our core competencies to improve operational efficiency and productivity.

The cornerstone of Kimly's sustained profitability and operational continuity lies in the cultivation of a robust and resilient business model. The Group has dedicated efforts to enhance our agility and adaptability, allowing us to effectively navigate the challenges presented by today's dynamic economic landscape. Moving ahead, we will remain committed to exploring both organic and inorganic opportunities to broaden our reach in the market. As we strive to maintain our position as a key player in the F&B industry, we will remain attentive to emerging trends and changing consumer needs, ensuring that we remain at the forefront of the industry.

1 Singapore's Halal Food Sector, https://fhafnb.com/fha-insider/singapore-halal-food-sector/

2 Food service workers to receive pay increases from Mar 1 under progressive wage model, https://www.channelnewsasia.com/singapore/progressive-wage-model-food-services-industry-salary-pay-increase-wages-3279626

Message to **Shareholders**

FINANCIAL PERFORMANCE

The Group attained a revenue of S$313.9 million, marking a marginal year-on-year ("yoy") decrease of 1.2%, largely attributable to lower revenue contribution from Food Retail Division which was partially offset by the growth in Outlet Management and Outlet Investment Business Divisions. The Group recorded a 2.9% decrease in gross profit, totaling S$88.9 million, and a 0.5 percentage point decline in the gross profit margin to 28.3% in FY2023. Other operating income increased by S$2.6 million to S$6.6 million in FY2023. The increase was due to the gain on disposal of the Confectionary Business of S$2.5 million and reversal of impairment charge of S$0.2 million. As a result, the Group's net profit attributable to the owners of the Company, excluding the gain on disposal of the Confectionary Business of S$2.5 million, remains stable at S$34.0 million.

Our balance sheet remains healthy. The Group generated an operating cash flow of S$88.3 million with cash and cash equivalents as of 30 September 2023 totalling S$89.1 million. As of the date of this report, the Group has utilised S$41.8 million of its IPO net proceeds resulting in a balance of S$1.6 million.

REWARDING SHAREHOLDERS

We are immensely gratified by the steadfast support extended to us by our valued shareholders. In recognition of their unwavering trust and commitment, the Board is pleased to propose a final one-tier tax-exempt cash dividend of 1.12 Singapore cents per share for FY2023 in the forthcoming annual general meeting. With the consideration of the 0.56 Singapore cents per share interim dividend paid in July 2023, the total dividend distribution for FY2023 sums up to an impressive 1.68 Singapore cents per share. This distribution represents a payout of roughly 57.2% of the Group's net attributable profit for FY2023, underscoring our dedication to sharing our success with our shareholders. The final dividend is subject to shareholders' approval at the forthcoming annual general meeting on 24 January 2024.

SUSTAINABILITY

Our sustainability philosophy is anchored by Economic, Social and Environmental pillars. We adopt a double materiality perspective in our value chain such that for every stage of the production and service processes, we consider how our business is impacted financially by external factors and in turn, how we can create economic value, provide broad-based benefits to the community and minimise the environmental impact.

The Group provides comprehensive and attractive employee benefits based on statutory requirements and industry norms. Our employee benefits help us to attract and retain good people, and position Kimly as a caring employer with a family-centric corporate culture. We look across all facets of our business to continually identify opportunities to optimise the use of resources and minimise wastage. This reduces costs and benefits the environment in terms of reducing the amount of downstream waste.

Our sustainability report for FY2023 will delve deeper into the continual progress made in the Group's commitment to sustainability. Nurturing our people, supporting our business partners, responding to our customers' needs, doing our part to help the disadvantaged in the community, reducing environmental impact, and operating our business in an honest and transparent manner are all things the Board will continually spearhead and pay close attention to.

WITH GRATITUDE AND APPRECIATION

I would like to extend our heartfelt gratitude to the entire team for their unwavering dedication and remarkable commitment throughout the year. Their relentless efforts and invaluable contributions have been the bedrock upon which our Group's growth journey has been constructed.

In addition to our devoted team, we also wish to express our deep appreciation to our valued customers, esteemed business partners, food stall operators, trusted associates, dependable suppliers, and supportive shareholders. Your unwavering faith and confidence in our vision and capabilities have been instrumental in our continued success. We truly consider ourselves fortunate to have you as integral components of our journey, and we eagerly anticipate your ongoing support as we strive to attain new milestones and embark on greater endeavours together. Your trust and collaboration inspire us to reach for even greater heights, and we are excited to face the future with confidence and optimism.

LAU CHIN HUAT

Non-Executive Independent Chairman

给股东的信息

集团于2023年11月2日在The Edge Centurion Dollar Club Awards 2023的颁奖典礼上，荣获周期性消费品及周期性消费服务组别的“过去三年最高加权股东权益回报率(ROE)”的殊荣。

亲爱的股东们，

我很荣幸代表金味董事会呈现我们截至2023年9月30日财政年（“2023财政年”）的年报。

每年都带来独特的挑战，而今年更是充满了巨大的波动和不确定性。值得注意的是，通胀明显上升，促使主要中央银行实施多次加息措施，以抵御通货膨胀的压力。在全球经济放缓的背景下，新加坡经济也面临增长阻力，特别是对餐饮行业而言。然而，我们为金味在整个年度内展现出的坚韧不拔感到自豪。我们成功应对这些困难的能力主要归功于过去收购和倡议所提供的基础，为集团奠定了坚固的基础。这也证明了我们业务运营的适应性，受益于我们品牌的强大实力以及我们团队的执行能力。

集团充分意识到即将面临的挑战，并预计整个运营环境将持续充满不确定性。我们致力于密切关注不断变化的局势，并利用我们强大的运营基础和核心价值观，提高生产力并促进持续的增长。

集团于2023年11月2日在The Edge Centurion Dollar Club Awards 2023的颁奖典礼上，荣获周期性消费品及周期性消费服务组别的“过去三年最高加权股东权益回报率(ROE)”的殊荣。The Edge Singapore Centurion Club表彰了新加坡交易所（SGX）上市公司中市值在1亿至9.99亿新元范围内的卓越业绩。这一成就显著认可了集团在过去三个财政年度的净资产收益率的改善，展示了集团在疫情期间的韧性。这个奖项也证明了集团为股东提供持续长期价值的不懈奉献和坚定承诺。

给股东的信息

强化营运

中央厨房在增强食品零售部门的食品加工能力和减少对人力的依赖方面持续发挥关键作用，赋予食品零售部门主导开发新产品和食品概念的能力，使其能够无缝地适应消费者不断变化的喜好。作为我们承诺的一部分，我们将不断整合新技术来升级我们的中央厨房，旨在提高运营效率和生产力。

我们推出了一个创新的尝试，引入了一个全新的概念摊位，名为“狮城点心”，专门满足游客和本地人的需求。这家独特的店面位于新加坡富有活力的文化遗产区一老巴刹。在这里，游客和居民都有机会沉浸在美食之旅中，品尝各种美味点心。我们的目标是提供独特的美食体验，颂扬新加坡丰富的传统，并提供多种可口点心选择。我们也在Shopee和Lazada等主要电子商务平台上推出了“狮城点心”。

疫情显著推动了线上外卖的需求，并加速了餐饮行业电子商务的采用。虽然最初的激增在疫情后有所减缓，但消费者已经习惯了在线上订购的便利。顺应这一趋势，我们将继续努力发展我们的电子商务平台。自2022年10月起，我们的电子商务平台已逐步在点心食品部门、海鲜部门及可爱鸡集团推出。这一策略举措旨在为我们的消费者提供更好的购买便利，拓宽我们的收入来源。虽然这一举措仍在进行中，但采用率正在稳步上升。

点心巴刹是由集团发起并于2023年8月推出的创新电子商务项目，提供可靠的次日送达服务，以满足顾客对我们点心日益增长的需求。我们能够每天直接从中央厨房提供经济实惠的冷冻点心，为那些寻求简便膳食计划、家庭聚会、公司午餐会和办公室活动的顾客群提供理想的解决方案。

我们关注的另一个关键领域是现有咖啡店的翻新和振兴。在2023财政年期间，通过店面振兴计划，我们成功翻新和振兴现有的4家咖啡店。这计划旨在提高顾客的整体用餐体验和卫生水平。咖啡店引入了新的食品摊位和食品，以保持咖啡店的活力氛围。位于第827座淡滨尼81街的一间新装修的咖啡店经过了这次盛大的翻新，于2023年4月21日重新开张。这间翻新后的咖啡店设有9个摊位，每个摊位都提供经济餐饮选项，从而确保邻里的用餐成本保持实惠。此外，该咖啡店现已全天候营业，提供24小时服务，以满足顾客的多样化需求。我们致力于不断翻新和振兴我们的咖啡店，以提升顾客的用餐体验，并致力于为他们提供更好的服务。

集团坚定不移地寻求通过开设新店面以进一步扩大我们在市场上的立足点。凭借我们广泛的网络和在行业内建立的良好品牌，我们成功地开设了4家咖啡店、14个熟食摊，1家餐厅和1个售食亭，使我们在2023财政年达到85家咖啡店和187个熟食摊/餐厅/售食亭的总数。本集团继续保持99.2%的良好出租率，拥有一批高质量的熟食摊位租户和锚定租户。

给股东的信息

进一步拓展清真市场

自2021年以来，可爱鸡集团持续展现出稳健的业绩，这是对我们战略决策的肯定，通过收购可爱鸡集團进入有前景的清真市场。在当今不断发展的饮食业格局中，追求创新的新食品不仅仅是一种策略，而是保持相关性和满足消费者不断变化的需求的必要条件。因此，我们推出了一种独特的披萨选项，允许消费者在单个披萨上自由混搭任何两种口味。此外，我们还在我们的清真咖啡店，Kedai Kopi推出了令人兴奋的新铁板概念，以黑胡椒为主题。这种创新产品被称为“铁板胡椒饭”，采用优质胡椒和黄牛油，邀请顾客“烹饪”自己的美食。

集团于2023年9月在第376号武吉巴督开设了第5家清真咖啡店KedaiKopi。该咖啡店是由面包店和印度餐饮店改建而成。这家Kedai Kopi连同隔壁的金味咖啡店是集团的旗舰店，因为它是新加坡最大的无空调咖啡店，提供清真和非清真食品，并且可以容纳超过420名客人。随着清真市场需求的不断增长，集团亦于2023年12月在71号芽笼巴鲁开设了一家可爱鸡餐厅。在集团扩大业务版图的决心推动下，集团在2023财政年已成功在可爱鸡品牌下开设了1家餐厅、5个摊位和1个售食亭。

基于位于榜鹅驾驶场和盛港河畔的Tenderbest Makcik Tuckshops取得的巨大成功和好评，我们预计于2024年上半年在榜鹅公园开设第三家Tenderbest Makcik Tuckshop。榜鹅公园占地16公顷，周围是成熟的组屋区，提供各种设计精良的设施和活动，适合各个年龄层的家庭。这将是我们迄今为止最大的店面，包括一个面积超过218平方米的宽敞室外休息区和一个面积超过205平方米的内部用餐空间。

新加坡目前在全球伊斯兰经济指标中排名第七，拥有超过50,000种清真认证产品及5,000家清真认证企业。在强有力的监管清真框架和威望的清真认证体系支持下，新加坡成为非穆斯林国家中颇受欢迎的穆斯林友好旅行目的地之一。

新加坡的清真食品领域经历了快速而广泛的扩张，目前拥有多样化的清真美食。根据CrescentRating关于新加坡清真饮食文化的2021年报告，本地的穆斯林千禧一代是这一增长的主要推动力。这一年龄层的人群，年龄在25到40岁之间，占新加坡穆斯林人口的24%，其人均年度支出为1,117新元，是推动清真行业蓬勃发展的主要贡献者。随着清真产品及服务的认知度和欣赏度不断提高，集团在清真市场的进一步扩张使其处于良好的位置，能够顺应这一积极趋势。展望未来，集团将继续利用可爱鸡集团的竞争优势和品牌声誉，迅速进军前景广阔的清真市场。这强调了集团长期以来的信念，即建立由多种收入来源支持的弹性业务模式。

展望

新加坡餐饮业持续面临严重的人力资源短缺，这对餐饮业的可持续性和增长构成重大挑战。这种持续存在的人力紧缩也给企业带来了财务压力，这些企业可能需要提供更高的工资来吸引和留住人才。此外，渐进式薪金模式的实施要求员工的最低工资在未来三年内逐年增加，进一步加剧了餐饮业面临的压力。为应对紧迫的人力需求，本集团继续推行合理化人力策略，将员工从已停业的表现不佳的店面重新调配至新开的摊位。这种资源合理化不仅提高了运营效率，还缓解了与人力招聘相关的挑战。

新加坡的餐饮业正面临水电费成本不断上涨的问题，特别是由于燃料和能源价格飙升，预计天然气和电力费用会上涨。与此同时，我们的行业正在应对原材料成本不断上涨的问题。这给这个行业的盈利能力增加了额外的压力。为了缓解成本上涨的影响，我们通常从各种渠道获取原材料供应和价格，并在特定期限内锁定价格和数量，从而最大限度地减少价格波动的影响。这一策略方针对于我们能够在竞争激烈的市场中持续发展至关重要，使我们能够一直为顾客提供有质量和实惠的食品。随着发展，集团将持续寻找新的店面机会来扩大我们的业务版图，重点是在成熟组屋区寻找具有策略位置的咖啡店。我们还致力于更新我们的菜单，旨在吸引新顾客，同时确保现有顾客的满意度。我们会同时扩张实体店和在线业务，旨在扩大集团的整体收入基础。

尽管我们致力于扩充清真业务，但同时我们也努力实现现有业务的增长。展望未来，集团将坚定不移地寻求可持续的扩张机会，旨打造在新加坡各个市场细分领域的独特餐饮体验，从而扩充我们的收入基础，并专注于加强我们的核心竞争力，以提高运营效率和生产力。

金味持续盈利和运营连续性的基石在于培育稳健且有韧性的商业模式。集团致力于提高我们的灵活性和适应性，使我们能够有效应对当今动态经济格局所带来的挑

给股东的信息

战。展望未来，我们将继续致力于探索有机增长和并购等实现的增长，以扩大我们在市场中的影响力。我们将继续关注新兴趋势和不断变化的消费者需求，确保我们始终站在行业的前沿，并维持我们的市场份额，继续成为餐饮行业的主要领导者之一。

财务表现

集团实现了3.139亿新元的收入，同比略微下降1.2%，主要是由于食品零售部门收入贡献降低，但部分被咖啡店管理部和店面投资业务的收入增长所抵消。2023财政年毛利下降了2.9%至8,990万新元，毛利率也微降了0.5个百分点至28.3%。2023财政年其他营业收入增加260万新元，达到660万新元。这一增长是由于出售糕点业务获得250 万新元的收益以及20万新元转回减值损失的金额。因此，集团的税后盈利，不包括出售糕点业务的250万新元收益，维持稳定在3,400万新元。

我们的资产负债表仍保持健康。截至2023年9月30日，集团的营业现金流量为8,830万新元，现金及现金类资产为8,910万新元。截至本报告日期，本集团已使用了4,180万新元的首次公开募股所得款项净额，余额为160万新元。

回馈股东

我们非常感谢股东给予我们坚定不移的支持。为了表彰他们一贯的信任，董事会提议在即将召开的年度股东大会上,为2023财政年派发每普通股S$0.0112的年终免税现金股息。包括2023年7月份所支付的每股S$0.0056的年中免税现金股息，2023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2023财政年净利润的约57.2%，突显了我们致力于与股东分享成果的决心。年终股息须在2024年1月24日所举行的年度股东大会上获得股东的批准。

持续发展

我们的可持续发展理念以经济、社会和环境为支柱。在我们的价值链中，我们采用双重重要性的视角，在考虑生产和服务过程的每个阶段，我们都会思考我们的业务在财务上受到外部因素的影响，以及反过来，我们如何创造经济价值，为社区提供广泛的利益，同时最小化环境影响。

集团根据法定要求和行业规范提供全面而有吸引力的员工福利。我们的员工福利帮助我们吸引和留住优秀的人才，并将金味集团定位为一个关心员工、具有以家庭为中心的企业文化的雇主。我们审视业务的各个方面，不断寻找优化资源利用和减少浪费的机会。这有助于降低成本，并在减少下游废物量方面对环境产生好处。

我们2023财年的可持续发展报告将更深入地探讨集团在可持续发展承诺方面所取得的持续进展。培养我们的员工，支持我们的商业伙伴，满足客户的需求，为社区中的弱势群体尽一份力量，减少环境影响，以及以诚实透明的方式经营我们的业务，这些都是董事会将持续发起并密切关注的事项。

致谢

我衷心感谢整个团队一年来坚定不移的奉献和承诺。他们的持续努力和宝贵贡献是我们集团成长历程的重要支柱。

除了我们忠诚的团队之外，我还要向我们尊贵的顾客、尊敬的业务合作伙伴、食品摊经营者、值得信赖的合作伙伴、供应商和股东表示深切的谢意。在我们继续迈向成功之路时，您对我们愿景和能力给予的坚定信任和信心至关重要。感谢您作为我们旅程中不可或缺的一部分，我们深感幸运。在努力实现新里程碑，共同迈向更大目标的过程中，我们期待您一如既往的支持。您的信任激励我们不断追求更高的目标，充满信心和乐观地迎接未来的挑战。

刘进发
非执行独立主席

Diversifying Product Offerings
Enhancing Reach

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. LIM TECK CHAI DANNY

Independent Director

Chairman of the Remuneration Committee and a Member of the Audit and Nominating 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.

With over 40 years of audit, accounting, tax and advisory roles, Mr. Lau possesses current professional qualifications and licenses, including being a Public Accountant, Licensed Insolvency Practitioner, ISCA Financial Forensic Professional, Accredited Tax Advisor (GST) and Accredited Tax Practitioner (Income Tax).

Mr. Lau's roles as Court-appointed liquidator in Compulsory Winding Up (CWU), Provisional Liquidator in Creditors' Voluntary Liquidation (CVL) and Court-appointed Private Trustee in Bankruptcy (PTIB) requires regular maintenance of skills of a Licensed Insolvency Practitioner. He also served as a Court-appointed Professional Deputy, a service regulated by the Public Guardian, MSF.

Mr. Lau is also an Independent Director of Willas-Array Electronics (Holdings) Limited, a company listed on Stock Exchange of Hong Kong and SGX-ST, and Enviro-Hub Holdings Ltd, a company listed on the Main Board of SGX-ST.

Mr. Lau is a member of Certified Public Accountants of Australia (CPA Australia) and Singapore Chartered Tax Professionals. He is also a fellow member of Institute of Singapore Chartered Accountants (ISCA) and Singapore Institute of Arbitrators.

Mr. Lau graduated from the National University of Singapore with a Bachelor of Accountancy Degree.

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

Mr. Lim has more than 25 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'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, Ms. Wong assists the Board in managing the Group's overall business development, expansion and various other business processes. 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 22 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.

Key **Management**

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.

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.

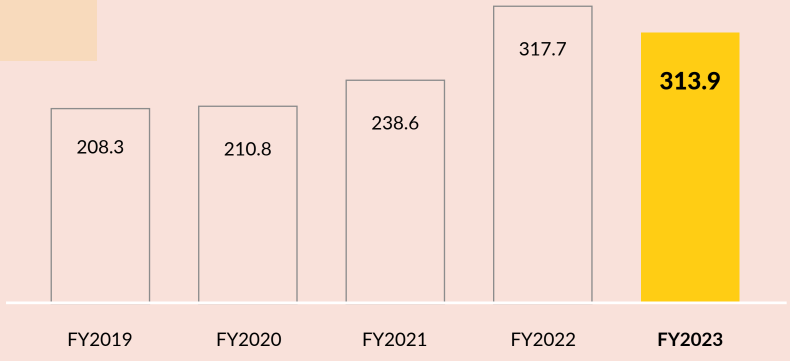
Ms. Lin joined the Group in 2018 as a Group Finance Manager. As Financial Controller, she is responsible for financial reporting, overall finance functions and accounting matters of the Group.

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.

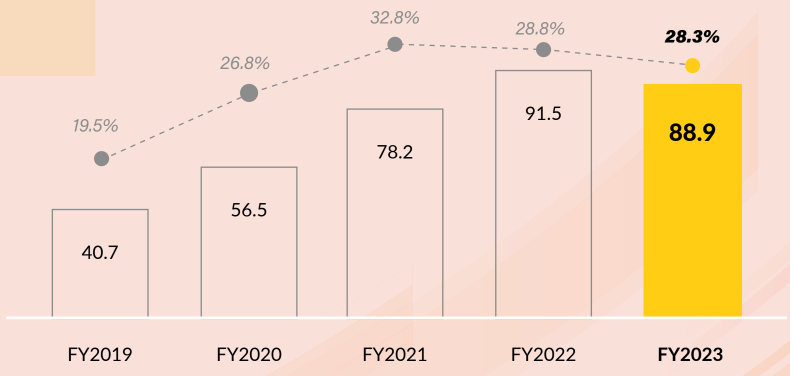
Embracing Technology
Leveraging Our Scale

Financial **Highlights**

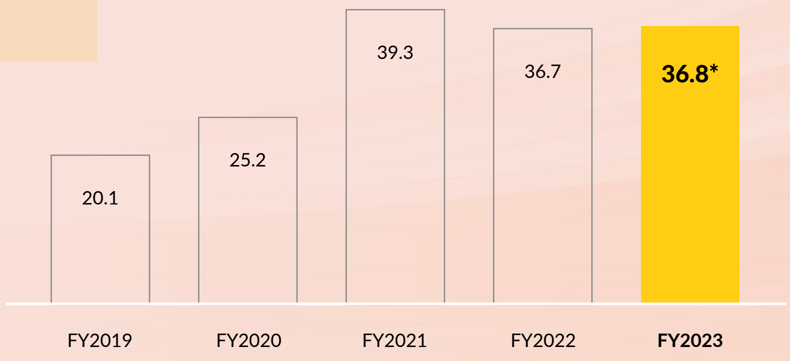
Revenue (S$'M)



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

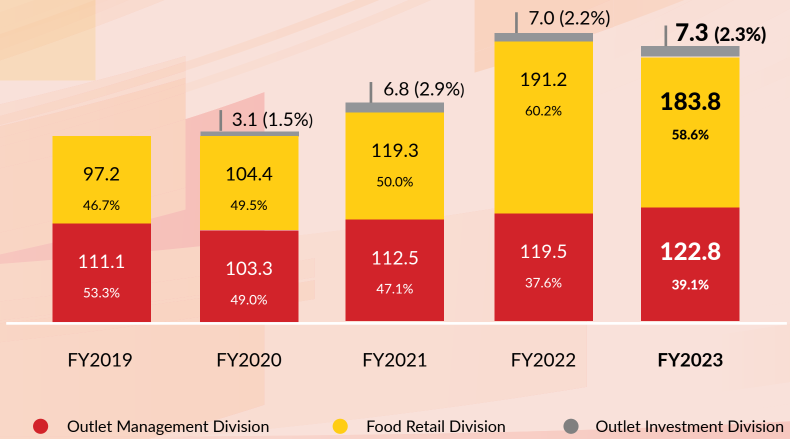


Profit for the year (S$'M)



* Excluding the gain on disposal of the Confectionary Business of S$2.5 million.

Revenue Breakdown by Business Segment (S$'M)



Financial **Highlights**

	2019 S$'000	2020 S$'000	2021 S$'000	2022 S$'000	2023 S$'000
Income Statement					
Group Revenue	208,299	210,773	238,642	317,748	313,852
Revenue by Business Segment					
- Outlet Management	111,084	103,315	112,455	119,508	122,766
- Food Retail	97,215	104,373	119,361	191,202	183,832
- Outlet Investment Business	–	3,085	6,826	7,038	7,254
Group Profit Before Tax	23,943	29,696	44,485	43,870	44,658*
Profit Before Tax by Segment					
- Outlet Management	10,392	11,350	19,243	13,405	17,569
- Outlet Investment Business	–	190	1,763	1,210	1,206
- Food Retail	19,194	24,909	33,269	36,812	35,526
- Others	(5,643)	(6,753)	(9,790)	(7,557)	(7,129)
Group Gross Profit	40,687	56,515	78,172	91,542	88,887
Group EBITDA	25,989	33,655	49,938	51,733	51,429*
Group Profit after Tax	20,053	25,225	39,292	36,712	36,760*

	2019 S$'000	2020 S$'000	2021 S$'000	2022 S$'000	2023 S$'000
Financial Position					
Total Assets	121,037	319,827	326,318	357,256	333,830
Total Liabilities	33,144	209,622	192,722	190,479	151,250
Equity attributable to owners of the Company	87,893	110,205	133,375	161,604	176,482
Cash and Cash equivalents	87,189	68,324	94,989	77,622	89,062
Per Share Information					
Earnings Per Share (cents)	1.74	2.18	3.30	2.74	2.73*
Net Asset Value Per Share (cents)	7.65	9.27	11.20	13.00	14.22
Key Ratios					
Gross Profit margin (%)	19.5%	26.8%	32.8%	28.8%	28.3%
EBITDA margin (%)	12.5%	16.0%	20.9%	16.3%	16.4%*
Profit after tax margin (%)	9.6%	12.0%	16.5%	11.6%	11.7%*
Return on Shareholders' Fund (%)	22.8%	22.9%	29.5%	21.1%	20.7%

* Excluding the gain on disposal of the Confectionary Business of S$2.5 million

Financial **Review**

REVENUE
S$313.9m

GROSS PROFIT
S$88.9m

Revenue

The Group's revenue decreased by S$3.9 million from S$317.7 million in FY2022 to S$313.9 million in FY2023, a decrease of 1.2% year-on-year ("yoy"), mainly due to decrease in revenue contribution from the Food Retail Division.

Revenue contribution from the Food Retail Division decreased by S$7.4 million to S$183.8 million in FY2023. This decline can be attributed to several factors, including reduced revenue from existing food stalls/outlets due to the decline in delivery sales as demand for food delivery tapered to a new normal following the easing of COVID-19 restrictions. Additionally, the Group strategically closed five (5) Tenderfresh restaurants and two (2) stalls during FY2022 which resulted from the post-acquisition outlet/stall repositioning initiatives, aimed to rationalise manpower resources by redeploying the same pool of employees from these underperforming restaurants/stalls to newly opened food stalls. Furthermore, the closure of underperforming food stalls, totalling seven (7) in FY2022 and six (6) in FY2023, and the completion of disposal of the Confectionary Business also contributed to the decrease in revenue.

The decrease in the Group's revenue was partially offset by higher revenue contribution of S$3.3 million and S$0.2 million from Outlet Management Division and Outlet Investment Business Division respectively. This was attributable to revenue contribution from three (3) coffeeshops opened in FY2023 and FY2022 respectively, increase in rental income due to decrease in rental rebates given to tenants, increase in sale of beverages and tobacco products due to relaxation of COVID-19 measures, and higher revenue from cleaning services which was partially offset by the termination of management agreements of four (4) coffeeshops in 1H FY2023, five (5) coffeeshops in 2H FY2022 and closure of a coffee shop in 2H FY2023.

Cost of Sales

Cost of sales decreased by S$1.2 million to S$225.0 million in FY2023. The decrease was mainly attributable to the decrease in food ingredient expense and utilities cost, was in tandem with the decrease in revenue. The decrease was partially offset by higher employee benefits expenses due mainly to the salary adjustment across the board and higher cleaning expenses and gas expenses. Cost of sales as a percentage of revenue increased from 71.2% in FY2022 to 71.7% in FY2023.

Gross Profit

Gross profit as a result decreased 2.9% yoy to S$88.9 million in FY2023 and the gross profit margin decreased by 0.5 percentage points from 28.8% in FY2022 to 28.3% in FY2023.

Finance Income

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

Other Operating Income

Other operating income increased by S$2.6 million to S$6.6 million in FY2023. The increase was due to the gain on disposal of the Confectionary Business of S$2.5 million and reversal of impairment charge of S$0.2 million.

Financial **Review**

Selling Expenses

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

Other Operating Expenses

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

Income Tax Expense

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

Net Profit

As a result of the above and excluding the gain on the disposal of the Confectionary Business, the Group's net profit attributable to the owners of the Company remains stable at S$34.0 million (FY2022: S$34.0 million). The Group registered an EBITDA of S$51.4 million for FY2023, a slight decrease of 0.6% yoy. Basic earnings per share for the Group decreased by 0.4% yoy to 2.73 Singapore cents in FY2023.

Review of the Group's Financial Position

The Group's financial position as at 30 September 2023 was healthy, with cash and cash equivalents of S$89.1 million. The Group's total assets decreased by S$23.4 million to S$333.8 million as at 30 September 2023 from S$357.3 million as at 30 September 2022. Total liabilities as at 30 September 2023 stood at S$151.3 million compared to S$190.5 million as at 30 September 2022.

Non-Current Assets

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

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

Other receivables (non-current) comprised the refundable deposits relating to rental deposits placed with lessors for the leases of coffeeshops, restaurants and confectionary shops which are due to expire in more than one year and recoverable upon termination or expiration of the leases, amounting to S$3.4 million (30 September 2022: S$5.9 million); and the non-current portion of staff loans amounting to S$0.1 million (30 September 2022: S$43,000). As at 30 September 2023, total refundable deposits placed with lessors (non-current and current) amounted to S$7.1 million (30 September 2022: S$6.9 million).

Current Assets

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

Financial **Review**

The increase in cash and cash equivalents of S$11.4 million was mainly due to cash generated from operating activities of S$88.3 million; proceeds from disposal of Confectionary Business and property, plant and equipment of S$2.8 million and S$0.2 million respectively; dividend income from associate and joint ventures of S$1.1 million. The increase was offset by repayment of Earn-out Consideration and purchase consideration adjustment of S$5.5 million; purchase of property, plant and equipment of S$5.0 million; dividend paid to equity holders of the Company of S$20.9 million and non-controlling interests of S$1.9 million respectively; repayment of lease liabilities and related interest expense of S$40.5 million; repayment of loan and borrowings and related interest expense of S$6.0 million; and purchase of treasury shares of S$1.2 million.

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

Current Liabilities

The Group's current liabilities decreased by S$6.3 million from S$96.1 million as at 30 September 2022 to S$89.8 million as at 30 September 2023. The decrease was mainly due to payment of Contingent Liability relating to Earn-out consideration and adjustment in accordance with Acquisition Agreement relating to the net assets of Tenderfresh Group on acquisition date not included in the purchase consideration of S$5.5 million; decrease in lease liabilities (current) of S$1.7 million; decrease in liabilities directly associated with assets held for sale of S$1.5 million following the completion of the disposal of the Confectionary Business; and decrease in interest-bearing loan and borrowings of S$0.4 million.

The decrease was offset by increase in other liabilities of S$1.1 million due mainly to increase in accruals of payroll related expenses; increase in provision for taxation of S$0.8 million; increase in provision for restoration costs (current) of S$0.4 million; and increase in trade and other payables of S$0.4 million.

Non-Current Liabilities

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

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

Statement of Cash flows

The Group's net cash generated from operating activities in FY2023 of S$88.3 million mainly resulted from operating cash flows before changes in working capital of S$91.9 million, net working capital inflows of S$2.6 million and interest income from short-term deposits of S$1.2 million. This was offset by income taxes paid of S$7.3 million. The net working capital inflows of S$2.6 million was due to the increase in other liabilities of S$1.1 million; decrease in trade and other receivables of S$0.8 million; decrease in inventories of S$0.5 million and decrease in prepayments of S$0.4 million, and offset by the decrease in trade and other payables of S$0.2 million.

The Group's net cash flows used in investing activities during FY2023 of S$6.3 million were due to repayment of Earn-out Consideration and purchase consideration adjustment of S$5.5 million and purchase of property, plant and equipment of S$5.0 million; offset by proceeds from disposal of the Confectionary Business and property, plant and equipment of S$2.8 million and S$0.2 million respectively; dividend income received from associate and joint ventures of S$1.1 million.

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

As a result, net cash and cash equivalents increased by S$11.4 million to S$89.1 million as at 30 September 2023.

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

27 Corporate Governance Report

66 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

180 Statistics of Shareholdings

183 Notice of Annual General Meeting

Proxy Form

Corporate **Governance Report**

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 2023 ("**FY2023**"), with specific reference made to the Code of Corporate Governance 2018 (the "**Code**"), its related practice guidance ("**PG**"), 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 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 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 FY2023.

TABLE I - COMPLIANCE WITH THE CODE

Principle	Code and/or Guide Description	Company's Compliance or Explanation
BOARD MATTERS		
THE BOARD'S CONDUCT OF AFFAIRS		
1.1	*Board composition*	As at the date of this report, the Board has 4 members and comprises the following:

Composition of the Board		***Composition of the Board Committees*** • *C – Chairman* • *M - Member*		
Name of Director	Designation	AC(1)	NC(2)	RC(3)
Lau Chin Huat	Non-Executive Independent Chairman	M	C	M
Wong Kok Yoong Karen	Executive Director	–	M	–
Lim Teck Chai Danny	Independent Director	M	M	C
Wee Tian Chwee Jeffrey	Independent Director	C	–	M

Notes:

(1) The AC comprises 3 members who are all independent, including the Chairman. All the members of the AC are non-executive Directors.

(2) The NC comprises 3 members, the majority of whom, including the Chairman, are independent.

(3) The RC comprises 3 members who are all independent, including the Chairman. All the members of the RC are non-executive Directors.

Role of Board

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;

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; • 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 • Oversee the 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 FY2023 would be released on the SGXNet by 31 January 2024.
	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 FY2023.

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 FY2023	Courses, conferences and seminars attended by some of the Directors include ACRA-SGX-SID Audit Committee Seminar 2023, Cyber Risk and Resilience in the Digital Age, Upholding ESG with Strong Governance, Operationalising Sustainability for Directors, SID Directors Conference 2023 and SID Corporate Governance Roundup 2023.
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 FY2023 (for the avoidance of doubt, the period from 1 October 2022 to 30 September 2023), 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 allows for meetings to be held through telephone and/or video conference.

TABLE I - COMPLIANCE WITH THE CODE

Principle	Code and/or Guide Description	Company's Compliance or Explanation
1.6	*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?	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 FY2023 is set out in the table below.

Table 1.6 – Types of information provided by Management

Information	Frequency
1. Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)	As and when appropriate
2. Updates to the Group's operations and the markets in which the Group operates in	As and when appropriate
3. Budgets and/or forecasts (with variance analysis), management accounts (with financial ratios analysis), and external auditor's ("**EA**") report(s)	Quarterly except for EA report on annual basis
4. Reports on on-going or planned corporate actions	As and when appropriate
5. Internal auditors' ("**IA**") report(s)	Quarterly
6. Research report(s)	As and when appropriate
7. Shareholding statistics	Quarterly

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.

Corporate **Governance Report**

TABLE I - COMPLIANCE WITH THE CODE

Principle	Code and/or Guide Description	Company's Compliance or Explanation
1.7	*Change of company secretary*	The appointment and removal of the company secretary is a matter for the Board as a whole.
	Access to Management and company secretary	Directors have separate and independent access to the Management and company secretary at all times.
	Access to professional advice	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.	During FY2023, 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.
	Lead Independent Director	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.
2.1 4.4	*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.

TABLE I - COMPLIANCE WITH THE CODE

Principle	Code and/or Guide Description	Company's Compliance or Explanation
	(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.	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.
	(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	Not Applicable.
	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.	A director (whether independent, executive or non-executive) who has served on the board for an aggregate period of nine years (whether before or after listing) will no longer be eligible to be designated as an independent director of the issuer, effective on the date of a Company's annual general meeting for the financial year ending on or after 31 December 2023, as set out in Rule 406(3)(d)(iv). There are no Independent Directors who has served beyond nine years since the date of his first appointment.

TABLE I - COMPLIANCE WITH THE CODE

Principle	Code and/or Guide Description	Company's Compliance or Explanation
	Board diversity (a) What is the Board's policy with regard to diversity in identifying director nominees?	The Company acknowledges the significance of fostering a diverse Board as a crucial element in advancing the Group's strategic objectives for sustainable development. The Company is committed to cultivating an inclusive and collaborative corporate culture that thrives on effective decision-making. The Board recognises the value of harnessing a broad spectrum of business experiences, industry knowledge, diverse skill sets, and a range of perspectives, including those related to gender, age, culture, geographical background, tenure of service, and other distinguishing qualities among its members. The Company believes that such diversity enhances the Board's ability to make well-informed decisions and contributes to the overall success of the Group. In line with the Code and Rule 710A(1) of the Catalist Rules, the Company has adopted its Board Diversity Policy during the year.
	(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 following table sets out the diversity targets and progress since the adoption of the Board Diversity Policy:

Targets	Progress
(a) To ensure at least one female representation in the Board	As at the date of this report, the Board has one female Director, representing 25% of the total Board membership.
(b) To ensure appropriate balance between functional skill sets, domain expertise and specific skills and capabilities needed to support the Group's strategy and business	The current Board composition provided a diversity of skills, experience and knowledge to the Company, as disclosed in Table 2.4 below.

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%

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 FY2023, 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.

TABLE I - COMPLIANCE WITH THE CODE

Principle	Code and/or Guide Description	Company's Compliance or Explanation
		(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. (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. (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. The NC has also reviewed and monitored the Board composition pursuant to the guidelines set out in the Board Diversity Policy as enumerated under Provision 2.4.

TABLE I - COMPLIANCE WITH THE CODE

Principle	Code and/or Guide Description	Company's Compliance or Explanation
4.3	*Selecting, Appointment and Re-appointment of Directors* 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.	See Tables 4.3(a) and 4.3(b) and the explanation below.

Table 4.3(a) -Selection and Appointment of New Directors

The NC: -	
1. Determines selection criteria	• In consultation with the Board, identifies the current needs and inadequacies of the Board to determine what is required to complement and strengthen the Board. • Determines the role which competencies are required for the new appointment after such consultation.
2. Candidate search	• Considers candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary.
3. Assesses shortlisted candidates	• Meets and interviews the shortlisted candidates to assess their suitability.
4. Proposes recommendations	• Makes recommendations for Board's consideration and approval.

Table 4.3(b) - Re-election of Incumbent Directors

The NC: -	
1. Assesses incumbent director	• Assesses the performance of the director in accordance with the performance criteria set by the Board. • Considers the current needs of the Board.
2. Proposes re-appointment of director	• Recommends the re-appointment of the Director to the Board for its consideration and approval, subject to its satisfactory assessment.

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.

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.

TABLE I - COMPLIANCE WITH THE CODE

Principle	Code and/or Guide Description	Company's Compliance or Explanation
		The NC has recommended Mr Lau Chin Huat and Mr Lim Teck Chai Danny to be nominated for re-election at the forthcoming Annual General Meeting ("**AGM**"). Mr Lau Chin Huat will, upon re-election as a Director of the Company, remain as the Non-Executive Independent Chairman, Chairman of the Nominating Commitee and member of Audit Committee and Remuneration Committee. Mr Lim Teck Chai Danny will, upon re-election as a Director of the Company, remain as the Chairman of Remuneration Committee and member of Audit Committee and Nominating Committee. Mr Lau Chin Huat and Mr Lim Teck Chai Danny will be considered independent for the purposes of the Rule 704(7) of the Catalist Rules.
4.5	*Assessment of Directors' duties*	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 FY2023.

Corporate **Governance Report**

TABLE I - COMPLIANCE WITH THE CODE

Principle	Code and/or Guide Description	Company's Compliance or Explanation
	Other listed company directorships and principal commitments of Directors	***Table 4.5 – Other listed company directorships and principal commitments of Directors***

Name of Director	Listed Company Directorships	Principal Commitments
Lau Chin Huat	• Willas-Array Electronics (Holdings) Limited • Enviro-Hub Holdings Ltd	• Founder of Lau Chin Haut & Co • Licensed Insolvency Practitioner of Technic Inter-Asia Pte Ltd
Wong Kok Yoong Karen	• None	• None
Wee Tian Chwee Jeffrey	• None	• Founder of T.C. Wee & Co.
Lim Teck Chai Danny	• Stamford Land Corporation Limited • Choo Chiang Holdings Ltd • Advancer Global Limited • ValueMax Group Limited	• Partner of Rajah & Tann Singapore LLP

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 the consideration of outstanding individuals who, despite the demands on their time, have the capacity to value-add and contribute as members of the Board.

TABLE I - COMPLIANCE WITH THE CODE

Principle	Code and/or Guide Description	Company's Compliance or Explanation
	(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.
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	1. Commitment of time
	2. Access to information	2. Knowledge and abilities
	3. Risk management	3. Teamwork
	4. Board processes	4. Independence and objectivity
	5. Strategic planning	5. Integrity
	6. Board accountability	6. Overall effectiveness
	7. Succession planning	7. Track record in good decision making
Quantitative	1. Performance of the Group	1. Attendance at Board and Board Committee meetings

TABLE I - COMPLIANCE WITH THE CODE

Principle	Code and/or Guide Description	Company's Compliance or Explanation
		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 FY2023 as compared to the previous financial year as Board composition and the Group's principal business activities remained the same.
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 FY2023, 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 FY2023.

TABLE I - COMPLIANCE WITH THE CODE

Principle	Code and/or Guide Description	Company's Compliance or Explanation
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 Chairman, 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; (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

TABLE I - COMPLIANCE WITH THE CODE

Principle	Code and/or Guide Description	Company's Compliance or Explanation
		(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 FY2023. 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.
LEVEL AND MIX OF REMUNERATION		
DISCLOSURE ON REMUNERATION		
7.1 7.2 7.3 8.1	*Remuneration Policy*	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.

TABLE I - COMPLIANCE WITH THE CODE

Principle	Code and/or Guide Description	Company's Compliance or Explanation
	Remuneration Structure for Executive Directors and key management personnel (a) Please describe how the remuneration received by Executive Director and key management personnel has been determined by the performance criteria.	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 FY2023. 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.
	Performance Criteria (b) What were the performance conditions used to determine their entitlement under the short term and long-term incentive schemes?	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 7.1 - Performance Criteria

	Short-term Incentives (such as performance bonus)	**Long-term Incentives** (such as the Kimly Share Incentive Schemes)
Qualitative	1. Leadership 2. People development 3. Commitment 4. Teamwork 5. Current market and industry practices 6. Macro-economic factors	1. Employee share options scheme (Kimly Share Option Scheme) 2. Kimly Performance Share Plan 3. Current market and industry practices
Quantitative	–	1. Performance of the Group

	(c) Were all of these performance conditions met? If not, what were the reasons?	Yes, the RC has reviewed and is satisfied that the performance conditions were met for FY2023.

TABLE I - COMPLIANCE WITH THE CODE

Principle	Code and/or Guide Description	Company's Compliance or Explanation
7.2	*Remuneration Structure of Non-Executive Directors*	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 FY2023 is appropriate, considering their effort, time spent and responsibilities.
8.1(a) 8.1(b)	(a) Has the Company disclosed each Director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	The breakdown for the remuneration of the Directors for FY2023 is as follows: (see table below)

Name	Salary (%)	Variable or performance-related income/bonus (%)	Directors Fees (%)[1]	Total (%)
Between S$500,001 to S$750,000				
Wong Kok Yoong Karen	55.3	44.7	–	100.0
Below S$250,000				
Wee Tian Chwee Jeffrey	–	–	100.0	100.0
Lim Teck Chai Danny	–	–	100.0	100.0
Lau Chin Huat	–	–	100.0	100.0

Note:

(1) The Directors' fees were approved by the shareholders at the AGM held on 18 January 2023.

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.

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?	The breakdown for the remuneration of the Company's key management personnel (who are not Directors or the CEO (or equivalent)) for FY2023 is as follows: (see Table 8.1(b) below)
	(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 FY2023 was S$1,914,000.
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 FY2023.

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	35.0	32.7	32.3	100.0
Chua Yong Chuan Kelvin	49.3	27.6	23.1	100.0
Between S$250,001 to S$500,000				
Tan Chong Sing	38.0	32.8	29.2	100.0
Below S$250,000				
Yeo Yien Ghee Ronnie	65.6	34.4	0.0	100.0
Lin Meiqi	70.8	29.2	0.0	100.0

TABLE I - COMPLIANCE WITH THE CODE

Principle	Code and/or Guide Description	Company's Compliance or Explanation
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 67 to 68 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, which the AC reviews the adequacy and effectiveness of the risk management and internal control systems, including financial, operational, compliance and information technology controls, on an annual basis. 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.
	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.

TABLE I - COMPLIANCE WITH THE CODE

Principle	Code and/or Guide Description	Company's Compliance or Explanation
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 FY2023. The bases for the Board's view are as follows: 1. Assurance has been received from the Executive Director/CEO (or equivalent) and the Financial Controller (refer to Section 9.2(b) of Table I); 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.

TABLE I - COMPLIANCE WITH THE CODE

Principle	Code and/or Guide Description	Company's Compliance or Explanation
	(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 the Financial Controller in respect of FY2023. The Board had additionally relied on IA reports in respect of, amongst others, revenue and cash management, IT general control, food safety and interested party transactions issued to the Company as assurances that the Company's risk management and internal control systems are effective.
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;

TABLE I - COMPLIANCE WITH THE CODE

Principle	Code and/or Guide Description	Company's Compliance or Explanation
		(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; (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 as well as publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns; and

TABLE I - COMPLIANCE WITH THE CODE

Principle	Code and/or Guide Description	Company's Compliance or Explanation
		(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.
	Whistle Blowing 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 FY2023.
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 94 years of strong accounting and related financial management expertise and experience and are appropriately qualified to discharge their responsibilities.

TABLE I - COMPLIANCE WITH THE CODE

Principle	Code and/or Guide Description	Company's Compliance or Explanation
10.4	*Internal Audit Function*	The Company's internal audit function is outsourced to RSM Risk Advisory Pte Ltd ("**RSM**"). 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 RSM reports primarily to the AC Chairman and submits its audit plans to the AC for approval prior to the commencement of the internal audit. The AC has reviewed and 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.
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 FY2023.
SHAREHOLDER RIGHTS AND ENGAGEMENT		
SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS		
11.1	*Shareholders' Participation at General Meetings*	The Company's AGM in respect of the financial year ended 30 September 2022 was held virtually pursuant to the COVID-19 (Temporary Measures)(Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts, Unit Trusts and Debenture Holders) Order 2020 ("the Order"). The Order was ceased on 1 July 2023. Following the legislative amendments and taking into account the SGX guidance, the Company's AGM in respect of FY2023 will be held wholly in physical format. 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.

TABLE I - COMPLIANCE WITH THE CODE

Principle	Code and/or Guide Description	Company's Compliance or Explanation
	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 and EA had attended the annual general meeting held on 18 January 2023.
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.
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. Since its IPO in March 2017, the Company has consistently distributed between 50.7% and 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 FY2023 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 HYFY2023 on 14 July 2023. The total dividend paid for FY2023 amounted to 1.68 Singapore cents per share, upon the approval of shareholders at the forthcoming AGM.

TABLE I - COMPLIANCE WITH THE CODE

Principle	Code and/or Guide Description	Company's Compliance or Explanation
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 FY2023, the management has also briefed shareholders on the Company's performance during the general meeting 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.
	(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 FY2023 which would be released by 31 January 2024 for the assessment process and how such relationships with stakeholders are managed.

TABLE II - COMPLIANCE WITH CATALIST RULES

Rule	Rule Description	Company's Compliance or Explanation
720(5)	*Information relating to Directors seeking re-election*	In addition to the information relating to the Directors seeking re-election as per Appendix 7F of the Catalist Rules, which are set out in Table III of this report, there is no change to the disclosures of each Director for the disclosures labelled (a) to (k) as per previously announced.
1204(6)(A)	*Non-audit fees* *(a)* Please provide a breakdown of the fees paid in total to the EA for audit and non-audit services for the financial year.	***Table 1204(6)(A) - Fees Paid/Payable to the EA for FY2023*** (see table below)
1204(6)(B)	*Confirmation by AC* *(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.	No non-audit services rendered during FY2023.
1204(6)(C)	*Appointment of Auditors*	The Company confirms its compliance to Rules 712 and 715 of the Catalist Rules.
1204(8)	*Material Contracts*	As at 30 September 2023, 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 Notes 10 of the notes to the financial statements, there were no material contracts entered into by the Group involving the interest of the CEO (or 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.
1204(10)	*Adequacy of Internal Controls*	Please refer to the confirmation provided by the Board in Section 9.2 of Table I.
1204(10B)	*Adequacy of Internal Audit Function*	The AC is of the opinion that the internal audit function is independent, effective and adequately resourced.

Table 1204(6)(A) - Fees Paid/Payable to the EA for FY2023

	S$	% of total
Audit fees	549,000	100.0

TABLE II - COMPLIANCE WITH CATALIST RULES

Rule	Rule Description	Company's Compliance or Explanation
1204(17)	*Interested Person Transactions ("IPT")*	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 Annual General Meeting held on 18 January 2023.
1204(19)	*Dealing in Securities*	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.
1204(21)	*Non-sponsor Fees*	No non-sponsor fees were paid/payable to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. for FY2023.
1204(22)	*Use of IPO Proceeds*	As at the date of this Annual Report, the status on the use of the IPO net proceeds is as follows:

	Allocated S$'000	Utilised S$'000	Balance S$'000
Acquisitions and joint ventures and general business expansion (including establishment of new food outlets)	30,363	(30,363)	–
Refurbishment and renovation of existing food outlets	3,000	(3,000)	–
Headquarters/Central Kitchen upgrading	5,000	(3,367)	1,633
Productivity initiatives/IT	2,000	(2,000)	–
Listing expenses	3,087	(3,087)	–
Total	**43,450**	**(41,817)**	**1,633**

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

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

TABLE III – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION

	Name of Director to be re-elected	
	Lau Chin Huat	**Lim Teck Chai Danny**
Date of appointment announcement (“**Previous Announcement**”)	1 October 2019	15 February 2017
Any changes to the Previous Announcement?	No	No
Date of last re-appointment	26 January 2022	26 January 2022
Age	64	50
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 Lau at Board and Board Committees’ meetings, and taking into account Mr Lau’s track record, experience and capabilities to, amongst others, provide insight and guidance to the Group’s business and strategies, had recommended to the Board the re-election of Mr Lau who will be retiring pursuant to Regulation 112 of the Company’s Constitution at the forthcoming AGM. The Board supports the NC’s recommendation. Mr Lau 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 Mr Danny Lim at Board and Board Committees’ meetings, and taking into account Mr Danny Lim’s track record, experience and capabilities to, amongst others, provide insight and guidance to the Group’s business and strategies, had recommended to the Board the re-election of Mr Danny Lim who will be retiring pursuant to Regulation 112 of the Company’s Constitution at the forthcoming AGM. The Board supports the NC’s recommendation. Mr Danny Lim had abstained from voting on any resolution and making any recommendation and/or participating in respect of his own re-election.
Whether the appointment has changed from non-executive to executive. If so, please state the area of responsibility	Non-Executive	Non-Executive

TABLE III – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION

	Name of Director to be re-elected	
	Lau Chin Huat	**Lim Teck Chai Danny**
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Independent Chairman, Chairman of the NC and a member of the AC and the RC	Independent Director, Chairman of the RC and a member of the AC and NC
Professional qualifications	• Bachelor's degree in Accountancy, National University of Singapore • Licensed Insolvency Practitioner, Ministry of Law • ISCA Financial Forensic Professional, Institute of Singapore Chartered Accountants • Professional Deputy, Ministry of Social and Family Development • Accredited Tax Advisor (GST), Singapore Chartered Tax Professionals • Fellow member of Institute of Singapore Chartered Accountants • Member of Certified Public Accountants of Australia • Fellow member of Singapore Institute of Arbitrators • Member of Singapore Chartered Tax Professionals • Member of Singapore Institute of Directors	• Bachelor of Law (Honours) degree, National University of Singapore • Master of Science (Applied Finance) degree, Nanyang Technological University • Advocate and solicitor of the Supreme Court of Singapore • Member of the Law Society of Singapore and the Singapore Academy of Law
Working experience and occupation(s) during the past 10 years	1986 to present – Founder, Lau Chin Huat & Co	2006 to present - Partner, Rajah & Tann Singapore LLP
Shareholding interest in the listed issuer and its subsidiaries	1,280,000 Ordinary Shares in Kimly Limited	684,600 Ordinary Shares in Kimly Limited
Any relationship (including immediate family member relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or any of its principal subsidiaries	Nil	Nil
Conflict of Interest (including any competing business)	Nil	Nil

TABLE III – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION

	Name of Director to be re-elected	
	Lau Chin Huat	**Lim Teck Chai Danny**
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) submitted to the Company?	Yes	Yes
Other Principal Commitments* (Past (for the last 5 years) & Present) **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)	Present 1. Technic Inter-Asia Pte Ltd - Licensed Insolvency Practitioner (1992 to Present) 2. Willas-Array Electronics (Holdings) Limited – Independent Director (2023 to Present) 3. Enviro-Hub Holdings Ltd – Independent Director (2023 to Present)	Present 1. Stamford Land Corporation Ltd - Independent Director (2017 to Present) 2. Choo Chiang Holdings Ltd. - Independent Director (2018 to Present) 3. Advancer Global Limited - Independent Director (2019 to Present) 4. ValueMax Group Limited - Independent Director (2022 to Present) Past 1. TEE Land Limited - Independent Director (2013 to 2019) 2. UG Healthcare Corporation Limited - Independent Director (2014 to 2020) 3. Trans-Cab Holdings Ltd. - Independent Director (2019 to 2020)
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

TABLE III – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION

		Name of Director to be re-elected	
		Lau Chin Huat	**Lim Teck Chai Danny**
(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
(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	
	Lau Chin Huat	**Lim Teck Chai Danny**
(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	
	Lau Chin Huat	**Lim Teck Chai Danny**
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: -		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	Yes. Mr Danny Lim is an Independent Director of Stamford Land Corporation Ltd, which on 15 December 2023, released a joint statement with Singapore Exchange Regulation relating to an interpretation of Rule 877(10) of the Listing Manual pertaining to its rights issue exercise conducted in December 2021.
(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	
(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	
(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	No	
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		

TABLE III – INFORMATION RELATING TO DIRECTORS SEEKING RE-ELECTION

	Name of Director to be re-elected	
	Lau Chin Huat	**Lim Teck Chai Danny**
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	Per (j) above
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 2023.

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 2023 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

(ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

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

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

3. Arrangements to enable directors to acquire shares or debentures

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

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 2023**	**At the beginning of financial year**	**At the end of financial year**	**At 21 October 2023**
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 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)

Since the commencement of the Kimly ESOS and Kimly PSP till the end of the financial year, no options or awards of shares has been granted to directors or controlling shareholders.

The following table illustrates the movement in the share awards during the financial year:

	Group	
	2023	2022
	No. of share awards	No. of share awards
Outstanding as at 1 October	926,200	668,671
Movement during the financial year		
- awarded	3,063,889	1,642,089
- granted via the transfer of Treasury Shares	(2,003,759)	(1,384,560)
Outstanding as at 30 September	1,986,330	926,200

The weighted average market price (last done price) of the share awards on dates of grant for the financial year was $0.351 (2022: $0.390) per share. The share awards expire on 15 July 2025, 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
Director

5 January 2024

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 2023, 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 2023 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 matters below, our description of how our audit addressed the matters 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 2023, the Group's revenue from sale of food, beverages and tobacco products amounted to $263,274,000, which accounted for 83.9% 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 2023. 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 2023. We assessed the adequacy of the disclosures related to revenue, and cash and cash equivalents in Note 4 and Note 23 respectively.

Other information

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

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

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

Responsibilities of management and directors for the financial statements

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

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

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

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.

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

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

- 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.

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

5 January 2024

Consolidated Statement of **Comprehensive Income**

For the financial year ended 30 September 2023

(Amounts in Singapore Dollars)

	Note	2023 $'000	2022 $'000
Revenue	4	313,852	317,748
Cost of sales		(224,965)	(226,206)
Gross profit		88,887	91,542
Other items of income			
Other operating income	5	6,629	4,038
Finance income	6	1,606	174
Other items of expense			
Selling and distribution expenses		(17,037)	(19,103)
Administrative expenses		(27,981)	(27,790)
Finance costs	6	(3,755)	(4,008)
Other operating expenses	7	(1,872)	(1,657)
Share of profit of an associate and joint ventures	18,19	695	674
Profit before tax	8	47,172	43,870
Income tax expense	11	(7,898)	(7,158)
Profit for the year		39,274	36,712
Profit attributable to:			
Owners of the Company		36,474	34,019
Non-controlling interests		2,800	2,693
Profit for the year		39,274	36,712
Earnings per share (cents per share)			
- Basic	12	2.94	2.74
- Diluted	12	2.93	2.74

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

Statements of **Financial Position**

As at 30 September 2023

(Amounts in Singapore Dollars)

		Group		Company	
	Note	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Assets					
Non-current assets					
Property, plant and equipment	13	73,007	73,397	–	–
Investment properties	14	6,653	6,796	–	–
Intangible assets and goodwill	15	60,229	61,800	–	–
Right-of-use assets	16	72,612	101,982	–	–
Investment in subsidiaries	17	–	–	239,297	239,297
Investment in an associate and joint ventures	18,19	12,585	13,038	–	–
Deferred tax assets	20	233	212	–	–
Other receivables	21	3,469	5,985	–	–
		228,788	263,210	239,297	239,297
Current assets					
Trade and other receivables	21	12,086	9,640	106,081	102,814
Inventories	22	3,392	3,916	–	–
Prepayments		502	921	33	39
Cash and cash equivalents	23	89,062	77,622	32,183	34,825
		105,042	92,099	138,297	137,678
Assets held for sale	24	–	1,947	–	–
		105,042	94,046	138,297	137,678
Total assets		333,830	357,256	377,594	376,975

Statements of **Financial Position**

As at 30 September 2023

(Amounts in Singapore Dollars)

	Note	Group		Company	
		2023	2022	2023	2022
		$'000	$'000	$'000	$'000
Current liabilities					
Trade and other payables	25	27,554	32,674	35,531	38,970
Other liabilities	26	16,100	14,960	626	583
Interest-bearing loans and borrowings	27	786	1,138	–	–
Lease liabilities	16	35,527	37,237	–	–
Provision for restoration costs	28	573	149	–	–
Provision for taxation		9,238	8,444	245	20
		89,778	94,602	36,402	39,573
Liabilities directly associated with the assets held for sale	24	–	1,499	–	–
		89,778	96,101	36,402	39,573
Net current assets/(liabilities)		15,264	(2,055)	101,895	98,105

Statements of **Financial Position**

As at 30 September 2023

(Amounts in Singapore Dollars)

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Non-current liabilities					
Interest-bearing loans and borrowings	27	16,906	22,107	–	–
Lease liabilities	16	41,129	68,187	–	–
Deferred tax liabilities	20	1,813	1,987	–	2
Other payables	25	1,114	1,021	–	–
Provision for restoration costs	28	510	1,076	–	–
		61,472	94,378	–	2
Total liabilities		151,250	190,479	36,402	39,575
Net assets		182,580	166,777	341,192	337,400
Equity attributable to owners of the Company					
Share capital	29(a)	316,145	316,145	316,145	316,145
Treasury shares	29(b)	(2,520)	(1,818)	(2,520)	(1,818)
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		95,870	80,290	27,427	22,933
		176,482	161,604	341,192	337,400
Non-controlling interests		6,098	5,173	–	–
Total equity		182,580	166,777	341,192	337,400
Total equity and liabilities		333,830	357,256	377,594	376,975

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 2023

(Amounts in Singapore Dollars)

	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
		Attributable to owners of the Company								
Group										
At 1 October 2022		316,145	(1,818)	140	(120,123)	(113,030)	80,290	161,604	5,173	166,777
Profit for the year, representing total comprehensive income for the year		–	–	–	–	–	36,474	36,474	2,800	39,274
Contributions by and distributions to owners										
Dividends on ordinary shares	35	–	–	–	–	–	(20,894)	(20,894)	(1,875)	(22,769)
Purchase of treasury shares	29(b)	–	(1,249)	–	–	–	–	(1,249)	–	(1,249)
Share-based payment expenses (Kimly Performance Share Plan)	9	–	–	547	–	–	–	547	–	547
Treasury shares transferred on vesting of share awards granted under the Kimly Performance Share Plan	29	–	547	(547)	–	–	–	–	–	–
Total contributions by and distributions to owners		–	(702)	–	–	–	(20,894)	(21,596)	(1,875)	(23,471)
At 30 September 2023		316,145	(2,520)	140	(120,123)	(113,030)	95,870	176,482	6,098	182,580

Statements of **Changes in Equity**

For the financial year ended 30 September 2023

(Amounts in Singapore Dollars)

		Attributable to owners of the Company								
	Note	**Share capital (Note 29a)**	**Treasury shares (Note 29b)**	**Share-based compensation reserve (Note 29c)**	**Other reserves (Note 30)**	**Premium paid on acquisition of non-controlling interests**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
		$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'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
<u>Contributions by and distributions to owners</u>										
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

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 2023

(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 2022		316,145	(1,818)	140	22,933	337,400
Profit for the year, representing total comprehensive income for the year		–	–	–	25,388	25,388
Contributions by and distributions to owners						
Dividends on ordinary shares	35	–	–	–	(20,894)	(20,894)
Purchase of treasury shares	29(b)	–	(1,249)	–	–	(1,249)
Share-based payment expenses (Kimly Performance Share Plan)	9	–	–	547	–	547
Treasury shares transferred on vesting of share awards granted under the Kimly Performance Share Plan	29	–	547	(547)	–	–
Total contributions by and distributions to owner		–	(702)	–	(20,894)	(21,596)
At 30 September 2023		316,145	(2,520)	140	27,427	341,192
At 1 October 2021		297,451	(2,187)	140	18,026	313,430
Profit for the year, representing total comprehensive income for the year		–	–	–	29,760	29,760
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)	–	–
Total contributions by and distributions to owner		18,694	369	–	(24,853)	(5,790)
At 30 September 2022		316,145	(1,818)	140	22,933	337,400

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 2023

(Amounts in Singapore Dollars)

	Note	2023 $'000	2022 $'000
Operating activities			
Profit before tax		47,172	43,870
Adjustments for:			
Amortisation of intangible assets	15	1,578	1,634
Depreciation of investment properties	14	143	143
Depreciation of property, plant and equipment	13	6,010	6,012
Depreciation of right-of-use assets	16	37,655	40,567
Gain on derecognition of right-of-use assets and lease liabilities	5	(115)	(376)
Gain on disposal of property, plant and equipment	5,7	(154)	(109)
Gain on disposal of Confectionary Business	24	(2,514)	–
Reversal of impairment loss on property, plant and equipment	13	(185)	–
Impairment loss on right-of-use assets	7	285	–
Interest expense on lease liabilities	16	3,272	3,644
Interest expense on loans and borrowings	6	483	364
Interest income arising from the discount implicit in non-current receivables	6	(206)	(27)
Interest income from short-term deposits	6	(1,400)	(147)
Share of profit of an associate and joint ventures	18,19	(695)	(674)
Share-based payments (Kimly Performance Share Plan)	9	547	369
Write-off of property, plant and equipment	7	2	13
Total adjustments		44,706	51,413

Consolidated Statement of **Cash Flows**

For the financial year ended 30 September 2023

(Amounts in Singapore Dollars)

	Note	2023 $'000	2022 $'000
Operating cash flows before changes in working capital		91,878	95,283
Changes in working capital			
Decrease in trade and other receivables		750	2,186
Decrease/(increase) in inventories		491	(1,169)
Decrease/(increase) in prepayments		419	(420)
Decrease in trade and other payables		(208)	(5,065)
Increase in other liabilities		1,120	2,047
Total changes in working capital		2,572	(2,421)
Cash flows from operations		94,450	92,862
Interest received		1,185	111
Income taxes paid		(7,299)	(6,053)
Net cash flows generated from operating activities		88,336	86,920
Investing activities			
Dividend income received from associate and joint ventures		1,148	1,002
Investment in joint ventures		–	(1,127)
Repayment of Earn-out Consideration and purchase consideration adjustment		(5,494)	–
Net cash outflow on acquisition of a subsidiary	17(b)	–	(28,681)
Proceeds from disposal of Confectionary Business		2,800	–
Proceeds from disposal of property, plant and equipment		178	129
Purchase of property, plant and equipment	A	(4,972)	(4,802)
Purchase of intangible assets	B	(7)	(52)
Net cash flows used in investing activities		(6,347)	(33,531)

Consolidated Statement of **Cash Flows**

For the financial year ended 30 September 2023

(Amounts in Singapore Dollars)

	Note	2023 $'000	2022 $'000
Financing activities			
Capital contribution from a non-controlling interest		–	98
Dividends paid on ordinary shares	35	(20,894)	(24,853)
Dividends paid to non-controlling interests		(1,875)	(1,090)
Interest expense on lease liabilities paid	16	(3,272)	(3,644)
Interest expense on loans and borrowings paid	6	(483)	(364)
Purchase of treasury shares	29(b)	(1,249)	–
Repayment of lease liabilities		(37,223)	(39,738)
Repayment of loans and borrowings	27	(5,553)	(1,165)
Net cash flows used in financing activities		(70,549)	(70,756)
Net increase/(decrease) in cash and cash equivalents		11,440	(17,367)
Cash and cash equivalents at 1 October		77,622	94,989
Cash and cash equivalents at 30 September	23	89,062	77,622

Notes to the consolidated statement of cash flows

A. Property, plant and equipment

	Note	2023 $'000	2022 $'000
Current year additions to property, plant and equipment	13	5,461	3,998
Less:			
Reversal of restoration costs	28	142	30
(Increase)/decrease in other payables		(631)	774
Net cash outflow for purchase of property, plant and equipment		4,972	4,802

B. Intangible assets

	Note	2023 $'000	2022 $'000
Current year additions to intangible assets	15	7	14
Less:			
Decrease in other payables		–	38
Net cash outflow for purchase of intangible assets		7	52

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.

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 2022. The adoption of these new standards did not have any material effect on the financial performance or position of the Group.

2. Summary of significant accounting policies (cont'd)

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) 1-1 and SRFS(I) Practice Statement 2: *Disclosure of Accounting Policies*	1 January 2023
Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*	1 January 2023
Amendments to SFRS(I) 1-12: *Deferred tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to SFRS(I) 1-12: *International Tax Reform – Pillar Two Model Rules*	1 January 2023
Amendments to SFRS(I) 17: *Insurance Contracts*	1 January 2023
Amendments to SFRS(I) 17: *Initial Application of SFRS(I) 17 and SFRS(I) 9 – Comparative Information*	1 January 2023
Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to SFRS(I) 16: *Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*	1 January 2024
Amendments to SFRS(I) 1-7 and SFRS(I) 7: *Supplier Finance arrangements*	1 January 2024
Amendments to SFRS(I) 1-21: *Lack of Exchangeability*	1 January 2025
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.

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)*

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.

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.

2.9 *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.

2. Summary of significant accounting policies (cont'd)

2.9 *Intangible assets (cont'd)*

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. As at 30 September 2023, the remaining amortisation period is 2 to 7 years (2022: 3 to 8 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. As at 30 September 2023, the remaining amortisation period is 0 to 3 years (2022: 0 to 3 years).

Trademarks

The trademarks were acquired in business combinations. The registered trademarks relating to the Tenderfresh Group are amortised over their estimated useful lives of 10 years. As at 30 September 2023, the remaining amortisation period is 8 years (2022: 9 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. As at 30 September 2023, the remaining amortisation period is 8 years (2022: 9 years).

2. Summary of significant accounting policies (cont'd)

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.

2.11 *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.

2. Summary of significant accounting policies (cont'd)

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

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 ventures 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 venture 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.

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. Summary of significant accounting policies (cont'd)

2.13 ***Financial instruments***

(a) *Financial assets*

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Amortised cost

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

De-recognition

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

2. Summary of significant accounting policies (cont'd)

2.13 *Financial instruments (cont'd)*

(b) *Financial liabilities*

Initial recognition and measurement

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

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

Subsequent measurement

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

De-recognition

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

2.14 *Impairment of financial assets*

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

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

2. Summary of significant accounting policies (cont'd)

2.14 *Impairment of financial assets (cont'd)*

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.

2.16 *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. Summary of significant accounting policies (cont'd)

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.

2.20 *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. Summary of significant accounting policies (cont'd)

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.

(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. Summary of significant accounting policies (cont'd)

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:

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.

2. Summary of significant accounting policies (cont'd)

2.23 ***Leases (cont'd)***

(b) *Lease liabilities*

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

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

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

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

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

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. Summary of significant accounting policies (cont'd)

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.

(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. Summary of significant accounting policies (cont'd)

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.

(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.

2. Summary of significant accounting policies (cont'd)

2.25 *Taxes (cont'd)*

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

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 consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods. Management is of the opinion that there is no significant judgement made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Revenue

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

5. Other operating income

	Group	
	2023	2022
	$'000	$'000
Government grants:		
- Enabling Employment Credit	102	18
- Senior Employment Credit	1,112	184
- Wage Credit Scheme	365	244
- Others	577	828
Sponsorships	550	1,198
Insurance claims	213	271
Gain on disposal of property, plant and equipment	154	118
Gain on disposal of Confectionary Business	2,514	–
Reversal of impairment loss on property, plant and equipment	185	–
Gain on derecognition of right-of-use assets and lease liabilities	115	376
Others	742	801
	6,629	4,038

Enabling Employment Credit

The Enabling Employment Credit ("EEC") is a wage offset scheme introduced in 2021 to support the employment of Persons with Disabilities (PwDs). Payouts are made automatically to employers based on their regular monthly CPF contributions for Singaporean employees who are PwDs. The EEC is available until 2025.

With effect from 1 April 2023, employers will receive greater support for hiring local PwDs who have not been working for the past six months. The enhancement supports the initiatives under the Enabling Masterplan 2030 to create more opportunities for PwDs to join the workforce.

5. Other operating income (cont'd)

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. From 1 January 2021 to 31 December 2022, the wage offset applies to Singaporean workers aged 55 and above and earning below $4,000 per month and from 1 January 2023 to 31 December 2025, the wage offset applies to Singaporean workers aged 60 and above and earning up to $4,000 per month. For wages paid during this period, employers will receive up to 8% of the wages paid to eligible workers, 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 2023 $'000	Group 2022 $'000
Finance income		
Interest income from:		
- Short-term deposits	1,400	147
- Interest income arising from the discount implicit in non-current receivables	206	27
	1,606	174
Finance costs		
Interest expense on:		
- Lease liabilities	(3,272)	(3,644)
- Loans and borrowings	(483)	(364)
	(3,755)	(4,008)

7. Other operating expenses

	Note	Group 2023 $'000	Group 2022 $'000
Amortisation of intangible assets	15	1,578	1,634
Loss on disposal of property, plant and equipment		–	9
Impairment loss on right-of-use assets	16	285	–
Write-off of property, plant and equipment		2	13
Others		7	1
		1,872	1,657

8. Profit before tax

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

	Note	Group 2023 $'000	Group 2022 $'000
Audit fees to auditors of the Company		549	549
Non-audit fees:			
- Other auditors		47	35
Depreciation of property, plant and equipment	13	6,010	6,012
Depreciation of investment properties	14	143	143
Depreciation of right-of-use asset	16	37,655	40,567
Directors' fees		200	200
Employee benefits expenses	9	92,040	90,266
Lease expenses not capitalised in lease liabilities, net of rental relief received*		3,419	178
Property tax expense#		307	105

* During the financial year ended 30 September 2023, the Group recognised rent concessions of $180,000 (2022: $4,645,000) recorded against lease expenses not capitalised in lease liabilities.

\# During the financial year ended 30 September 2023, the Group received property tax rebates of $Nil (2022: $199,000). 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	
	2023	2022
	$'000	$'000
Employee benefits expenses (including Directors):		
- Salaries, bonuses and other costs	85,055	82,745
- Central Provident Fund contributions	4,999	5,021
- Other short-term benefits	1,439	2,131
- Share-based payments (Kimly Performance Share Plan)	547	369
	92,040	90,266

Employee benefits expenses recorded in cost of sales and administrative expenses amounted to $80,169,000 (2022: $78,338,000) and $11,871,000 (2022: $11,928,000) 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 due to Covid-19 pandemic. 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. The JSS has ended, with the last JSS payment made in March 2022.

During the financial year ended 30 September 2022, the Group recognised grant income under the JSS of $1,627,000 against salaries, bonuses and other costs.

9. Employee benefits expenses (cont'd)

Progressive Wage Credit Scheme

The Progressive Wage Credit Scheme ("PWCS") was introduced in Budget 2022 to provide transitional wage support for employers to adjust to upcoming mandatory wage increases for lower-wage workers covered by the Progressive Wage and Local Qualifying Salary requirements; and voluntarily raise wages of lower-wage workers. The Government will co-fund wage increase of eligible resident employees from 2022 to 2026. The PWCS for 2022 and 2023 will be enhanced by increasing Government's co-funding share from 50% to 75% for the first tier and from 30% to 45% for the second tier, while maintaining other parameters.

During the financial year ended 30 September 2023, the Group recognised grant income under the PWCS of $1,669,000 against salaries, bonuses and other costs.

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 $547,000 (2022: $369,000), and the carrying amount of the liability recognised in the Group's statement of financial position relating to such share awards at 30 September 2023 is $412,000 (2022: $307,000).

During the financial year, the Company granted 2,003,759 (2022: 1,384,560) 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	
	2023	**2022**
	$'000	**$'000**
Rental paid to corporations related to a substantial shareholder	9,531	8,569
Rental paid to an associate	1,233	1,224
Rental paid to joint venture companies	386	198

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	
	2023	**2022**
	$'000	**$'000**
*Lease commitment with corporations related to a substantial shareholder**		
Not later than one year	9,611	9,269
Later than one year but not later than five years	1,832	10,358
	11,443	19,627
*Lease commitment with joint ventures**		
Not later than one year	76	175
*Lease commitment with an associate**		
Not later than one year	1,260	1,233
Later than one year but not later than five years	3,360	4,620
	4,620	5,853

* These leases have been capitalised under right-of-use assets as disclosed in Note 16 to the consolidated financial statements.

10. Related party transactions (cont'd)

(c) ***Compensation of key management personnel***

	Group	
	2023	**2022**
	$'000	**$'000**
Salaries, bonuses and other costs	2,541	2,669
Central Provident Fund contributions	113	118
	2,654	2,787
Comprise amounts paid to:		
Directors of the Company	740	926
Other key management personnel	1,914	1,861
	2,654	2,787

11. Income tax expense

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

The major components of income tax expense for the years ended 30 September 2023 and 2022 are:

	Group	
	2023	**2022**
	$'000	**$'000**
Current income tax		
- Current income taxation	7,764	7,482
- Under provision in respect of previous years	329	–
	8,093	7,482
Deferred income tax		
- Amortisation reversal of temporary differences	(195)	(324)
Income tax expense recognised in profit or loss	7,898	7,158

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 2023 and 2022 is as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
Profit before tax	47,172	43,870
Tax at corporate tax rate of 17% (2022: 17%)	8,019	7,458
Adjustments:		
- Non-deductible expenses	941	732
- Income not subject to taxation	(568)	(402)
- Effect of partial tax exemption and tax relief	(813)	(759)
- Under provision in respect of previous years	329	–
- Utilisation of previously unrecognised tax losses and capital allowances	(63)	–
- Deferred tax assets not recognised	54	202
- Others	(1)	(73)
Income tax expense recognised in profit or loss	7,898	7,158

As at 30 September 2023, the Group has unutilised tax losses and unabsorbed capital allowances of approximately $190,000 and $559,000 (2022: $505,000 and $295,000) 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 2022, unabsorbed tax losses and capital allowances of approximately $50,000 and $135,000 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	
	2023	**2022**
Profit for the year attributable to owners of the Company used in the computation of basic and diluted earnings per share ($'000)	36,474	34,019
Weighted average number of ordinary shares for basic earnings per share computation ('000)	1,242,563	1,240,419
Effect of dilution:		
Share awards granted under the Kimly Performance Share Plan ('000)	1,412	926
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	1,243,975	1,241,345
Basic earnings per share (cents)	2.94	2.74
Diluted earnings per share (cents)	2.93	2.74

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 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 and 1 October 2022	9,265	59,264	12,181	15,372	2,340	98,422
Additions	–	–	2,162	3,186	113	5,461
Disposals	–	–	(201)	(176)	–	(377)
Written-off	–	–	(664)	(696)	–	(1,360)
At 30 September 2023	9,265	59,264	13,478	17,686	2,453	102,146

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 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 and 1 October 2022	432	3,812	8,701	10,703	1,377	25,025
Depreciation charge for the year	185	1,091	1,881	2,532	321	6,010
Reversal of impairment loss	–	–	(185)	–	–	(185)
Disposals	–	–	(181)	(172)	–	(353)
Written-off	–	–	(664)	(694)	–	(1,358)
At 30 September 2023	617	4,903	9,552	12,369	1,698	29,139
Net carrying amount						
At 30 September 2023	8,648	54,361	3,926	5,317	755	73,007
At 30 September 2022	8,833	55,452	3,480	4,669	963	73,397

13. Property, plant and equipment (cont'd)

Restoration costs

Included in the Group's carrying amount of electrical and renovations is $84,000 (2022: $50,000) of provision for restoration costs.

Assets pledged as security

As at 30 September 2023, leasehold and freehold properties with carrying amounts of $46,380,000 (2022: $52,976,000) and $8,648,000 (2022: $8,833,000), 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 2023 are as follows:

Location	**Description**	**Tenure**	**Floor area (sq m)**
38 Jalan Pemimpin #01-04 M38 Singapore 577178	Industrial canteen	Freehold	456
Block 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 2021, 30 September 2022, 1 October 2022 and 30 September 2023	7,130
Accumulated depreciation	
At 1 October 2021	191
Depreciation charge for the year	143
At 30 September 2022 and 1 October 2022	334
Depreciation charge for the year	143
At 30 September 2023	477
Net carrying amount	
At 30 September 2023	6,653
At 30 September 2022	6,796

14. Investment properties (cont'd)

	2023 $'000	2022 $'000
Consolidated statement of comprehensive income		
Rental income from investment properties	252	252
Direct operating expenses (including repairs and maintenance) arising from rental generating properties	(64)	(65)

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 2023, investment properties with carrying amounts of $4,321,000 (2022: $6,796,000) 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 2021	1,626	50	15,140	72	763	17,651
Additions	–	–	–	–	14	14
Acquisition of subsidiaries (Note 17)	48,436	1,428	–	8,805	–	58,669
Reclassified as assets held for sale (Note 24)	–	–	–	–	(6)	(6)
At 30 September 2022 and 1 October 2022	50,062	1,478	15,140	8,877	771	76,328
Additions	–	–	–	–	7	7
Written-off	–	–	–	–	(21)	(21)
At 30 September 2023	50,062	1,478	15,140	8,877	757	76,314
Accumulated amortisation and impairment						
At 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 and 1 October 2022	705	193	11,945	952	733	14,528
Charge for the year	–	143	535	881	19	1,578
Written-off	–	–	–	–	(21)	(21)
At 30 September 2023	705	336	12,480	1,833	731	16,085
Net carrying amount						
At 30 September 2023	49,357	1,142	2,660	7,044	26	60,229
At 30 September 2022	49,357	1,285	3,195	7,925	38	61,800

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	
	2023	2022	2023	2022	2023	2022
	$'000	$'000	$'000	$'000	$'000	$'000
Goodwill	921	921	48,436	48,436	49,357	49,357
Trademarks	–	–	7,044	7,925	7,044	7,925

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-use 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 17.9% (2022: 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 3.1% to 7.1% (2022: 1.0% to 8.0%) and 2.0% to 4.4% (2022: 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 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
Cessations#	(16,673)	(248)	–	–	(16,921)
Reclassified as assets held for sale (Note 24)	(1,932)	–	(148)	–	(2,080)
As at 30 September 2022 and 1 October 2022	195,207	4,505	2,136	954	202,802
Additions for the year	5,586	847	–	254	6,687
Modifications*	10,542	1,229	273	–	12,044
Cessations#	(21,560)	(331)	–	–	(21,891)
As at 30 September 2023	189,775	6,250	2,409	1,208	199,642

16. Leases (cont'd)

Group as a lessee (cont'd)

(a) ***Right-of-use assets (cont'd)***

	Coffeeshops, food courts, restaurants, and retail shops $'000	Residential units $'000	Office and central kitchen premises $'000	Motor vehicles $'000	Total $'000
Accumulated depreciation and impairment					
As at 1 October 2021	66,134	1,672	209	218	68,233
Depreciation charge for the year	38,262	1,408	645	252	40,567
Cessations#	(7,109)	(249)	–	–	(7,358)
Reclassified as assets held for sale (Note 24)	(597)	–	(25)	–	(622)
As at 30 September 2022 and 1 October 2022	96,690	2,831	829	470	100,820
Depreciation charge for the year	35,237	1,649	566	203	37,655
Cessations#	(11,399)	(331)	–	–	(11,730)
Impairment loss	285	–	–	–	285
As at 30 September 2023	120,813	4,149	1,395	673	127,030
Net carrying amount					
As at 30 September 2023	68,962	2,101	1,014	535	72,612
As at 30 September 2022	98,517	1,674	1,307	484	101,982

* Modifications relate to change in lease term for certain leases.
\# Cessations relate to derecognition at the end of lease term and early termination of leases.

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	
	2023	**2022**
	$'000	**$'000**
As at 1 October	105,424	122,681
Acquisition of subsidiaries (Note 17)	–	5,927
Additions	6,687	10,675
Modifications *	12,044	17,317
Accretion of interests	3,272	3,644
Lease payments	(40,495)	(43,382)
Cessations #	(10,276)	(9,939)
Lease liabilities directly associated with the assets held for sale (Note 24)	–	(1,499)
At 30 September	76,656	105,424
Current	35,527	37,237
Non-current	41,129	68,187
	76,656	105,424

* Modifications relate to change in lease term for certain leases.
\# Cessations relate to derecognition of leases due to early termination of 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	
	2023	2022
	$'000	$'000
Depreciation expenses of right-of-use assets		
- Cost of sales	35,796	38,810
- Administrative expenses	1,859	1,757
Gain on derecognition of right-of-use assets and lease liabilities	(115)	(376)
Impairment loss recognised as right-of-use assets	285	–
Interest expense on lease liabilities	3,272	3,644
Lease expenses not capitalised in lease liabilities:		
- Expenses relating to low value assets	289	389
- Expenses relating to short-term leases:		
- Lease expense	2,356	3,876
- Rental relief	(1)	–
- Expenses relating to variable lease payments:		
- Contingent rental	954	558
- Rental relief	(179)	(4,645)
Total amount recognised in profit or loss	44,516	44,013

16. Leases (cont'd)

Group as a lessee (cont'd)

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

The Group had total cash outflows for leases (including lease expenses not capitalised in lease liabilities) of $43,914,000 (2022: $43,560,000) for the financial year ended 30 September 2023. The Group also had non-cash changes to right-of-use assets and lease liabilities of $3,160,000 and $8,455,000 (2022: $11,071,000 and $18,053,000) respectively in the financial year ended 30 September 2023.

Future minimum rental payable for lease contract which has not yet commenced as at 30 September 2023 and 2022 are as follows:

	Group	
	2023 $'000	2022 $'000
Not later than one year	387	173
Less than one year but not later than five years	1,911	736
More than five years	62	–
	2,360	909

16. Leases (cont'd)

Group as a lessor

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

Future minimum rentals receivable under non-cancellable operating leases as at 30 September 2023 and 2022 are as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
Not later than one year	9,013	8,905

17. Investment in subsidiaries

	Company	
	2023	**2022**
	$'000	**$'000**
Unquoted equity shares, at cost	122,778	122,778
Issuance of shares for acquisition of non-controlling interests in subsidiaries	116,519	116,519
	239,297	239,297

17. Investment in subsidiaries (cont'd)

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

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

Name of subsidiaries	Principal place of business	Principal activities	Proportion (%) of ownership interest	
			2023	**2022**
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)]	Singapore	Letting and operating of coffee shops	100	100
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

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 2023	2022
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 2023	2022
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
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

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	
			2023	2022
Held through Jin Wei Investments Pte. Ltd.				
Tenderfresh Group Pte. Ltd. [(a)]	Singapore	Investment holding	75	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
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

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 2023	Proportion (%) of ownership interest 2022
Held through Tenderfresh Group Pte. Ltd.				
Ke Ai Ji F&B Pte. Ltd. [a]	Singapore	Provision of management services	75	75
Tenderbest Restaurants Pte. Ltd. [a]	Singapore	Provision of management services	75	75
Tenderfresh Fried & BBQ Chicken Pte. Ltd. [a]	Singapore	Central food processing centre	75	75
Held through Ke Ai Ji F&B Pte. Ltd.				
Ke Ai Ji (North) Pte. Ltd. [a]	Singapore	Sale of food products	75	75
Ke Ai Ji (East) Pte. Ltd. [a]	Singapore	Sale of food products	75	75
Ke Ai Ji (West) Pte. Ltd. [a]	Singapore	Sale of food products	75	75
Held through Tenderbest Restaurants Pte. Ltd.				
Tenderbest (East) Pte. Ltd. [a]	Singapore	Sale of food products	75	75
Tenderbest (West) Pte. Ltd. [a]	Singapore	Sale of food products	75	75
Held through Tenderfresh Fried & BBQ Chicken Pte. Ltd.				
Caterfresh Pte. Ltd. [a]	Singapore	Provision of food catering service	75	75
Sultan Burger Enterprise Pte. Ltd. [a]	Singapore	Wholesale of livestock, meat, poultry, eggs and seafood	75	75
TDF Food Pte. Ltd. [a]	Singapore	Manufacturing and processing of premix flour, premix seasoning and spices	75	75

(a) Audited by Ernst & Young LLP, Singapore

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, was paid by the Company to the Vendors or their nominees (including Tenderfresh Group) in accordance with the terms of the Acquisition Agreement during the financial year ended 30 September 2023.

From 1 October 2021 to 30 September 2022, Tenderfresh Group contributed revenue of $73,135,000 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:

	2022 **$'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
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

17. Investment in subsidiaries (cont'd)

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

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:

	2022 $'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) ***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 adjustment on consolidation are as follows:

Summarised consolidated statement of financial position

	Tenderfresh Group	
	2023	**2022**
	$'000	**$'000**
Current		
Assets	19,064	18,036
Liabilities	(13,089)	(13,484)
Net current assets	5,975	4,552
Non-current		
Assets	18,005	16,936
Liabilities	(6,415)	(4,454)
	11,590	12,482
Net assets	17,565	17,034

17. Investment in subsidiaries (cont'd)

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

Summarised consolidated statement of comprehensive income

	Tenderfresh Group	
	2023	**2022**
	$'000	**$'000**
Revenue	74,029	75,135
Profit before income tax	9,500	9,789
Income tax expense	(1,469)	(1,757)
Profit after tax, representing total comprehensive income	8,031	8,032

Other summarised financial information

	Tenderfresh Group	
	2023	**2022**
	$'000	**$'000**
Net cash flows from operations	15,228	15,018
Dividend paid on ordinary shares	(7,500)	(4,000)

18. Investment in an associate

	Group 2023 $'000	Group 2022 $'000
Investment in an associate	6,035	6,039
Investment in joint ventures (Note 19)	6,550	6,999
Investment in an associate and joint ventures	12,585	13,038

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

	2023 $'000	2022 $'000
Current assets	2,900	2,943
Non-current assets	30,048	30,495
Current liabilities	679	252
Non-current liabilities	8,056	8,946
Equity	24,213	24,240
Group's share in equity - 25% (2022: 25%)	6,053	6,060
Other adjustment	(18)	(21)
Carrying amount of the investment	6,035	6,039

18. Investment in an associate (cont'd)

Summarised statement of comprehensive income

	2023 $'000	2022 $'000
Revenue	1,233	1,224
Profit for the year	437	492
Total comprehensive income	437	492
Group's share of profit for the year, pre-tax	109	123
Taxation	(19)	(21)
Group's share of profit for the year, after-tax	90	102
Dividends received during the year	95	124

The associate had no contingent liabilities or capital commitments as at 30 September 2023 and 2022.

19. Investment in joint ventures

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

	2023 $'000	2022 $'000
Da Sun Food House Pte. Ltd. ("Da Sun")	1,108	1,118
Hong Kah Food Place Pte. Ltd. ("Hong Kah")	1,110	1,252
Jin Yuan 134 Food House Pte. Ltd. ("Jin Yuan")	701	736
Joo Seng Food Place Pte. Ltd. ("Joo Seng")	908	1,016
Sin Tong Hong Eating House Pte. Ltd. ("Sin Tong Hong")	1,030	1,094
Zhen Wei Food House Pte. Ltd. ("Zhen Wei")	1,693	1,783
	6,550	6,999

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	
			2023	2022
Held through Kimly Makan Place Pte. Ltd.				
Da Sun Food House Pte. Ltd. [(1)]	Singapore	Operating of coffee shop	49	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
2023							
Cash and cash equivalents	341	623	616	682	883	572	3,717
Trade receivables	–	29	–	11	2	1	43
Other current assets	73	209	51	122	67	133	655
Current assets	414	861	667	815	952	706	4,415
Non-current assets	260	505	81	61	4	462	1,373
Total assets	674	1,366	748	876	956	1,168	5,788
Current liabilities	179	757	147	259	346	334	2,022
Non-current liabilities	13	75	62	6	10	77	243
Total liabilities	192	832	209	265	356	411	2,265
Equity	482	534	539	611	600	757	3,523
Proportion of the Group's ownership	49%	49%	49%	49%	49%	49%	49%
Group's share in equity	236	262	264	299	294	371	1,726
Other adjustments:							
Lease assignment fees, net	872	899	437	664	730	1,322	4,924
Others	–	(51)	–	(55)	6	–	(100)
Carrying amount of the investments	1,108	1,110	701	908	1,030	1,693	6,550

19. Investment in joint ventures (cont'd)

Summarised statements of financial position (cont'd)

	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 comprehensive income

	Da Sun $'000	Hong Kah $'000	Jin Yuan $'000	Joo Seng $'000	Sin Tong Hong $'000	Zhen Wei $'000	Total $'000
2023							
Revenue	1,554	1,749	1,380	2,407	2,224	3,089	12,403
Operating expense	(1,278)	(1,322)	(999)	(1,895)	(1,638)	(2,432)	(9,564)
	276	427	381	512	586	657	2,839
Income tax expense	(21)	(51)	(50)	(72)	(96)	(110)	(400)
Profit after tax	255	376	331	440	490	547	2,439
Total comprehensive income	255	376	331	440	490	547	2,439
Group's share of profit for the year	125	184	162	216	240	268	1,195
Other adjustment:							
Amortisation of lease assignment fees	(86)	(106)	(50)	(102)	(83)	(163)	(590)
Group's share of profit for the year	39	78	112	114	157	105	605
Dividends received during the year	49	221	147	220	220	196	1,053

19. Investment in joint ventures (cont'd)

Summarised statements of comprehensive income (cont'd)

	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

20. Deferred tax

Deferred tax as at 30 September relates to the following:

	Consolidated statement of financial position		Consolidated statement of comprehensive income	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Deferred tax (liabilities)/assets				
Differences in depreciation for tax purposes	(472)	(606)	(134)	(203)
Difference in amortisation of intangible assets	–	(6)	(6)	(11)
Fair value adjustments on acquisition of businesses	(1,714)	(1,862)	(148)	(181)
Leases	495	545	50	(46)
Provisions	111	93	(18)	36
Unutilised tax losses	–	–	–	42
Unutilised capital allowances	–	61	61	39
	(1,580)	(1,775)		
Deferred tax expense			(195)	(324)
Reflected in the statement of financial position as follows:				
Deferred tax assets	233	212		
Deferred tax liabilities	(1,813)	(1,987)		
Deferred tax liabilities, net	(1,580)	(1,775)		

Tax consequences of proposed dividends

There are no income tax consequences (2022: $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	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Trade and other receivables (current)				
Trade receivables	3,306	1,952	–	–
Other receivables				
- Loans to employees	80	115	–	–
- Deposits	6,818	5,145	–	19
- Others	1,882	2,428	–	48
Loans to subsidiaries	–	–	101,362	98,295
GST receivable	–	–	5	3
Amount due from subsidiaries (trade)	–	–	4,231	2,833
Amount due from subsidiaries (non-trade)	–	–	483	1,616
	12,086	9,640	106,081	102,814
Other receivables (non-current)				
Loans to employees	65	43	–	–
Deposits	3,404	5,942	–	–
	3,469	5,985	–	–
Total trade and other receivables (current and non-current)	15,555	15,625	106,081	102,814
Add:				
Cash and cash equivalents (Note 23)	89,062	77,622	32,183	34,825
Less: GST receivable	–	–	(5)	(3)
Total financial assets carried at amortised cost	104,617	93,247	138,259	137,636

21. Trade and other receivables (cont'd)

A floating charge has been placed on rental receivables with carrying amounts of $18,800 (2022: $22,000) 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.

Amounts due from subsidiaries (trade)/(non-trade)

Amounts 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% (2022: 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.

Expected credit losses ("ECL")

As at 30 September 2023 and 30 September 2022, there is no allowance for expected credit loss of trade receivables computed based on lifetime ECL.

22. Inventories

	Group	
	2023	2022
	$'000	$'000
Consolidated statement of financial position:		
Raw materials and consumables, at cost	3,392	3,916
Consolidated statement of comprehensive income:		
Inventories recognised as an expense in cost of sales	89,241	93,059

During the financial years ended 30 September 2023 and 2022, there has been no inventory written-off or allowance for inventory obsolescence.

23. Cash and cash equivalents

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Cash at banks and on hand	57,573	49,340	694	6,543
Short-term deposits	31,489	28,282	31,489	28,282
	89,062	77,622	32,183	34,825

Cash at banks earn interest at floating rate. Short-term deposits are made for varying periods of between one to twelve months (2022: one to twelve 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 2023 for the Group and the Company were 3.42% (2022: 1.98%). 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 disposal transaction was completed on 15 December 2022 ("Completion").

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, net of transaction costs amounted to $2,514,000 and included in "Other operating income" (Note 5) in the consolidated statement of comprehensive income.

25. Trade and other payables

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Trade and other payables (current)				
Trade payables	10,396	10,193	–	–
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)	–	–	35,459	38,967
Contingent liability relating to Earn-out Consideration (Note 17)	–	4,000	–	–
Deposits from tenants	1,607	1,718	–	–
GST payable	3,484	2,947	–	–
Other payables	3,800	4,055	72	3
	27,554	32,674	35,531	38,970
Other payables (non-current)				
Deposits from tenants	1,114	1,021	–	–
Total trade and other payables	28,668	33,695	35,531	38,970
Add:				
Interest-bearing loans and borrowings (Note 27)	17,692	23,245	–	–
Accrued operating expenses (Note 26)	16,016	14,701	626	583
Less:				
GST payable	(3,484)	(2,947)	–	–
Total financial liabilities carried at amortised cost	58,892	68,694	36,157	39,553

25. Trade and other payables (cont'd)

There are no trade and other payables denominated in foreign currencies as at 30 September 2023 and 2022.

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	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Accrued operating expenses	16,016	14,701	626	583
Deferred revenue	84	259	–	–
	16,100	14,960	626	583

27. Interest-bearing loans and borrowings

	Group	
	2023	**2022**
	$'000	**$'000**
Current	786	1,138
Non-current	16,906	22,107
	17,692	23,245

		2023	**2022**
		$'000	**$'000**
	Maturity		
Bank loans			
Bank loan 1	2039	4,991	5,262
Bank loan 2	2040	2,530	2,650
Bank loan 3	2040	3,786	3,967
Bank loan 4	2040	3,444	3,607
Bank loan 5	2040	2,941	4,564
Bank loan 6	2040	–	3,195
Total interest-bearing loans and borrowings		17,692	23,245

All the bank loans are Singapore Dollars loans with effective interest rates ranging from 1.48% to 4.78% per annum (2022: 1.48% 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 (2022: 1.48% per annum for the first three years, and SORA in-advance + 3% per annum from fourth year onwards till maturity.).

27. Interest-bearing loans and borrowings (cont'd)

Bank loan 2 to Bank loan 4 bear interest at SORA in-advance + 1% per annum for the first two years, and SORA in-advance + 3% per annum from third year onwards till maturity (2022: 1.48% per annum for the first three years, and 3-months SIBOR + 3% per annum from fourth year onwards till maturity.).

Bank loan 5 bears interest at 4.38% for the first two years, and SORA in-advance + 3% per annum from third year onwards till maturity (2022: 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 a leasehold property and assignment of rental proceeds from the leasehold property. During the financial year ended 30 September 2023, the Group made partial repayment of $1,400,000 of the bank loan.

Bank loan 6
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. During the financial year ended 30 September 2023, the Group made full settlement of $3,039,000 of the bank loan.

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	2023 $'000
Interest-bearing loans and borrowings				
- Current	1,138	(1,114)	762	786
- Non-current	22,107	(4,439)	(762)	16,906
Total	23,245	(5,553)	–	17,692

	2021 $'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

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 2023 $'000	Group 2022 $'000
At 1 October	1,225	1,014
Acquisition of subsidiaries (Note 17)	–	365
Reversal of restoration costs	(142)	(30)
Reversal of provision in relation to acquisition of subsidiaries	–	(124)
At 30 September	1,083	1,225
Current	573	149
Non-current	510	1,076
	1,083	1,225

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 2023 No. of shares '000	2023 $'000	2022 No. of shares '000	2022 $'000
Issued and fully paid ordinary shares:				
At 1 October	1,250,003	316,145	1,198,787	297,451
Issuance of ordinary shares	–	–	51,216	18,694
At 30 September	1,250,003	316,145	1,250,003	316,145

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

29. Share capital, treasury shares and share-based compensation reserve (cont'd)

(b) ***Treasury shares***

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

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

The Company transferred 2,003,759 (2022: 1,384,560) treasury shares during the year pursuant to the Kimly Performance Share Plan at a weighted average price of approximately $0.27 (2022: $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	
	2023	2022
	$'000	$'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***

		2023	
	Note	Carrying amount $'000	Fair value measurement using significant unobservable inputs (Level 3) $'000
Group			
Assets			
Investment properties	14	6,653	6,700
Liabilities			
Interest-bearing loans and borrowings	27	17,692	18,168

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)***

		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

Determination of fair value

Management estimates the fair values 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 finishes.

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 (up to 15 December 2022). 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.

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.

32. Segment information (cont'd)

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.

2023	Outlet management $'000	Food retail $'000	Outlet investment business $'000	Others $'000	Adjustments and eliminations $'000	Note	Group $'000
Revenue							
Revenue from external customers	122,766	183,832	7,254	–	–		313,852
Inter-segment revenue	21,359	64,549	969	53,127	(140,004)	A	–
Total revenue	144,125	248,381	8,223	53,127	(140,004)		313,852
Results:							
Amortisation of intangible assets	(550)	(1,028)	–	–	–		(1,578)
Depreciation of investment properties	–	–	(143)	–	–		(143)
Depreciation of property, plant and equipment	(2,470)	(1,734)	(1,297)	(509)	–		(6,010)
Depreciation of right-of-use assets	(30,477)	(7,017)	(50)	(111)	–		(37,655)
Employee benefits expenses	(30,227)	(54,390)	(1,372)	(6,051)	–		(92,040)
Finance costs							
- Lease liabilities	(2,835)	(393)	(3)	(41)	–		(3,272)
- Loans and borrowings	–	–	(483)	–	–		(483)
Gain on derecognition of right-of-use assets	111	4	–	–	–		115
Gain on disposal of confectionary business	–	2,514	–	–	–		2,514
Gain on disposal of property, plant and equipment	154	–	–	–	–		154
Government grants	1,621	432	84	19	–		2,156
Impairment loss on right-of-use assets	(285)	–	–	–	–		(285)
Interest income from short-term deposits	125	220	10	1,045	–		1,400
Rental expense on short-term leases and low-value assets, net of rental rebates received	(1,492)	(1,842)	(81)	(4)	–		(3,419)
Reversal of impairment loss on property, plant and equipment	–	185	–	–	–		185
Share-based payment expenses (Kimly Performance Share Plan)	(188)	(146)	–	(213)	–		(547)
Share of profit of an associate and joint ventures	604	–	91	–	–		695
Write-off of property, plant and equipment	–	(2)	–	–	–		(2)
Segment profit/(loss)	17,569	35,526	1,206	(7,129)	–		47,172
Segment assets	108,979	107,054	75,209	42,588	–		333,830
Segment liabilities	(85,074)	(35,303)	(19,880)	(10,993)	–		(151,250)

32. Segment information (cont'd)

2022	Outlet management $'000	Food retail $'000	Outlet investment business $'000	Others $'000	Adjustments and eliminations $'000	Note	Group $'000
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 expenses	(29,826)	(53,296)	(1,348)	(5,796)	–		(90,266)
Finance costs							
- Lease liabilities	(3,289)	(312)	(2)	(41)	–		(3,644)
- Loans and borrowings	–	–	(364)	–	–		(364)
Government grants	773	371	53	77	–		1,274
Interest income from short-term deposits	–	–	–	147	–		147
Net gain on disposal of property, plant and equipment	44	22	–	43	–		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	572	–	102	–	–		674
Write-off of property, plant and equipment	–	(13)	–	–	–		(13)
Segment profit/(loss)	13,405	36,812	1,210	(7,557)	–		43,870
Segment assets	130,769	105,214	76,178	45,095	–		357,256
Segment liabilities	(114,069)	(35,898)	(25,274)	(15,238)	–		(190,479)

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	2 to 5 years $'000	Over 5 years $'000	Total $'000
Group				
2023				
Financial assets:				
Trade and other receivables	12,086	3,403	452	15,941
Cash and short-term deposits	89,062	–	–	89,062
Total undiscounted financial assets	101,148	3,403	452	105,003
Financial liabilities:				
Trade and other payables	24,070	1,114	–	25,184
Accrued operating expenses	16,016	–	–	16,016
Interest-bearing loans and borrowings	1,419	6,690	19,771	27,880
Lease liabilities	37,672	40,360	62	78,094
Total undiscounted financial liabilities	79,177	48,164	19,833	147,174
Total net undiscounted financial assets/(liabilities)	21,971	(44,761)	(19,381)	(42,171)

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	2 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	Total $'000
Company		
2023		
Financial assets:		
Trade and other receivables	106,076	106,076
Cash and short-term deposits	32,183	32,183
Total undiscounted financial assets	138,259	138,259
Financial liabilities:		
Trade and other payables	35,531	35,531
Accrued operating expenses	626	626
Total undiscounted financial liabilities	36,157	36,157
Total net undiscounted financial assets	102,102	102,102
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

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 4.75% (2022: 2.48%) lower/higher with all other variables held constant, the Group's profit before tax would have been $257,000 (2022: $574,000) 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 2023 and 2022.

35. Dividends

	Group and Company	
	2023	2022
	$'000	$'000
Declared and paid during the financial year:		
Dividends on ordinary shares:		
- Final exempt (one-tier) dividend for 2022: 1.12 (2021: 0.84) cents per share	13,936	10,437
- Interim exempt (one-tier) dividend for 2023: 0.56 (2022: 0.56) cents per share	6,958	6,962
- Special exempt (one-tier) dividend for 2022: Nil (2021: 0.60) cents per share	–	7,454
	20,894	24,853
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 2023: 1.12 (2022: 1.12) cents per share	13,895	13,922

36. Comparatives

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

Consolidated Statement of Comprehensive Income

	As previously reported $'000	Reclassification* $'000	As reclassified $'000
Cost of Sales	225,099	1,107	226,206
Administrative Expenses	28,897	(1,107)	27,790

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

37. Authorisation of financial statements for issue

The financial statements for the year ended 30 September 2023 were authorised for issue in accordance with a resolution of the directors on 5 January 2024.

Statistics of **Shareholdings**

As At 15 December 2023

SHARE CAPITAL

Number of Ordinary Shares in Issue		
(excluding treasury shares and subsidiary holdings)	:	1,240,550,409
Number of treasury shares held	:	9,452,172 (0.76%) *
Number of subsidiary holdings	:	–
Class of Shares	:	Ordinary
Voting Rights	:	One vote for each ordinary shares held

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

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	6	0.24	175	0.00
100 - 1,000	182	7.24	124,365	0.01
1,001 - 10,000	1,009	40.15	5,821,520	0.47
10,001 - 1,000,000	1,246	49.58	109,572,273	8.83
1,000,001 AND ABOVE	70	2.79	1,125,032,076	90.69
TOTAL	**2,513**	**100.00**	**1,240,550,409**	**100.00**

Statistics of **Shareholdings**

As At 15 December 2023

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	LIM HEE LIAT	493,915,165	39.81
2	PEH OON KEE	99,309,105	8.01
3	DBS NOMINEES (PRIVATE) LIMITED	95,556,772	7.70
4	NG LAY BENG	56,386,866	4.55
5	NG HAN KEOW	51,606,862	4.16
6	NG THIAN HOO	49,123,124	3.96
7	OCBC SECURITIES PRIVATE LIMITED	24,106,822	1.94
8	RAFFLES NOMINEES (PTE.) LIMITED	17,433,896	1.41
9	CHIA CHER KHIANG (XIE SHUQIANG)	16,513,391	1.33
10	WONG HONG KOON	11,640,860	0.94
11	PHILLIP SECURITIES PTE LTD	10,802,300	0.87
12	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	10,764,100	0.87
13	CITIBANK NOMINEES SINGAPORE PTE LTD	10,467,649	0.84
14	TAN CHING SAN	10,054,100	0.81
15	ONG EE HAR	9,800,000	0.79
16	NG SONG CHIAW	8,671,700	0.70
17	KOH WAH TECK	8,000,000	0.64
18	TAN PUAY LING	8,000,000	0.64
19	ANG LAY HIONG (HONG LIXIANG)	7,266,191	0.59
20	OW SOON POOH	6,845,850	0.55
	TOTAL	**1,006,264,753**	**81.11**

Statistics of **Shareholdings**

As At 15 December 2023

SUBSTANTIAL SHAREHOLDERS AS AT 15 DECEMBER 2023

As recorded in the Register of Substantial Shareholders

Name of shareholder	Direct Interest	%	Deemed Interest	%
LIM HEE LIAT	493,915,165	39.81%	–	–
PEH OON KEE	99,309,105	8.01%	–	–
NG LAY BENG	56,386,866	4.55%	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 15 December 2023, 46.56% 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**

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**" or "**Meeting**") of the Company will be held at The Grassroots' Club, 190 Ang Mo Kio Avenue 8, Singapore 568046 on Wednesday, 24 January 2024 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 2023 and the Auditor's 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 2023. **(Resolution 2)**

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

   Mr Lau Chin Huat **(Resolution 3)**
   Mr Lim Teck Chai, Danny **(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 2024 (FY2023: 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 Catalist**") and notwithstanding the provisions of the Constitution of the Company, to:

(a) (i) issue shares in the capital of the Company ("**Shares**"), whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, the "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares; and/or

(iii) (notwithstanding that the authority conferred by this resolution may have ceased to be in force) issue shares in pursuance of additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or other capitalisation issues, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit,

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

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

PROVIDED THAT:

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

(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

9 January 2024

Explanatory Notes:

(i) **Resolution 3** is to re-elect Mr Lau Chin Huat ("**Mr Lau**") as a Director of the Company. Mr Lau, upon re-election, will remain as the Non-Executive Independent Chairman of the Company, Chairman of the Nominating Committee and a member of the Audit Committee and the Remuneration Committee of the Company. Mr Lau will be considered independent for the purposes of Rule 704(7) of the Rules of the Catalist.

Resolution 4 is to re-elect Mr Lim Teck Chai, Danny ("**Mr Danny Lim**") as an Independent Director of the Company. Mr Danny Lim, upon re-election, will remain as the Independent Director of the Company, Chairman of the Remuneration Committee and a member of the Audit Committee and the Nominating Committee of the Company. Mr Danny Lim will be considered independent for the purposes of Rule 704(7) of the Rules of the Catalist.

The information relating to Mr Lau Chin Huat and Mr Lim Teck Chai, Danny as required under Rule 720(5) of the Rules of Catalist is set out from pages 59 to 65 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 7, 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. The AGM of the Company will be held at The Grassroots' Club, 190 Ang Mo Kio Avenue 8, Singapore 568046 ("**Physical Meeting**"). Shareholders and other attendees who are feeling unwell on the date of the AGM are advised not to attend the Physical Meeting.

2. Printed copies of this Notice of AGM and the relevant proxy forms will be sent to members, and the electronic copies of which will be posted on the Company's corporate website at the following URL: https://kimlygroup.sg and on the SGX-ST's website at the following URL: https://www.sgx.com/securities/company-announcements.

3. Authenticated shareholders and proxy(ies) will be able to ask questions in person at the Physical Meeting. Arrangements have also been put in place to permit shareholders to submit their questions ahead of the AGM. Please refer to Notes 13 and 14 below for further details.

4. Live voting by poll will be conducted during the AGM for shareholders and proxy(ies) attending the Physical Meeting.

Voting by proxy

5. A member 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 at the AGM. 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.

6. 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.

7. A proxy need not be a member of the Company.

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

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

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

   in either case, no later than 3.00 p.m. on 21 January 2024 ("**Proxy Deadline**"), **being seventy-two (72) hours before the time appointed for the AGM**.

9. 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.

10. 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.

11. Investor who holds shares under the Central Provident Fund ("**CPF**") Investment Scheme and/or the Supplementary Retirement Scheme ("**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. 15 January 2024 at 5.00 p.m.).

12. 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.

Submission of questions prior to the AGM

13. 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.

14. To do so, all questions must be submitted no later than 3.00 p.m. on 17 January 2024 through any of the following means:

    (a) 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

    (b) 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.

15. 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, or otherwise at the AGM. 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.

Personal data privacy:

By submitting a Proxy Form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, 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) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that 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
(Incorporated in the Republic of Singapore)
(Company Registration No. 201613903R)

Proxy Form

This Proxy Form has also been made available on SGXNET at the following URL: https://www.sgx.com/securities/company-announcements and the Company's website at the following URL: https://kimlygroup.sg

IMPORTANT:
1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting ("**AGM**" or "**Meeting**") and vote (please see note 4 for the definition of "relevant intermediary").
2. For investors who have used their ("**CPF**") monies to buy the Company's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
3. An investor who holds shares under the CPF 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. 15 January 2024 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 at The Grassroots' Club, 190 Ang Mo Kio Avenue 8, Singapore 568046 on Wednesday, 24 January 2024 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 2023			
2.	Approval of Tax Exempt One-Tier final dividend of 1.12 Singapore cents per ordinary share for the financial year ended 30 September 2023			
3.	Re-election of Mr Lau Chin Huat as a Director			
4.	Re-election of Mr Lim Teck Chai, Danny as a Director			
5.	Approval of Directors' fees of up to S$200,000 for the financial year ending 30 September 2024			
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 2024

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. 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.

3. 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.

4. 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.

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

   a. 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

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

   in either case, **no later than 3.00 p.m. on 21 January 2024 ("Proxy Deadline"), 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.

6. Completion and return of this instrument of proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

7. 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.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967 of Singapore.

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 9 January 2024.

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.

Annual Report 2023

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

13 Woodlands Link
Singapore 738725

https://kimlygroup.sg