ABR HOLDINGS LIMITED

35 years of Family Treats

Annual Report 2014

Contents

About Us

ABR Holdings Limited ("ABR") began as the owner and operator of the first full-service Swensen's ice cream restaurant in Singapore back in 1979. The Swensen's brand, with over 20 restaurants in Singapore, remains one of the market leaders in the western casual dining category and one of the preferred choices in good value family dining.

Beyond Swensen's, we also manage and develop a portfolio of well-known food and beverage companies and brands. These include Season Confectionary & Bakery, Season's Café, Gloria Jean's Coffees, Hippopotamus Restaurant Grill, Yogen Früz, Tip Top Curry Puffs and Oishi Japanese Pizza.

FY2014 marks our 35th year of brand building and development in the Food & Beverage ("F&B") industry. For the past 35 years, we have continuously honed our craft in managing, developing and offering families in Singapore and the region quality F&B selections that cater to the palates of everyone - young and old. As Singapore celebrates 50 years of nation building, our brands, in particular Swensen's, have come of age, growing and maturing alongside generations of Singaporeans. Moving forward, we will continue to develop and evolve our brands and offerings to ensure that our customers continue to enjoy each and every experience with us, and for many more years to come.

Message from the Executive Chairman and Managing Director

Ang Yee Lim
Managing Director

Chua Tiang Choon, Keith
Executive Chairman

Message from the Executive Chairman and Managing Director

It gives us great pleasure in presenting you with the Annual Report of the Group for the financial year ended 31 December 2014 ("FY2014") and to share with you that overall, the Group put up a reasonable performance and maintained a stable level of profit.

Our results for FY2014 are fair, considering the multitude of challenges that we continued to face in our operations during the year. Operating costs continue to rise, resulting in pricing pressures that have compelled us to strategically review our operations and strategise on the issues of productivity, cost of ingredients and rental prices in order to maintain profitability. In addition, tighter policies on the employment of foreigners have reduced supply of manpower for the service sector. The F&B sector is one that depends heavily on manpower. In mitigating this problem, the Group continues to invest in training and motivating our people in the hope of achieving higher levels of productivity and staff retention. We remain committed to exploring a spectrum of innovative solutions to alleviate our manpower issue.

As there are few barriers to entry for the F&B industry, aspiring restauranteurs have mushroomed across the island. In the face of intense competition from these new players, our strategies have proven resilient. Backed by our rich heritage and over 35 years of operating experience, the strong recognition of our brands has earned us loyal customers. So even though the economic road to recovery has been slow, we are proud to have remained the choice of many loyal customers who have grown alongside our business over the past 35 years, as was revealed when Swensen's won the accolade of "Top Brand" in a study conducted by the Brand Alliance of Singapore on the insights to Generation Y's buying behavior and their preferred brands. This is significant to the Group as it validates the efforts, strategies and directions that have taken us thus far and fortifies our position as a leading operator of F&B brands in Singapore and Malaysia.

Against this backdrop, we posted higher revenue and maintained earnings for FY2014. Group revenue for FY2014 edged up 4% to S$102.5 million compared to S$98.2 million achieved in FY2013. The rise in revenue is mainly contributed by our operations in Singapore which was boosted by additional contributions from new outlets which opened in 2014 and the later half of 2013. Our Malaysia operations also contributed higher revenue in FY2014.

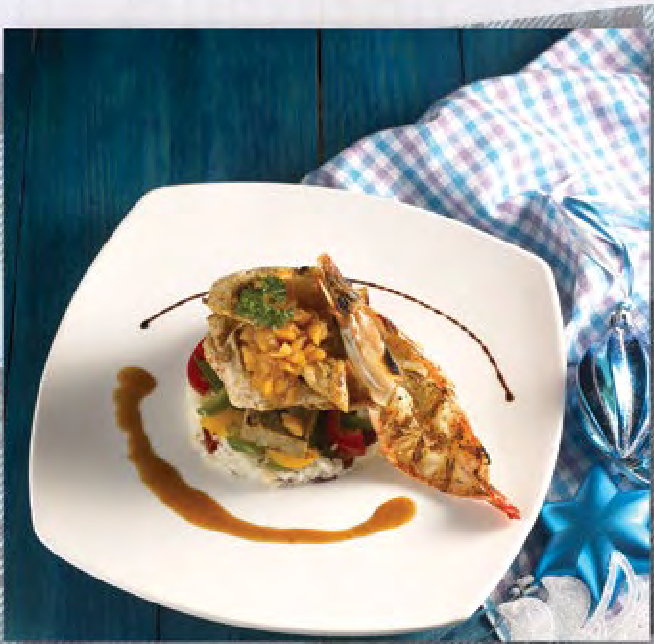
Group profit before tax registered at S$9.4 million in FY2014, a marginal decrease from FY2013. The dip in profit was due to the recognition of a one-off income arising from the waiver of debts by a former shareholder of a subsidiary in FY2013. The restaurant operation in Singapore, as the main profit contributor, managed to achieve a slight improvement in profit contribution. Our Malaysia operations also registered increased profit contribution in FY2014.

The Group recorded a profit after tax of S$7.5 million for FY2014, a slight reduction of 4% from S$7.8 million recorded in FY2013, due mainly to higher provision for tax expense in FY2014. After deducting the share of losses attributable to non-controlling interests, the Group recorded a profit attributable to owners of the Company of S$7.9 million, 6% lower when compared to S$8.5 million in FY2013.

Prospects

Market sentiments in the current year appear to be mixed, with modest growth expected of the Singapore economy. Even so, the Group is prepared and confident of meeting the challenges ahead as we maintain a clear focus on implementing our business strategies. Our strong cash position ensures that we are poised to benefit from any potential growth opportunities that might come our way during the year.

Message from the Executive Chairman and Managing Director



In FY2014, while our key brands performed well, we proceeded to consolidate our non-performing brands in order to realign our resources to focus on our profitable and viable brands. We have scaled down the operation of Gloria Jean's Coffees, closed our remaining Oishi Japanese Pizza outlet and closed our Teppanyaki restaurants in China, in a move towards improving the overall profitability of the Group.

Moving forward, we will continue to hone our business strategies to sharpen our competitive edge by ramping up cost rationalisation measures, improving productivity and developing interesting and innovative marketing initiatives to bolster our leading position as "Top Brand" and the preferred choice for good quality affordable family dining.

We mentioned in our Annual Report for FY2013 that in seeking to grow the Group beyond its traditional businesses and to bring greater value to the Group, the Board of Directors recommended that the Group diversifies into the property business. To this end, an Extraordinary General Meeting was held on 29 April 2014 where shareholders approved the diversification of our business portfolio to include property and development as an additional core business of the Group. While we have yet to commit any specific investment as at this date, the Group continues to actively explore a variety of property and development opportunities.

As part of the Group's corporate growth strategy, this diversification aims to carve out a new stream of revenue, improve its prospects, enhance shareholders' value and create long term growth for the Group. Notwithstanding the challenges facing the property market and having undergone in-depth evaluation of the industry, we remain optimistic about its long term prospects and will endeavour to take advantage of any viable opportunities in the pipeline.

Acknowledgements

In FY2014, the vision and leadership of our Board of Directors continued to steer us towards the achievement of our long term goals. We are grateful and sincerely thank you for your guidance and counsel. To our employees and staff, your invaluable commitment and devotion to the Group are greatly appreciated. To our customers, partners and shareholders, we thank you and look forward to your continued support as we embark on the next 35-year journey.

Chua Tiang Choon, Keith
Executive Chairman

Ang Yee Lim
Managing Director

Operations Review

Backed by a rich operating heritage spanning the last 35 years, the ABR Group (the "Group") has grown to become one of Singapore's leading operators of food and beverage ("F&B") brands, comprising Swensen's, Earle Swensen's, Season Confectionary & Bakery, Season's Café, Tip Top Curry Puffs, Gloria Jean's Coffees and Hippopotamus restaurant.

For the financial year ended 31 December 2014 ("FY2014"), the Group once again delivered a set of reasonable results despite being faced with significant headwinds such as challenging market conditions, weak consumer sentiments and intense competition in the F&B industry.

Review of the Group

Group revenue for FY2014 increased by 4% to S$102.5 million when compared to S$98.2 million for the same period last year ("FY2013"). The increase was largely from the Group's operations in Singapore and was mainly attributable to the additional contributions from new outlets opened in 2014 and the second half year of 2013. The Group's Malaysia operations also contributed higher revenue in FY2014.

Group profit before tax for FY2014 was S$9.4 million, marginally lower than FY2013. The lower profit before tax was mainly attributed to the recognition of a one-off other income arising from the waiver of debts by a former shareholder of a subsidiary in FY2013. The restaurant operations in Singapore was the main profit contributor and managed to achieve a slight improvement in profit contribution. The Group's operations in Malaysia also recorded improved profit contribution in FY2014.

Group profit after tax for FY2014 was S$7.5 million, a reduction of 4% when compared to S$7.8 million in FY2013, due mainly to higher provision for tax expense in FY2014. After deducting the share of losses attributable to non-controlling interests, the Group recorded a profit attributable to owners of the Company of S$7.9 million, 6% lower when compared to S$8.5 million in FY2013.

SWENSEN'S & EARLE SWENSEN'S

Swensen's opened its first restaurant in Singapore at Thomson Plaza in 1979. Set amidst a friendly and inviting atmosphere, it soon won the hearts of many as friends and families gathered for hearty meals to celebrate special occasions or simply to enjoy one another's company over a dazzling array of ice cream and sundaes. Over the past 35 years, Swensen's has developed into a household name with more than 20 full-service restaurants across the island, serving an all-day menu of food, desserts, beverages, ice cream cakes and takeaway novelties.

Earle Swensen's was created in 2006 to provide our customers a fresh and innovative dining concept. The first outlet at Vivo City marries a full range of signature ice creams and sundaes with an extensive range of specialty grilled entrees. To meet the growing demand for healthier dining options, we offer our customers a wide variety of salad choices ranging from fresh compound salads, mixed greens and garnishing, to fruits and homemade dressings.

Review

In the year under review, the key challenges of our operating environment remained prevalent: rental costs, human capital, and the increase in raw material costs. Against the backdrop of such challenging market conditions and intense competition in the F&B industry, our Swensen's business unit still managed to maintain its profitability level in FY2014. The reasonable set of results in FY2014 was brought about by increased traffic volume entering our restaurants and also our commitment to effect refinements in our operations in order to drive productivity and efficiency gains.

During the year, our business strategies focused on the following three key areas of our operations: developing productivity initiatives, enhancing the dining experience, and maintaining a strong focus on the development of our human capital.

Developing Productivity Initiatives

In the year under review, the implementation of productivity initiatives continued throughout the year. These involved refining and streamlining the workflow processes on the service floor at our restaurants, which in turn enhanced efficiency and maximised sales potential at the front line. The team is also in the process of leveraging on IT solutions to improve productivity. Work is underway to introduce the latest integrated POS System with cloud-based solutions, and an automated feedback system to replace the traditional

Operations Review

paper-based feedback system. Moving forward, there will be continued emphasis on productivity initiatives, as we push ahead into 2015 and beyond.

Enhancing the Dining Experience

2014 marked the 35th anniversary of Swensen's in Singapore. In line with the theme "35 Swensational Years", a host of marketing and promotional activities were activated to reward customers for their patronage and to reinforce Swensen's as the long-standing preferred brand name in family dining among Singaporeans.

For both Swensen's and Earle Swensen's, regular thematic food promotions were launched throughout the year to offer customers exciting new tastes and flavours. Our Fortune Yu Sheng promotion in early 2014 saw a refreshing new creation being tossed up. This was followed by a series of interesting and delectable promotions, including Pasta La Vista pasta offer, U.S. Southern Barbecue Grill Masters menu and Rolling in the Deep lobster rolls, which feature new items with premium ingredients at value-for-money prices. An exciting Underwater Adventure kid's menu with an exclusive paper SubmaRay toy which comes with every order was also launched to cater to our young customers.

In line with the trend for a healthier lifestyle, Swensen's was among the first to work with the Health Promotion Board ("HPB") in its One Million KG Challenge. Swensen's was appointed an official Healthier Dining Partner and we revamped our menu in July 2014 to offer diners more lower calorie and whole grains meal options.

In addition to our extensive range of traditional ice creams, we launched a new range of fine gelato at Swensen's ION Orchard in March 2014. In July 2014, Swensen's introduced a unique Super Nasi Lemak sundae which was inspired by the creative minds of the winning team from the Nanyang Polytechnic - Swensen's Ice Cream Competition finale held in January 2014.

Ice cream cakes featuring Disney's animated movie, Frozen, were launched in June 2014 and proved to be a big hit with our customers. Ice cream log cakes featuring Disney's Frozen were also sold out weeks before Christmas in 2014.

Increased emphasis was also placed on the look and feel of our restaurants in order to continually appeal to our diners' overall dining experience. The new generation Swensen's restaurants offers a refreshed, updated and inviting ambience that has proven to appeal to our customers. In addition, we installed shop-front digital signage at all our Swensen's and Earle Swensen's restaurants to attract customers by showcasing videos and animated images of our products and menu offering. These have proven to serve as effective tools of communication at our points-of-sales.

Human Capital Development

Human capital continued to be a key contributor to operating costs within the F&B industry. This is an ongoing issue that the Group has had to address and will have to continue managing in the foreseeable future. We strongly believe that the key to effectively manage our human capital is to retain a core group of loyal and long serving employees and to be able to continue to attract locals into our workforce.

The key objectives of our staff development strategy were to enhance the effectiveness of our employees and to motivate and incentivise so as to improve staff retention. Achieved through constant training and motivational programmes, our staff development efforts translated into a better trained team of people who are proud of their jobs.

Operations Review

Extending Our Reach

In the year under review, we continued to expand our geographical footprint into Singapore's highly populated heartlands. During the year, new Swensen's restaurants opened their doors to the public at E!hub @ Downtown East and The Seletar Mall in August and November 2014 respectively.

In 2014, our efforts in engaging the online media, bloggers, influencers and social media generated very encouraging results. Our number of Facebook fans rose more than 60% and online participation was further enhanced with the introduction of monthly contests using dedicated Facebook applications. Food tasting sessions for food, parenting and lifestyle bloggers has now formed an integral part of our communication efforts as influencers play a critical role on where customers choose to dine.

Further leveraging on the extensive reach of the digital platform, a commemorative e-album was published online comprising video snippets that feature customers and staff who have been an integral part of Swensen's growth and development through the past 35 years. In addition, new Swensen's mascots, *Scoopies*, were launched featuring five ice cream characters, each with its own unique character representing a signature all-time favourite ice cream flavour. Customers celebrating birthdays at Swensen's restaurants were treated to "selfies" or "wefies" taken with the *Scoopies*, reinforcing the Swensen's brand as the place to celebrate and where "happiness never melts".

Beyond Singapore, our regional footprint extended to Malaysia, Brunei and the People's Republic of China. We supported our franchise partners with continuous training in-market visits, and the sharing of product and marketing plans. We will continue to develop existing and new markets to further strengthen our brand awareness overseas.

Outlook

Despite an increasingly challenging operating environment, we remain committed to our core values of enhancing our customers' dining experience.

The Group intends to selectively expand the footprint of Swensen's and Earle Swensen's in 2015. Going forward, there may be better opportunities as more supply of commercial space comes into the market. Our menus will also be revamped with a fresh new breakfast menu and kid's menu.

The global outlook for 2015 continues to be uncertain. Sales opportunities may therefore be flat but the Group will endeavour to maintain its market share and to continue to achieve greater efficiency in all areas of our business.

Operations Review

SEASON CONFECTIONARY & BAKERY AND SEASON'S CAFÉ

The Season brand dates back to the year 1975 when it began as a small bakery and cake shop in Taman Sentosa, Johor Bahru. Over the years, the brand has developed and is well-known for its freshly baked cakes, bread, confectionery, quality pastries and its mooncakes, a must-have during the celebration of the lunar Mid-Autumn Festival.

Backed by almost 40 years of rich operating history and experience, Season Confectionary & Bakery and Season's Cafés have become a well-known name with over 20 outlets strategically located within prime residential areas and popular shopping complexes across Johor Bahru city.

Review

For FY2014, Season Confectionary & Bakery achieved an increase in revenue of 8% over the preceding year, while Season's Café recorded an increase of 7% over FY2013. Both business operations registered improved profit contribution when compared to FY2013.

During the year, our efforts to increase productivity by harnessing innovation and technology led to investments in new technologically advanced equipment and machinery. These investments in turn led to heightened productivity and an improvement in the quality of our confectionery and bakery products.

For Season Confectionary & Bakery, new cake flavours and bun varieties were introduced regularly to sustain the novelty of our product offerings and to keep our customers coming back. Our range of premium cakes continued to garner much appeal. In addition, our mooncakes received a facelift in order to target and draw our younger customers into the celebration of an otherwise traditional cultural festival. Our attractively designed and packaged Disney range of mooncakes featured well-loved Disney characters and enjoyed widespread interest from both the young and old.

Capitalising on the speed and reach of the digital platform, product launches and promotions during festivals such as the Chinese New Year and Mid-Autumn Festival offers were featured online. Our marketing efforts have proven to be successful. While traditional channels of marketing such as promotional leaflets, discount coupons and press advertisements continue to be instrumental to our marketing initiatives, the digital medium has significantly increased our mileage, especially with the younger demographic customers of Malaysia.

Throughout FY2014, a host of marketing initiatives were implemented in order to increase our sales. At Season's Café, we repeated the highly popular 1-for-1 and "MyDeal" promotions, refined our set and special menus, and rolled out the 39% discounts to celebrate Season's 39th Anniversary. We also launched a new menu for the café in June 2014. These initiatives successfully enhanced our sales for the year.

In the year under review, we continued to face challenges in our operating environment. Rising labour and rental costs continue to impact our businesses in Malaysia.

Outlook

Over the past few years, Season Confectionary & Bakery has continued to open new outlets across Johor Bahru as part of its expansion strategy. In April 2014, the brand's most recent outlet opened at Setia Indah, at the heart of Iskandar Malaysia, Johor Bahru, and has already begun contributing to the Group's sales and profit.

We anticipate that developments in the Iskandar area, such as the opening of Traders Puteri Harbour, Double Tree by Hilton and Angry Bird Themepark, as well as the expansion of LegoLand with Waterpark and Phase 2 of the Johor Premium Outlets, would generate new and exciting opportunities.

Operations Review

Looking ahead, our operating environment remains challenging. In mitigating these challenges, we will continue to strengthen our brand position by applying creativity and innovation to our menu, products and marketing efforts while seeking to expand our footprint. Operationally, we will spare no efforts in our continuous endeavours to achieve higher levels of productivity whilst continuing to invest in human capital and product development.

TIP TOP CURRY PUFFS

Tip Top Curry Puffs began as a stall selling only curry puffs back in 1979. Over the years, its iconic flavour has grown in popularity and the Tip Top brand has became a well-known name. Its recipe features simple ingredients that combine to create a unique and traditional home-cooked flavour, well-loved by many from across a variety of cultures and races.

Review

During the year, in our commitment to offer customers only the best, Tip Top focused on fine-tuning the quality of our puffs - both the pastry and fillings, to ensure long term consistency, true to its traditional recipe and aligned with its original taste.

In 2014, our efforts to expand our menu of product offerings resulted in the introduction of two new puff flavours - Chicken Tom Yum and Nonya Beef Rendang as promotional items. Both flavours were so well received by customers that we decided to keep them as regular offerings on our menu.

In creating a unique look and feel for the Tip Top brand, we have developed a new and updated brand image which has been applied to the façade and interior of our new outlets. For consistency and to reinforce our brand identity, we are currently in the process of integrating the design elements into our marketing collateral and at various consumer touch points.

In the year under review, marketing efforts for Tip Top include the launch of our new website www.tiptopcurrypuff.com.

In the final quarter of FY2014, we undertook a public relations campaign targeted at food and lifestyle bloggers and managed to garner support from over 25 bloggers who mentioned the brand on their respective social media platforms. The focus of this campaign was to introduce our Nyonya Beef Rendang puff and to increase awareness of the Tip Top brand.

In December 2014, we leased a booth at the high-traffic Takashimaya in Ngee Ann City where we promoted our signature chicken curry and sardine puffs by retailing them at a very attractive price. The response to this promotion was overwhelming.

In 2014, we successfully opened new Tip Top outlets at the strategic locations of One Raffles Place in the heart of the Central Business District ("CBD") and Aperia Mall, a newly completed office building incorporating a shopping mall located on the fringe of the CBD, flanked by the high volume of traffic along Jalan Besar and the Kallang Bahru industrial area.

Outlook

Moving into 2015, we opened 2 new outlets at Seletar Mall in the northern part of Singapore and Changi Airport Terminal 3 Transit. We will continue our efforts in growing the Tip Top brand in Singapore.

Operations Review

HIPPOPOTAMUS RESTAURANT

Created in Paris, France in 1968, the Hippopotamus restaurant has gained a strong reputation for offering the widest selection of cuts from the popular Sirloin, Tenderloin and Rib Steak, to the rare Hanger and Skirt Steaks. Our Hippopotamus restaurant welcomes diners in a contemporary authentic Parisian setting. The friendly ambience is conducive for a relaxing meal, making Hippopotamus a choice gathering place for a hearty meal with family and friends.

In 2014, Hippopotamus continued to leverage on its expanded network of partners to reach out to customers. During the year, we also focused on expanding our menu to cater to a wider group of patrons. Despite the proliferation of steakhouses in Singapore, Hippopotamus has been able to reinforce its position within the market by promoting quality, unique steak cuts at affordable prices.

GLORIA JEAN'S COFFEES

Gloria Jean's Coffees was established over 30 years ago. Today, the brand is a global icon with outlets in over 20 countries. Gloria Jean's Coffees serves coffee of premium quality using only premium hand-picked Arabica whole coffee beans roasted to a proprietary blend.

Faced with a very competitive coffee and café landscape, aggravated by the challenges of increased manpower and rental costs, we closed our Anson Road outlet at the end of December, leaving just one remaining outlet at Plaza Singapura mall. We will review the business environment before deciding on our next course of action.

PROSPECTS

While Swensen's and Season will continue to be the main drivers of growth, increased emphasis has been placed on Tip Top in 2014 and beyond, as management is confident there is yet untapped potential in this brand.

Moving forward, the Group expects the operating environment in the F&B industry to remain challenging. Besides strong competition, rising operating costs, in particular from rental and human capital, will continue to exert pressure on our profit margin. The Group will remain focused on driving revenue, managing operating costs and improving productivity and efficiency. Where possible, we will explore the deployment of automation and innovation to help raise productivity and further improve efficiencies within our manufacturing processes.

In extending our reach, we will continue to consolidate the existing outlets and rationalise our product mix to better meet the expectations of our target customers.

Efforts will be made to continually improve the façades and interior of our restaurants and retail outlets and strategically locate new ones where there is clear growth potential.

Corporate Social Responsibility

As the ABR Group grows from strength to strength over the years, we are always conscious that at the heart of the restaurants and F&B brands that we own and manage are the values of family, friends and community togetherness.

Giving back to the community is something we hold very dear to our hearts. As we continually create value for our stakeholders, we are keenly aware that there are many within our community who are less fortunate in a variety of ways and may not have much to celebrate. Over the years, our community building efforts have ranged from helping the less fortunate by enabling them to celebrate special occasions such as birthdays, to making education more easily accessible to those with special needs.

In the year under review, the Company once again took part in the Work Experience Program ("WEP") organised by the Association for Persons with Special Needs ("APSN"). The Company has been actively participating in this charity program since 2008 in which Swensen's restaurants become the training ground for students aged 16 and above from Delta Senior School to experience real-life on-the-job training.

In close collaboration with Delta Senior School, Swensen's set up an on-campus Swensen's training café in July 2013 to better prepare students for work by enhancing their employability. In 2014, we continued to render technical support and resources for the training café. In addition, graduates from Delta Senior School are also being employed at Swensen's.

In 2013, the Company initiated the Metta "School-to-Work Program", a student work attachment program whereby students are placed in a real work venue to train and prepare themselves for the economically active workforce. This program was once again conducted in 2014. On 20 January 2015, the Company signed a Memorandum of Understanding with Metta School to extend our partnership to 20 Dec 2017.

Corporate Social Responsibility

Since 2005, Swensen's has been sending ice cream birthday cakes to children who are beneficiaries of Club Rainbow to celebrate their birthdays. In 2014, a total of 578 cakes were sponsored. Annually, Swensen's sponsors Club Rainbow's fund raising initiatives such as the Ride for Rainbows cycling marathon.

During the year, ABR continued to sponsor the Swensen's - Nanyang Polytechnic Scholarship and the ABR Prize for Ngee Ann Polytechnic to benefit needy and deserving students.

In April 2014, ABR was the first F&B chain to raise S$13,135 from 35% of the sales of its Local Infusions range of sundaes to fund the SG50 Care & Share movement lead by the Community Chest. The proceeds were matched dollar-for-dollar by the Government and will go towards supporting social services.

In August 2014, ABR and its business partners donated S$10,000 towards funding the various activities organised by Henderson Home which provides residential care for senior citizens. In addition, our staff volunteered to spend a fun-filled afternoon on 29 August 2014 with the elderly residents of Henderson Home. The afternoon began with lunch at the grand opening of the Swensen's restaurant at E!hub @ Downtown East. Following that, our staff volunteers accompanied their guests on their shopping spree, armed with complimentary NTUC FairPrice shopping vouchers.

In December 2014, ABR collaborated with its business partners and various social organisations to raise funds for the Caregivers Alliance Limited ("CAL") which is the sole professional non-profit organisation in Singapore dedicated to meeting the needs of caregivers of persons with mental illness. The Company also worked with intermediary social organisation, The Social Co., which is responsible for "50 for 50". The Social Co. matched the contribution of S$25,000 raised by the Company and its partners, bringing the sum of the proceeds to S$50,000. This amount was further matched dollar-for-dollar by the National Council of Social Services, contributing a total of S$100,000 to CAL.

Human Capital

Throughout our 35 years of operations, a key area of focus for the ABR Group has always been the development of our people, and it is particularly noteworthy that we have a significant pool of long-service staff, some of whom have been with us for almost three decades.

In recent years, new and tighter hiring policies pertaining to foreigners have been implemented by the Singapore Government, rendering human capital an increasingly scarce resource here in Singapore. This has compelled the Group to place increased emphasis on training, developing and retaining a core team of highly effective and efficient workforce that will play an instrumental role in raising productivity of our operations.

In FY2014, training focused on the areas of work knowledge and service excellence skills. These were taught and reinforced through a variety of training programs such as "WSQ Basic Food Hygiene", "Fountain Training", "Service Performance Assessment Training", "Managing Guest Expectations" and "OJT - Prepare for Service".

In addition, we also participated in training programs offered by some of our partners and associates, including "QSM Go-The-Extra Mile" organised by Changi Airport T2, the "WSQ Service Excellence Course, Powered by Disney Institute" organised by Ang Mo Kio Hub and the "Jurong Point Step-Up" program organised by Jurong Point Mall.

Recruitment

In our constant search for new talent to join the Group, we participated in a total of seven recruitment fairs in 2014, mainly organised by the Community Development Councils ("CDCs"), SPRING Singapore and the Association of Small and Medium Enterprises ("ASME").

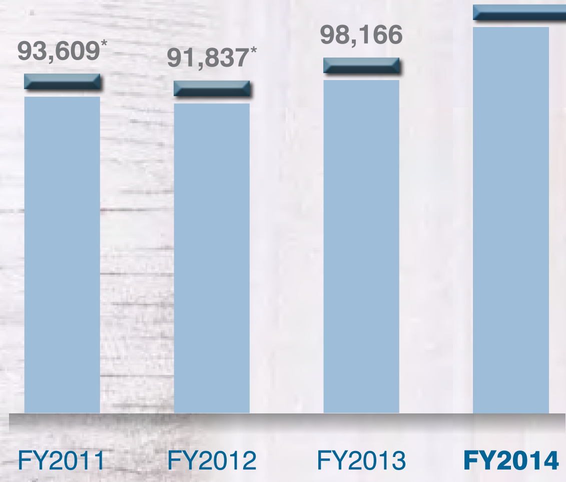
As we believe in cultivating a healthy and inclusive work culture, the Group employs persons with disabilities and marginalised individuals, and as at December 2014, these employees make up 5% of our total full-time service staff.

Health Awareness Programme

The health and fitness of our workforce is a primary concern for the Group as this affects our productivity levels and the well-being of our people. In our efforts to encourage our people to adopt healthy lifestyles, the Group participated in two health awareness programmes conducted in 2014, the first of which was the National Kidney Foundation ("NKF") Annual Health Screening which garnered keen participation from our people.

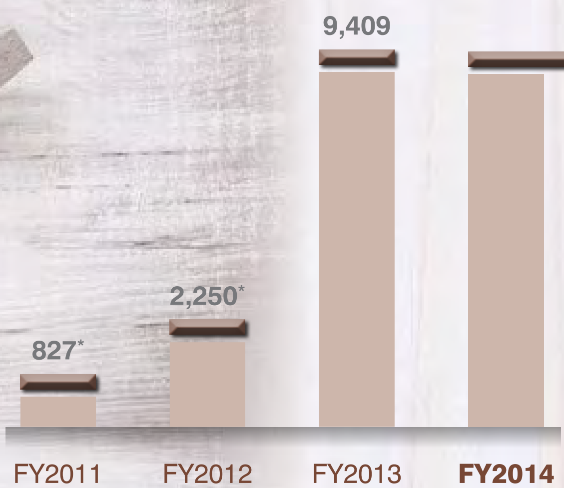
This was followed by the "1 Million Kilogram Challenge" organised by the Health Promotion Board ("HPB") in April 2014. The challenge was designed to encourage employees to embrace a healthier lifestyle by adopting exercises most suited to them based on their respective Body Mass Indices ("BMI") and at a measured pace.

Financial Highlights



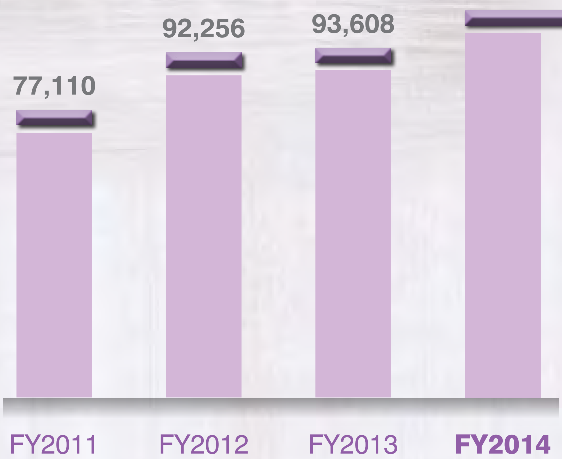
102,519

Revenue ($'000)



9,351

Profit Before Tax ($'000)



96,532

Shareholders' Equity ($'000)

** From continuing operations*

Financial Highlights

For the Year ($'000)

	FY2014	FY2013	Change
Revenue	102,519	98,166	4%
Profit Before Tax	9,351	9,409	(1%)
Profit for the Year	7,523	7,796	(4%)
Profit Attributable to Owners of the Company	7,906	8,451	(6%)

At Year End ($'000)

	FY2014	FY2013	Change
Total Assets	116,863	114,854	2%
Equity Attributable to Owners of the Company	96,532	93,608	3%
Total Equity	99,717	97,189	3%
Total Liabilities	17,146	17,665	(3%)
Fixed Deposits, Cash and Bank Balances	82,450	79,919	3%

Earnings per share	FY2014	FY2013
	Basic : 3.93 cents	Basic : 4.21 cents
	Diluted : 3.93 cents	Diluted : 4.21 cents

Dividend per share	FY2014	FY2013
	Interim : 1.0 cent	Interim : 1.0 cent
	Final : 1.5 cents	Final : 1.5 cents

Net Asset Value per share	FY2014	FY2013
	48.0 cents	46.6 cents

Board of Directors

From left to right:

Allan Chua Tiang Kwang; Ang Lian Seng; Leck Kim Seng; Chua Tiang Choon, Keith; Lim Jen Howe; Ang Yee Lim; Quek Mong Hua

Board of Directors

CHUA TIANG CHOON, KEITH
Executive Chairman

Mr Keith Chua was appointed as the Non-Executive Chairman on 28 March 2002 and has served as the Executive Chairman of the Group since 1 August 2004. He is also a member of the Nominating Committee.

Mr Chua is presently also the Managing Director and Company Secretary of Kechapi Pte Ltd, a substantial shareholder of the Company. He is also the Managing Director of the Alby group of companies in Singapore and Australia for the past 20 years. Mr Chua serves on the boards of a number of private and unlisted companies in Singapore.

He is a substantial shareholder of the Company through his deemed interests in Kechapi Pte Ltd and Alby (Private) Limited.

Mr Chua was last re-elected as a director on 29 April 2014.

ANG YEE LIM
Managing Director

Mr Ang Yee Lim was appointed to the Board as an Executive Director on 25 May 2004. He was subsequently appointed as the Managing Director on 1 July 2004.

Mr Ang has over 10 years of experience in the food and beverage business and more than 30 years of experience in property development and investment in Singapore, Malaysia, Indonesia and Thailand.

Mr Ang is a substantial shareholder of the Company.

ANG LIAN SENG
Executive Director

Mr Ang Lian Seng has served as an Executive Director on the Board since 4 May 2001. He also serves as a member on the Remuneration Committee.

In addition to his appointment, Mr Ang has been involved in the property development sector and serves on the boards of a number of property development and investment private companies in Singapore. Mr Ang also sits on the boards of the Group's subsidiaries and associated companies.

Mr Ang was last re-elected as a director on 30 April 2012.

LECK KIM SENG
Executive Director

Mr Leck Kim Seng has served as a Non-Executive Director on the Board since 18 February 2002 and as an Executive Director on the Board since 20 March 2002.

Mr Leck has over 20 years of experience in property and resort development in Singapore, Malaysia, Indonesia and the People's Republic of China. Mr Leck currently also serves on the boards of a number of property development and investment private companies in Singapore. Mr Leck also sits on the boards of some of the Group's subsidiaries.

Mr Leck was last re-elected as a director on 29 April 2014.

ALLAN CHUA TIANG KWANG
Non-Executive Director

Mr Allan Chua has served as a Non-Executive Director on the Board since 18 February 2002. Mr Chua is also a member of the Audit Committee.

He is the Director of Kechapi Pte Ltd and serves on the boards of a number of private and unlisted public companies in Singapore.

Mr Chua is a substantial shareholder of the Company through his deemed interests in Kechapi Pte Ltd and Alby (Private) Limited.

He was last re-elected as a director on 30 April 2012.

QUEK MONG HUA
Independent and Non-Executive Director

Mr Quek Mong Hua has served as an Independent Director on the Board since 21 August 2003. He is a member of the Audit, Remuneration and Nominating Committees. Mr Quek currently chairs the Remuneration and Nominating Committees.

Mr Quek is a senior partner of the law firm Messrs Lee & Lee. Mr Quek started his legal practice in 1980 with Messrs Lee & Lee. His working experience included an eight-year stint with the Singapore Legal Service as a District Judge of the Subordinate Courts of Singapore from 1992 to 1994 and thereafter as a Senior State Counsel with the Attorney-General's Chambers until he rejoined Messrs Lee & Lee in April 2000. When he left the legal service, he was holding the appointment of Deputy Head of the Civil Division. Mr Quek is also a member of the Military Court of Appeal under appointment of the Singapore Armed Forces Council.

Mr Quek was last re-elected as a director on 30 April 2013.

LIM JEN HOWE
Independent and Non-Executive Director

Mr Lim Jen Howe has served as an Independent Director on the Board since 21 August 2003. He is a member of the Audit, Remuneration and Nominating Committees. Mr Lim currently chairs the Audit Committee.

Mr Lim has more than 35 years of experience in finance and accounting. He has been a practising Public Accountant for more than 25 years and is a founding partner of Messrs Thong & Lim, Chartered Accountants of Singapore. He is also an independent director of TalkMed Group Limited and Caregivers Alliance Limited.

Mr Lim was last re-elected as a director on 30 April 2013.

Key Management

NG SOO NOI
Group Financial Controller
ABR Holdings Limited

Ms Ng Soo Noi oversees the finance, accounting, tax and treasury functions of the Group. Ms Ng has over 20 years of experience in accounting, finance and auditing. Having started her career as an auditor with an international accounting firm, she subsequently moved on to join a public listed industrial conglomerate where she held managerial position in the financial and management accounting areas.

Prior to joining the Company in October 1999, she was the regional financial controller of a public listed company where she spent over 2 years in the People's Republic of China overseeing the finance function of the operations there.

Ms Ng is a Fellow member of the Association of Chartered Certified Accountants (United Kingdom) and a member of the Institute of Singapore Chartered Accountants.

LECK KIM SONG
Group General Manager
Season Confectionary & Bakery Sdn Bhd

Mr Leck Kim Song is responsible for the management and operations of Season Confectionary & Bakery Sdn Bhd. He has over 20 years of experience in building, civil engineering, recreation and resort development in Singapore, Australia and Indonesia.

He holds a BSc in Building with Honours from Heriot-Watt University, Edinburgh, and a MSc in Project Management from the University of Melbourne. He is a Chartered member of the Royal Institution of Chartered Surveyors (UK), the Chartered Institute of Building (UK), the Chartered Management Institute (UK) and the Australian Institute of Building. He is also a corporate member of the Singapore Institute of Surveyors and Valuers.

KHOO BOO YEOW ANDREW
Director of Business Development and Operations
ABR Holdings Limited

Mr Khoo Boo Yeow Andrew is responsible for the overall management of the various brands under the food division of the Company in Singapore and is also involved in corporate activities and strategic Group initiatives.

Prior to joining the Company in January 2012, he was the Executive Director of a food company based in Singapore.

Mr Khoo graduated with a Bachelor of Arts (Major in Political Science & Minor in Economics) from the University of Victoria, Victoria, Canada in 1994 and a Bachelor of Arts and Master of Arts in Law from Cambridge University, Cambridge in 2000. He also obtained an AHMA Hotel Diploma (Major in Sales & Marketing) from the London Hotel School, London UK in 2001 and completed the BPP Bar Vocational Course in London UK and was called as a Barrister-At-Law, Lincolns in 2002.

KEVIN KHOO MIN CHUEN
Director of Business Development
ABR Holdings Limited

Mr Kevin Khoo Min Chuen is responsible for overseeing business and operations of our subsidiary, All Best Foods Pte Ltd, primarily focusing on the Tip Top Curry Puffs business.

Mr Khoo was previously Director for the Food Services Division of the Company from May 2006 to February 2011 and was Alternate Director to Mr Chua Tiang Choon, Keith from September 2007 to April 2011.

He then pursued his career with a chocolate and confectionery distribution and retailing company before re-joining ABR in July 2014 as Director of Business Development.

Prior to that, Mr Khoo held various senior sales and marketing positions in the healthcare, technology and design/ advertising industries.

ONG KIAN CHUA
Group Production General Manager
Food Creations Pte Ltd

Mr Ong Kian Chua oversees the quality control, research and development and production of ice cream.

Prior to joining the Group in 2011, Mr Ong has garnered 27 years of working experience with a local major conglomerate, manufacturing and marketing a wide range of home brands dairy products. During his tenure, he was also involved in the setting up of the manufacturing plants in South East Asia region.

LIEW HOCK MENG
Executive Chef
ABR Holdings Limited

Mr Liew Hock Meng is responsible for menu creation, menu engineering, kitchen workflow designing as well as oversees franchise auditing for the Group.

Mr Liew first joined the Company in 1982 as Assistant Outlet Chef and was promoted to Outlet Chef in 1984. He was subsequently promoted to Head Chef in 1990 and Executive Chef in 2002.

Prior to joining the Company, Mr Liew had over 10 years of experience with various F&B chains.

NG CHENG WEE
General Manager, Swensen's Operation
ABR Holdings Limited

Mr Ng Cheng Wee is responsible for the management and operations of Swensen's, Earle Swensen's, Hippopotamus and special project in Singapore as well as oversees franchise auditing. Mr Ng first joined the Company in 1995 as Deputy Restaurant Manager cum Area Trainer and over the years, rose to the rank of Senior Area Manager in 2005.

He then pursued his career with an international franchise food chain, overseeing the new organisation set up in Singapore and Malaysia from 2006 to 2009 before re-joining ABR in 2009 as Operations Manager.

Mr Ng was promoted to General Manager, Swensen's Operation in May 2014.

Group Structure

ABR HOLDINGS LIMITED

- 100% Swensen's of Singapore (1996) Pte Ltd
  - 100% Team-Up Investments (HK) Limited
  - 84.1% Oishi Japanese Pizza Pte Ltd
- 100% Lawry's (Singapore) Ltd
  - 80% Season Confectionary & Bakery Sdn Bhd
    - 100% Swensen's (Malaysia) Sdn Bhd
    - 100% SSCB Pte Ltd
  - 80% Season's Café Sdn Bhd
- 100% Food Creations Pte Ltd
- 100% E.Y.F. (S) Pte Ltd
- 100% Europa Lounge and Restaurant Pte Ltd
  - 30% Food Glossary Pte Ltd
- 100% Europa Entertainment Pte Ltd
- 100% KJ Coffees Singapore Pte Ltd
- 99.99% ABR (HK) Limited
  - 100% ED Swensen's BV
- 51% All Best Foods Pte Ltd
- 51% Kitchen Alchemy Pte Ltd

Note: Group Structure as at 31 December 2014 and it excludes dormant/inactive companies except for intermediate holding companies.

Corporate Information

Directors

Chua Tiang Choon, Keith
Ang Yee Lim
Ang Lian Seng
Leck Kim Seng
Allan Chua Tiang Kwang
Quek Mong Hua
Lim Jen Howe

Company Secretary

Toon Choi Fan

Registered Office

41 Tampines Street 92
Singapore 528881
Tel: (65) 6786 2866
Fax: (65) 6782 1311
Company Registration No. 197803023H

Registrar

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte Ltd)
80 Robinson Road #02-00
Singapore 068898

Auditor

Baker Tilly TFW LLP
Public Accountants and Chartered Accountants
600 North Bridge Road
#05-01 Parkview Square
Singapore 188778

Partner-in-charge: Tay Guat Peng
(Appointed since financial year ended 31 December 2011)

Solicitors

Lee & Lee

Principal Bankers

Oversea-Chinese Banking Corporation Ltd
United Overseas Bank Ltd

Report on Corporate Governance

The Board of Directors of ABR Holdings Limited (the "Company") is committed to maintaining good standards of corporate governance and has applied the principles of the Code of Corporate Governance (the "Code"). This report discusses the Company's corporate governance processes and activities with specific references to the principles set out in the Code.

BOARD MATTERS

Principle 1 – The Board's conduct of affairs

The Board's principal functions are:

- to formulate procedures and strategies to ensure good corporate governance within the Group;
- to review and approve financial policies, investments and strategies to be implemented by the Management;
- to approve the Company's annual business plan including the annual budget, capital expenditure and operational plans;
- to oversee the processes for risk management, financial reporting and compliance;
- to consider sustainability issues in the formulation of its strategies; and
- identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation.

During the year in review, the Board scheduled six Board meetings to review among other things, the financial performance of the Group, approve the release of the quarterly and full year financial results, approve annual budget as well as to consider and approve the Group's strategic direction and investment proposals.

The Board is assisted by three Board sub-committees, namely, the Audit Committee ("AC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC") whose functions are described overleaf.

The number of Board and Board sub-committee meetings held in the year and the attendance of each Director are as follows:

	Board		Audit Committee		Remuneration Committee		Nominating Committee	
Director's name	**No. of meetings held**	**No. of meetings attended**	**No. of meetings held**	**No. of meetings attended**	**No. of meetings held**	**No. of meetings attended**	**No. of meetings held**	**No. of meetings attended**
Chua Tiang Choon, Keith	6	6	NA	NA	NA	NA	1	1
Ang Yee Lim	6	6	NA	NA	NA	NA	NA	NA
Ang Lian Seng	6	6	NA	NA	1	1	NA	NA
Leck Kim Seng	6	6	NA	NA	NA	NA	NA	NA
Allan Chua Tiang Kwang	6	5	5	5	NA	NA	NA	NA
Quek Mong Hua	6	6	5	5	1	1	1	1
Lim Jen Howe	6	6	5	5	1	1	1	1

NA : Not Applicable

The Company's Articles of Association allows the Board to hold telephonic and videoconference meetings. If any of the Directors are not able to physically attend the Board meetings in Singapore, the Company adopts the policy of connecting them via the telephone, where necessary.

The Board has adopted a set of internal guidelines which sets out limits for capital expenditure, investments and divestments, bank borrowings, share issuance, dividends and cheque signatories' arrangements to be approved at Board level.

To enable the Directors to remain updated with the law and corporate governance practices, the Company continues to provide a training budget for the Directors to fund their participation at industry conferences and seminars, and attendance at any training course, where required. Incoming Directors have full access to the minutes of all previous Board meetings to familiarise themselves with the Company's business and governance practices. They are further briefed by the Management on the business activities of the Company and the Group and its strategic directions.

The Company Secretary provides regular updates on the latest governance and listing policies during Board meetings, as and when required. All Directors are updated regularly concerning any changes in company policies. During the year, the Board was briefed and/or updated on the recent changes to the accounting standards.

Principle 2 – Board composition and guidance

The Board comprises seven Directors – an Executive Chairman, a Managing Director, two Executive Directors, one Non-Executive Director and two Independent Non-Executive Directors. The Directors bring to the Company a combination of knowledge and expertise in the areas of law, accounting, finance, banking and business management.

Two out of the seven Directors are independent and the Board recognises that this is not in accordance with the Code's guidelines that Independent Directors should make up at least one-third of the Board. The Board is of the view that the current Board size and composition are appropriate and effective to provide the necessary objective inputs to the various decisions made by the Board. The Board will constantly examine its composition from time to time to ensure a strong and independent element on the Board.

Profiles of the Directors are found in the "Board of Directors" section of this annual report.

On an annual basis and upon notification by an Independent Director of a change in circumstances, the NC will review the independence of each Independent Director based on the criteria for independence defined in the Code and recommends to the Board as to whether the Director is to be considered independent.

The Board is of the opinion that the current Board size and composition, with diversified background and experience provides core competencies such as finance, accounting, legal, business management, industry knowledge and strategic planning experience, is appropriate and effective to ensure the balance of power and authority to facilitate effective decision making.

The Non-Executive Directors are constructively reviewing and assisting the Board to facilitate and develop proposals on strategy and review the performance of the Management in meeting agreed objectives and monitor the reporting of performance.

The Independent Directors have full access to and co-operation of the Company's Management and officers. They also have full discretion to convene separate meetings without the presence of Management and to invite any Directors or officers to the meetings as and when warranted by certain circumstances.

Presently, Mr Lim Jen Howe and Mr Quek Mong Hua have served as independent directors of the Company for more than nine years since their initial appointment in 2003. The Board has subjected their independence to a particularly rigorous review.

The Board is of the view that Mr Lim Jen Howe and Mr Quek Mong Hua continue to demonstrate strong independence in character and judgment in the discharge of their responsibilities as directors of the Company. Based on the declaration of independence received from Mr Lim and Mr Quek, they have no association with the Management that could compromise their independence. After taking into account all these factors, and also having weighed the need for Board refreshment against tenure for relative benefit, the Board has determined that Mr Lim and Mr Quek continue to be considered independent directors, notwithstanding they have served on the Board for more than nine years from the date of their first appointment.

Principle 3 – Chairman and Chief Executive Officer

Mr Chua Tiang Choon, Keith has been the Chairman of the Group since 28 March 2002. On 1 August 2004, he became the Executive Chairman. Since 1 July 2004, the Board has appointed Mr Ang Yee Lim as the Managing Director of the Company. Mr Chua and Mr Ang are both substantial shareholders of the Company.

As Executive Chairman, Mr Chua is responsible for the overall management and strategic decision making of the Group jointly with Mr Ang, the Managing Director of the Company. In addition, Mr Chua ensures that Board meetings are held on a regular basis and sets the agenda for each meeting in consultation with the Directors, the Management and the Company Secretary as necessary. Where matters arise which requires the Board's deliberation and decision, he ensures that ad-hoc meetings are held. The Chairman is instrumental in steering the Board in setting policies for its corporate governance compliance and internal controls and also in formulating strategies for the Group's business and direction.

The Executive Chairman, the Managing Director and the two Executive Directors form the Executive Committee ("Exco") appointed by the Board. The Exco is responsible for the oversight of the Group's businesses and performance.

The Executive Chairman and the Managing Director, while both being part of the Exco, are two unrelated individuals. Taking into account the relatively small size of the Board and that the Company has two Independent Non-Executive Directors, the Board is of the view that there is currently no need to appoint one of them as the lead Independent Director. Shareholders can channel any concerns they may have to either one of the Independent Non-Executive Directors.

Principle 4 – Board membership

Nominating Committee

The NC is formed to look into, amongst other matters, the appointment of new Directors to the Board and comprises the following three Directors, the majority of whom, including the Chairman of the NC, are independent:

- Mr Quek Mong Hua (Chairman and Independent Non-Executive Director)
- Mr Lim Jen Howe (Member and Independent Non-Executive Director)
- Mr Chua Tiang Choon, Keith (Member and Executive Chairman of the Group)

The NC has specific written Terms of Reference setting out their duties and responsibilities. The NC's main duties and functions are as follows:

- to make recommendations to the Board on all Board appointments having regard to the director's competencies, commitment, contribution and performance (for example, attendance, preparedness, participation, candour and any other salient factors);
- to make recommendations to the Board on all new Board appointments, having regard to his/her experience and background;
- to determine annually whether a director is independent, bearing in mind the guidelines set out in the Code;
- deciding on how the Board's performance may be evaluated and propose objective performance criteria to the Board;
- assessing the effectiveness of the Board as a whole and the contribution by each individual Director to the effectiveness of the Board;
- reviewing of structure, composition and size of the Board;
- reviewing board succession plans for directors; and
- reviewing training program.

Article 98 of the Company's Articles of Association provides that one-third of the Directors for the time being, or if their number is not a multiple of three, the number nearest to one-third, shall retire by rotation at every annual general meeting ("AGM"). Accordingly, the Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three (3) years. The following Directors will retire and seek re-election at the forthcoming AGM:

- Mr Allan Chua Tiang Kwang
- Mr Ang Lian Seng

The NC makes recommendations to the Board on re-appointments of Directors based on their contributions and performance, a review of the range of expertise, skills and attributes of current Board members, and the needs of the Board.

Article 93 of the Company's Articles of Association provides that Managing Director not to be subject to retirement by rotation while he continues to hold that office.

During the financial year ended 31 December 2014 ("FY2014"), the NC is satisfied that sufficient time and attention are being given by the directors to the affairs of the Group, notwithstanding that some of the directors have multiple board representations, and there is presently no need to implement internal guidelines to address their competing time commitments. The NC is also of the opinion that the current board size is adequate for the effective functioning of the Board.

Key information regarding Directors such as academic and professional qualifications, shareholding in the Company and its subsidiaries, board committees served, date of first appointment as Director and date of last re-election as Director are set out in the "Board of Directors" section of this annual report.

Where a vacancy arises, the NC will consider each candidate for directorship based on the selection criteria determined after consultation with the Board and after taking into consideration the qualification and experience of such candidate, his/her ability to enhance the effectiveness of the Board and to add value to the Group's business in line with its strategic objectives, the NC will recommend the candidate to the Board for approval. Under the Company's Articles of Association, a newly appointed Director shall retire at the AGM following his/her appointment and he/she shall be eligible for re-election.

As for the succession planning for the directors, NC is of the view that the duties and functions of the Executive Directors can be sufficiently covered by the existing management infrastructure in the event of any unforeseen circumstances.

Principle 5 – Board performance

The NC is responsible for setting the performance criteria to assess the effectiveness of the Board. In the assessment, the NC takes into consideration a number of factors, namely the size and composition of the Board, the Board's access to information, Board proceedings, the discharge of the Board's functions and the communications and guidance given by the Board to the Management.

A formal review of the Board's performance will be undertaken collectively by the Board annually. The Board's performance will also be reviewed by the NC with inputs from the other Board members. The Chairman of the Board will act on the results of the performance evaluation and recommendation, and where appropriate, propose new members to be appointed to the Board or seek the resignation of the Directors, in consultation with the NC.

Upon reviewing the assessment, the NC is of the view that the performance of the Board as a whole is satisfactory. The NC is satisfied that each member of the Board has been effective and efficiently contributed to the Board and the Group during the year.

Each member of the NC shall abstain from voting on any resolution and making any recommendation and/or participating in any deliberation of the NC in respect of the assessment of his own performance or re-nomination as a Director.

Principle 6 – Access to information

The Directors are provided with relevant Board papers and information prior to each Board meeting. The Company Secretary or representative from the Secretary's office administers, attends and prepares minutes of Board meetings, and assists the Chairman in ensuring that Board procedures are followed and reviewed so that the Board functions effectively and the Company's Memorandum and Articles of Association and the relevant rules and regulations applicable to the Company are complied with.

Board members are also provided with a monthly management report of the Group, comprising financial statements, sales and analysis reports, to apprise the Board regularly on the performance of the Group's business. Other information is also provided to the Board members as needed on an on-going basis.

The Directors have separate and independent access to the Company's senior management, external auditor and the Company Secretary at all times. Should the Directors, either individually or as a group, require independent professional advice, such professionals will be appointed at the Company's expense. The appointment and removal of the Company Secretary are decided by the Board as a whole.

REMUNERATION MATTERS

Principle 7 – Procedures for developing remuneration policies
Principle 8 – Level and mix of remuneration

Remuneration Committee

The RC's objective is to make recommendations to the Board on the Group's framework of executive remuneration as well as to review the adequacy and form of the compensation of Executive Directors (members of the Board who are employees of the Company, whether full time or part time) to ensure that the compensation realistically commensurate with the responsibilities and risks involved in being an effective Executive Director.

The RC comprises the following three members, the majority of whom, including the Chairman of the RC, are Independent Non-Executive Directors:

- Mr Quek Mong Hua (Chairman and Independent Non-Executive Director)
- Mr Lim Jen Howe (Member and Independent Non-Executive Director)
- Mr Ang Lian Seng (Member and Executive Director)

The Board recognises that the composition of the RC is not in accordance with the Code's guidelines that the RC should be made up of entirely Non-Executive Directors. However, the Board is of the view that the current composition of the RC is able to provide the necessary objective inputs to the various decisions made by the Board. Mr Ang Lian Seng, the member and Executive Director, also abstains from all discussions, deliberations and decision of his own remuneration.

Directors' fees are set in accordance with a remuneration framework comprising basic fees and committee responsibilities. Executive Directors do not receive Directors' fees. Non-Executive Directors are paid Directors' fees, subject to approval of the shareholders at the AGM.

Directors do not decide on their own remuneration package and would abstain from voting at RC meetings when their own remuneration is being deliberated.

The RC ensures that the remuneration packages of the Executive Chairman and the Managing Director are in line with the Company's Compensation Policy. They also consider and review the disclosure of Directors' remuneration in the annual report. The RC will also ensure that the Non-Executive Directors are not over-compensated to the extent that their independence may be compromised. The RC's recommendations are submitted to and endorsed by the Board. Though none of the RC members specialises in the area of executive compensation, the committee has access to the Company's Human Resource Manager as well as to external human resource professionals' expert advice where necessary.

Principle 9 – Disclosure on remuneration

The remuneration of the Directors and the top seven key management personnel, who are not Directors of the Company, for FY2014, are disclosed below. The disclosure is to enable investors to understand the link between remuneration paid to Directors and key management personnel, and performance.

The remuneration of each Director and the top seven key management personnel has been disclosed in the respective bands. The remuneration for the Executive Directors and the top seven key management personnel comprises fixed and variable components. The fixed component is in the form of monthly salary whereas the variable component is linked to the performance of the Group and individual. The Board is of the opinion that given the confidentiality of and commercial sensitivity attached to remuneration matters and to be in line with the interest of the Company, the remuneration will not be disclosed in dollar terms.

The breakdown (in percentage terms) of each Director and the top seven key management personnel's remuneration for FY2014, are as follows:

Directors	Salary[1] %	Bonus[1] %	Fees[2] %	Allowances and other benefits %	Total %
$250,000 to below $500,000					
Chua Tiang Choon, Keith	74	26	–	–	100
Ang Yee Lim	72	25	–	3	100
Ang Lian Seng	74	26	–	–	100
Below $250,000					
Leck Kim Seng	84	16	–	–	100
Allan Chua Tiang Kwang	–	–	100	–	100
Quek Mong Hua	–	–	100	–	100
Lim Jen Howe	–	–	100	–	100

Key Management Personnel	Salary[1] %	Bonus[1] %	Fees %	Allowances and other benefits %	Total %
Below $250,000					
Ng Soo Noi	78	22	–	–	100
Leck Kim Song *	73	20	–	7	100
Khoo Boo Yeow Andrew	74	22	–	4	100
Kevin Khoo Min Chuen *	100	–	–	–	100
Ong Kian Chua	88	8	–	4	100
Liew Hock Meng	75	21	–	4	100
Ng Cheng Wee	73	21	–	6	100

* *Mr Leck Kim Song is the brother of the Executive Director, Mr Leck Kim Seng; uncle of the Executive Director, Mr Ang Lian Seng; and cousin of the Managing Director and Substantial Shareholder, Mr Ang Yee Lim.*

* *Mr Kevin Khoo Min Chuen is the nephew of the Executive Chairman and Substantial Shareholder, Mr Chua Tiang Choon, Keith.*

In aggregate, the total remuneration paid to the top seven key management personnel in FY2014 is $1,045,000.

Employees who are the immediate family members of the Directors with remuneration exceeding $50,000 during FY2014 are as follows:

Executives	Salary[1] %	Bonus[1] %	Fees %	Allowances and other benefits %	Total %
Below $150,000					
Ang Lian Tiong	79	19	–	2	100
Ang Pheck Choo	76	21	–	3	100

Mr Ang Lian Tiong is the brother of the Executive Director, Mr Ang Lian Seng; nephew of the Managing Director and Substantial Shareholder, Mr Ang Yee Lim; and nephew of the Executive Director, Mr Leck Kim Seng. Ms Ang Pheck Choo is the sister of the Executive Director, Mr Ang Lian Seng; niece of the Managing Director and Substantial Shareholder, Mr Ang Yee Lim; and niece of the Executive Director, Mr Leck Kim Seng.

The RC is of the view that their remunerations are in line with the Company's staff remuneration guidelines and commensurate with their job scopes and level of responsibilities.

Notes:
(1) The salary and bonus percentages shown are inclusive of CPF.
(2) Fees for FY2014 are subject to shareholders' approval at the AGM.

ACCOUNTABILITY AND AUDIT

Principle 10 – Accountability

The Board recognises the importance of providing accurate and relevant information to shareholders on a timely basis to ensure that the shareholders have a balanced and understandable assessment of the Group's performance. In order for shareholders to better comprehend the Group's performance, position and prospect, periodic and timely announcements of the Group's developments, price sensitive public reports and all necessary information are made.

The Board reports to the shareholders at each AGM. The Exco is accountable to the Board and provides regular reports of the business to the Board.

Principle 11 – Risk management and internal controls

The internal auditors have reviewed the effectiveness of the Group's key internal controls, including financial, operational, compliance and information technology controls during the year. There were no significant internal control weaknesses highlighted by the internal auditors during their course of audit. Their reports were provided to the relevant department or business unit for follow-up action. Implementation of the required improvement measures were monitored.

In addition, no major control weaknesses on financial reporting were highlighted by the external auditor in the course of the statutory audit.

The Board is of the view that the system of internal controls of the Group provides reasonable, but not absolute, assurance against material financial misstatements or loss. The system also ensures the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practices and the identification and containment of business risks. However, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors and reviews performed by the Management, the Board with the concurrence of the AC, is of the opinion that the risk management and internal control systems which address the Group's financial, operational, compliance and information technology controls risks, during the financial year are effective and adequate.

The Board has received assurance from the Executive Directors and the Group Financial Controller that:

(a) the financial records have been properly maintained and the financial statements for the year ended 31 December 2014 give a true and fair view of the Group's operations and finances; and
(b) the Group's risk management and internal control systems are adequate and effective.

Principle 12 – Audit committee

The AC comprises the following three members, all of whom are Non-Executive Directors and the majority, including the Chairman of the AC, are independent:

- Mr Lim Jen Howe (Chairman and Independent Non-Executive Director)
- Mr Quek Mong Hua (Member and Independent Non-Executive Director)
- Mr Allan Chua Tiang Kwang (Member and Non-Executive Director)

The Chairman of the AC, Mr Lim Jen Howe is, by profession a practising Public Accountant and is a founding partner of Messrs Thong & Lim, Chartered Accountants of Singapore. He has more than 35 years of experience in finance and accounting. The other members of the AC are experienced in law, business and financial management.

The AC met five times during the year. During the financial year, the AC has:

(a) reviewed the scope of work of the external auditor;
(b) reviewed the scope of work of the internal auditors;
(c) reviewed the audit plans and discussed the results of the findings and evaluation of the Group's system of internal controls;
(d) reviewed interested party transactions of the Group and the procedures set up to monitor and report on such transactions;
(e) met with the Company's external auditor and internal auditors without the presence of Management;
(f) reviewed the independence of external auditor;
(g) reviewed the quarterly and full year financial results announcements, as well as the annual financial statements of the Group before submission to the Board for approval;
(h) reviewed the Company's procedures for detecting fraud and whistle-blowing matters; and
(i) reviewed the major acquisitions and disposal of the Company.

The AC is also responsible for the nomination of the external auditor for re-appointment. Before nomination, the AC has conducted an annual review of the external auditor's services provided to the Group during the year. The AC has also conducted a review of the cost effectiveness and the non-audit services provided by the auditor to the Group during the year and are satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the auditor before recommending the auditor's re-appointment.

The AC has recommended to the Board the nomination of Messrs Baker Tilly TFW LLP for re-appointment as external auditor of the Company at the forthcoming AGM. The audit partner of the external auditor is rotated every five years, in accordance with the requirements of the Listing Manual. In appointing the audit firms for the Group, the AC is satisfied that the Company has complied with the Listing Rules 712 and 715. In addition, the AC is satisfied that the Company has complied with Rule 717 of the Listing Manual regarding the audit of the foreign subsidiaries.

The aggregate amount of fees paid and/or payable to the external auditor amounted to approximately $107,000 for audit services and $46,000 for non-audit services rendered by the external auditor.

The AC has full access to and co-operation from Management and has full discretion to invite any director or officer to attend its meetings, and has been given reasonable resources to enable it to discharge its functions.

The AC also takes measures to keep abreast of the changes to accounting standards and issues which have a direct impact on financial statements.

The Company has implemented a whistle-blowing policy, whereby employees of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The AC is vested with the power and authority to receive, investigate and enforce appropriate action when any such non-compliance matter is brought to its attention.

Principle 13 – Internal audit

The Group has outsourced its internal audit function to JF Virtus Pte Ltd.

The internal auditors ("IA") report directly to the Chairman of the AC.

The role of the IA and scope of its responsibilities are as follows:

- review the Group's key business segments in the different territories in which they operate, on a risk-oriented process based audit;

- apprise Management and report to the AC concerning the adequacy and effectiveness of the system of internal control in all areas of the business of the Group. The system includes the policies, systems and procedures pertaining to procurement, operations, sales and marketing, manufacturing, accounting and financial processes, information technology infrastructure and human resources; and

- assist the Group to accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

To achieve its objectives, the IA has unrestricted access to all records, properties and personnel of the Group. The IA has carried out the internal audit function according to the standards set by recognised professional bodies including standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

During the year, the IA reviewed the retail operations of the Group in Singapore and Malaysia; project management of new restaurants in Singapore; and the production, procurement and warehouse functions of the Group in Malaysia.

The AC will review the adequacy of the function of the IA annually. Based on the review of the IA, the AC believes that the IA have adequate resources to perform its function effectively and objectively.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14 – Shareholder rights
Principle 15 – Communication with shareholders
Principle 16 – Conduct of shareholder meetings

The Group has followed closely the requirements in the Listing Manual in disclosing material information through SGXNET relating to its business and operations. The Group's quarterly and full year financial results for the year in review were released within 45 days and 60 days respectively for each of the relevant period. The Group ensures that it does not practise selective disclosure of information to any particular group of persons.

The Company attends to the queries of the shareholders promptly. All shareholders of the Company receive the annual report and notice of AGMs. The notice is also advertised in the newspapers and published on the SGXNET. Separate resolutions are tabled for each distinct issue during the AGMs.

Shareholders are given the opportunity to participate actively during the AGMs and query the Board and management regarding the Group's business and financial statements. The Company's Articles of Association allow a shareholder to vote at any general meeting of the Company either personally or by proxy or by attorney or in the case of a corporation, by a representative. If appointing a proxy, a shareholder may appoint one or two proxies to attend and vote in place of the shareholder. The Articles currently do not allow a shareholder to vote in absentia.

The members of the AC, NC and RC were present together with the external auditor at the last AGM held on 29 April 2014 to address questions raised by shareholders.

To promote a better understanding of shareholders' views, the Board actively encourages shareholders to participate during the Company's general meetings. At these meetings, shareholders are given the opportunity to voice their views and raise issues either formally or informally. These meetings provide excellent opportunities for the Board to engage with shareholders to solicit their feedback.

The Company Secretary prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meetings and responses from the Board and Management, and to make these minutes, subsequently approved by the Board, available to shareholders during office hours.

The Company has been declaring interim and final dividends and any payouts are clearly communicated to shareholders in public announcements and via announcements on SGXNET when the Company discloses its financial results.

INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that transaction is conducted on an arm's length basis and are not prejudicial to the interests of the shareholders.

During the financial year ended 31 December 2014, there were no interested person transactions amounting to more than $100,000.

DEALINGS IN SECURITIES

The Board has adopted Rule 1207(19) of the Listing Manual applicable to the Directors as well as executives in relation to dealings in the Company's securities. Directors and executives are also expected to observe insider trading laws at all times when dealing in the Company's securities. Directors and employees of the Company are reminded at the appropriate time, that dealings in the Company's shares during the period commencing two (2) weeks before the announcement of the Company's interim results or one (1) month before the announcement of the Company's full year results, as the case may be, and ending on the date of announcement of the results, are prohibited. An officer should also not deal in the Company's securities on short-term considerations.

MATERIAL CONTRACTS

There are no material contracts of the Group and of the Company involving the interests of the Executive Chairman, the Managing Director (both of whom are deemed to be in the position of the Chief Executive Officer), each other director or controlling shareholder, 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.

Directors' Report

The directors are pleased to present their report to the members together with the audited consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2014.

1 Directors

The directors in office at the date of this report are:

Chua Tiang Choon, Keith	(Executive Chairman)
Ang Yee Lim	(Managing Director)
Ang Lian Seng	(Executive)
Leck Kim Seng	(Executive)
Allan Chua Tiang Kwang	(Non-executive)
Quek Mong Hua	(Independent and non-executive)
Lim Jen Howe	(Independent and non-executive)

2 Arrangement to enable directors to acquire benefits

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 in or debentures of the Company or any other body corporate.

3 Directors' interest in shares or debentures

The directors of the Company holding office at the end of the financial year had no interests in the shares and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act, Cap. 50, except as follows:

	Shares held by directors			Shareholdings in which the directors are deemed to have an interest		
Name of directors	At 1.1.2014	At 31.12.2014	At 21.1.2015	At 1.1.2014	At 31.12.2014	At 21.1.2015
The Company - Ordinary shares						
Chua Tiang Choon, Keith	300,000	300,000	300,000	56,925,858	56,925,858	56,925,858
Allan Chua Tiang Kwang	300,000	300,000	300,000	56,925,858	56,925,858	56,925,858
Ang Yee Lim	85,849,301	88,011,301	88,011,301	–	–	–
Ang Lian Seng	2,300,000	2,300,000	2,300,000	–	–	–
Leck Kim Seng	300,000	300,000	300,000	–	–	–
Lim Jen Howe	300,000	300,000	300,000	–	–	–
Quek Mong Hua	300,000	300,000	300,000	40,000	40,000	40,000

3 Directors' interest in shares or debentures (cont'd)

The deemed interests of Mr Chua Tiang Choon, Keith and Mr Allan Chua Tiang Kwang in the shares of the Company are by virtue of their shareholdings in Alby (Private) Limited, which in turn holds shares in Kechapi Pte Ltd. At 31 December 2014, Kechapi Pte Ltd holds 56,925,858 shares in the Company.

Mr Chua Tiang Choon, Keith, Mr Allan Chua Tiang Kwang and Mr Ang Yee Lim, by virtue of their interests of not less than 20% of the issued share capital of the Company, are deemed to have an interest in the whole of the share capital of the Company's wholly-owned subsidiaries and in the shares of the subsidiaries set out below:

	Number of ordinary shares	
	At 1.1.2014	**At 31.12.2014**
ABR (HK) Limited	8,001	8,001
All Best Foods Pte Ltd	4,080,000	4,080,000
Cine Art Pictures Pte Ltd	55,000	55,000
Kitchen Alchemy Pte Ltd	255,000	255,000
Oishi Japanese Pizza Pte Ltd	925,000	925,000
Team-Up Overseas Investment Pte Ltd	70,000	70,000

4 Directors' contractual benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit other than disclosed in the consolidated financial statements by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

5 Material contracts

There are no material contracts of the Group and of the Company involving the interests of the Executive Chairman, the Managing Director (both of whom are deemed to be in the position of the Chief Executive Officer), each other director or controlling shareholder, 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.

6 Share options

During the financial year, no options to take up unissued shares of the Company or its subsidiaries were granted.

During the financial year, there were no shares of the Company or its subsidiaries issued by virtue of the exercise of options to take up unissued shares.

At the end of the financial year, there were no unissued shares of the Company or its subsidiaries under option.

7 Audit Committee

The Audit Committee comprises three members, two of whom are independent directors. The members of the Audit Committee for the financial year are:

Lim Jen Howe (Chairman)
Quek Mong Hua
Allan Chua Tiang Kwang

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Companies Act and performed the following functions:

(a) reviewed the independence and objectivity of the external auditor;

(b) reviewed the financial statements of the Company and of the Group for the financial year ended 31 December 2014 and the independent external auditor's report thereon;

(c) reviewed the overall scope of the audit work carried out by the independent external auditor and also met with the independent external auditor to discuss the results of their audit and their evaluation of the internal accounting control system and internal control procedures;

(d) reviewed the overall scope and timing of the work to be carried out by the internal auditors and also met with the internal auditors to discuss the results of their internal audit procedures; and

(e) reviewed interested person transactions.

The Audit Committee has recommended to the Board of Directors that the independent auditor, Baker Tilly TFW LLP, be re-appointed as auditor of the Company at the forthcoming Annual General Meeting.

8 Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Chua Tiang Choon, Keith
Director

Ang Yee Lim
Director

30 March 2015

Statement by Directors

In the opinion of the directors:

(i) the consolidated financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company as set out on pages 35 to 90 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards; 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.

On behalf of the directors

Chua Tiang Choon, Keith
Director

Ang Yee Lim
Director

30 March 2015

Report on the Financial Statements

We have audited the accompanying financial statements of ABR Holdings Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 35 to 90, which comprise the statements of financial position of the Group and Company as at 31 December 2014, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards 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 profit and loss accounts and balance sheets and to maintain accountability of asset.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and Company as at 31 December 2014 and the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

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 subsidiaries incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

30 March 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 December 2014

	Note	Group 2014 $'000	Group 2013 $'000
Revenue	4	**102,519**	98,166
Cost of sales		**(55,071)**	(51,622)
Gross profit		**47,448**	46,544
Other items of income			
Other income	5	**1,649**	1,975
Other items of expense			
Selling, distribution and outlet expenses		**(27,335)**	(26,338)
Administrative expenses		**(11,994)**	(11,932)
Other expenses		**(348)**	(835)
Finance costs	6	**(6)**	(5)
Share of results of equity-accounted investees, net of tax		**(63)**	–
Profit before tax	7	**9,351**	9,409
Income tax expense	9	**(1,828)**	(1,613)
Profit for the year		**7,523**	7,796
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss			
Currency translation differences		**30**	(95)
Other comprehensive income for the year, net of tax		**30**	(95)
Total comprehensive income for the year		**7,553**	7,701
Profit/(loss) attributable to:			
Owners of the Company		**7,906**	8,451
Non-controlling interests		**(383)**	(655)
Profit for the year		**7,523**	7,796
Total comprehensive income/(loss) attributable to:			
Owners of the Company		**7,949**	8,387
Non-controlling interests		**(396)**	(686)
Total comprehensive income for the year		**7,553**	7,701
Earnings per share for the year attributable to owners of the Company			
Basic	10	**3.93 cents**	4.21 cents
Diluted	10	**3.93 cents**	4.21 cents

The accompanying notes form an integral part of these financial statements.

Statements of Financial Position

At 31 December 2014

	Note	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	**20,886**	21,470	**9,479**	9,651
Investment properties	12	**3,392**	3,412	**1,113**	1,150
Intangible assets	13	**482**	620	**140**	174
Investments in subsidiaries	14	**–**	–	**4,871**	5,469
Investments in associated companies	15	**57**	–	**–**	–
Held-to-maturity financial assets	16	**–**	1	**–**	1
Available-for-sale financial assets	17	**35**	35	**35**	35
Loans to subsidiaries	18(ii)	**–**	–	**7,159**	7,639
Total non-current assets		**24,852**	25,538	**22,797**	24,119
Current assets					
Inventories	20	**2,537**	2,303	**1,801**	1,450
Trade and other receivables	21	**7,024**	7,094	**5,803**	5,485
Fixed deposits	22	**30,673**	40,127	**29,408**	39,444
Cash and bank balances	22	**51,777**	39,792	**37,566**	26,645
Total current assets		**92,011**	89,316	**74,578**	73,024
Total assets		**116,863**	114,854	**97,375**	97,143
EQUITY AND LIABILITIES					
Equity					
Share capital	23	**43,299**	43,299	**43,299**	43,299
Other reserves	24	**(317)**	(360)	**–**	–
Accumulated profits		**53,550**	50,669	**40,919**	40,130
Equity attributable to owners of the Company		**96,532**	93,608	**84,218**	83,429
Non-controlling interests		**3,185**	3,581	**–**	–
Total equity		**99,717**	97,189	**84,218**	83,429
Non-current liability					
Deferred tax liabilities	27	**1,299**	1,274	**520**	600
Total non-current liability		**1,299**	1,274	**520**	600
Current liabilities					
Trade and other payables	25	**13,907**	14,576	**11,198**	11,614
Borrowings	26	**116**	–	**–**	–
Tax payable		**1,824**	1,815	**1,439**	1,500
Total current liabilities		**15,847**	16,391	**12,637**	13,114
Total liabilities		**17,146**	17,665	**13,157**	13,714
Total equity and liabilities		**116,863**	114,854	**97,375**	97,143

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2014

Group

	Total equity $'000	Equity attributable to owners of the Company $'000	Share capital $'000	*Other reserves $'000	Accumulated profits $'000	Non-controlling interests $'000
Balance at 1.1.2014	97,189	93,608	43,299	(360)	50,669	3,581
Profit for the year	7,523	7,906	–	–	7,906	(383)
Other comprehensive income						
Currency translation differences	30	43	–	43	–	(13)
Other comprehensive income for the year, net of tax	30	43	–	43	–	(13)
Total comprehensive income for the year	7,553	7,949	–	43	7,906	(396)
Distributions to owners of the Company						
Tax exempt final dividend of 1.5 cents per share for the financial year ended 31.12.2013	(3,015)	(3,015)	–	–	(3,015)	–
Tax exempt interim dividend of 1.0 cent per share for the financial year ended 31.12.2014	(2,010)	(2,010)	–	–	(2,010)	–
Total distributions to owners of the Company	(5,025)	(5,025)	–	–	(5,025)	–
Balance at 31.12.2014	**99,717**	**96,532**	**43,299**	**(317)**	**53,550**	**3,185**

* An analysis of "Other reserves" is presented in note 24.

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2014

Group

	Note	Total equity $'000	Equity attributable to owners of the Company $'000	Share capital $'000	*Other reserves $'000	Accumulated profits $'000	Non-controlling interests $'000
Balance at 1.1.2013		89,708	92,256	43,264	(567)	49,559	(2,548)
Profit for the year		7,796	8,451	–	–	8,451	(655)
Other comprehensive income							
Currency translation differences		(95)	(64)	–	(64)	–	(31)
Other comprehensive income for the year, net of tax		(95)	(64)	–	(64)	–	(31)
Total comprehensive income for the year		7,701	8,387	–	(64)	8,451	(686)
Distributions to owners of the Company							
Tax exempt final dividend of 1.0 cent per share for the financial year ended 31.12.2012		(2,009)	(2,009)	–	–	(2,009)	–
Tax exempt interim dividend of 1.0 cent per share for the financial year ended 31.12.2013		(2,010)	(2,010)	–	–	(2,010)	–
Exercise of employee share options		30	30	35	(5)	–	–
Capitalisation of accumulated profits		–	–	–	276	(276)	–
Dividends paid to non-controlling interests		(8)	–	–	–	–	(8)
Total distributions to owners of the Company		(3,997)	(3,989)	35	271	(4,295)	(8)
Changes in ownership interests in subsidiaries							
Changes in ownership interest in a subsidiary without a change in control	14(iii)	–	(3,036)	–	–	(3,036)	3,036
Disposal of interest in a subsidiary	14(iv)	(87)	–	–	–	–	(87)
Contributions by non-controlling interests		3,864	(10)	–	–	(10)	3,874
Total changes in ownership interests in subsidiaries		3,777	(3,046)	–	–	(3,046)	6,823
Total transactions with owners of the Company		(220)	(7,035)	35	271	(7,341)	6,815
Balance at 31.12.2013		97,189	93,608	43,299	(360)	50,669	3,581

* An analysis of "Other reserves" is presented in note 24.

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Equity

For the financial year ended 31 December 2014

Company

	Total equity $'000	Share capital $'000	*Other reserves $'000	Accumulated profits $'000
Balance at 1.1.2014	83,429	43,299	–	40,130
Net profit and total comprehensive income for the year	5,814	–	–	5,814
Tax exempt final dividend of 1.5 cents per share for the financial year ended 31.12.2013	(3,015)	–	–	(3,015)
Tax exempt interim dividend of 1.0 cent per share for the financial year ended 31.12.2014	(2,010)	–	–	(2,010)
Balance at 31.12.2014	**84,218**	**43,299**	**–**	**40,919**
Balance at 1.1.2013	81,646	43,264	5	38,377
Net profit and total comprehensive income for the year	5,772	–	–	5,772
Tax exempt final dividend of 1.0 cent per share for the financial year ended 31.12.2012	(2,009)	–	–	(2,009)
Tax exempt interim dividend of 1.0 cent per share for the financial year ended 31.12.2013	(2,010)	–	–	(2,010)
Exercise of employee share options	30	35	(5)	–
Balance at 31.12.2013	83,429	43,299	–	40,130

* An analysis of "Other reserves" is presented in note 24.

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2014

	2014 $'000	2013 $'000
Cash flows from operating activities		
Profit before tax	**9,351**	9,409
Adjustments for:		
Depreciation and amortisation	**3,192**	3,047
Loss on deemed disposal of interest in a subsidiary (note 14(iv))	**–**	127
Impairment in value in held-to-maturity financial assets	**1**	–
Share option expenses	**–**	(1)
Property, plant and equipment written off	**237**	412
Share of results of equity-accounted investees	**63**	–
Unrealised foreign exchange gain	**(203)**	(139)
Interest expense	**6**	5
Interest income	**(386)**	(263)
Operating cash flows before movements in working capital	**12,261**	12,597
Changes in working capital:		
Inventories	**(16)**	191
Trade and other receivables	**131**	(124)
Trade and other payables	**(940)**	773
Cash from operations	**11,436**	13,437
Income tax paid	**(1,837)**	(1,109)
Net cash generated from operating activities	**9,599**	12,328
Cash flows from investing activities		
Interest received	**386**	263
Purchase of property, plant and equipment	**(2,590)**	(4,173)
Purchase of investment properties	**(115)**	–
Proceeds from disposal of property, plant and equipment	**3**	21
Investment in available-for-sale financial assets	**–**	(35)
Investment in an associated company	**(120)**	–
Translation differences	**80**	5
Net cash used in investing activities	**(2,356)**	(3,919)

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2014

	2014 $'000	2013 $'000
Cash flows from financing activities		
Interest expense paid	**(6)**	(5)
Proceeds from/(repayment of) borrowings, net	**116**	(139)
Repayment of finance lease obligations	**–**	(2)
Funds withdrawn from non-liquid deposits	**216**	1
Proceeds from exercise of employee share options	**–**	31
Dividends paid to shareholders	**(5,025)**	(4,019)
Dividends paid to non-controlling interests	**–**	(8)
Contributions by non-controlling interests	**–**	3,864
Net cash used in financing activities	**(4,699)**	(277)
Net increase in cash and cash equivalents	**2,544**	8,132
Cash and cash equivalents at beginning of financial year	**79,601**	71,330
Effect of exchange rate fluctuations on cash and cash equivalents	**203**	139
Cash and cash equivalents at end of financial year	**82,348**	79,601
Cash and cash equivalents comprise:		
Fixed deposits	**30,673**	40,127
Cash and bank balances	**51,777**	39,792
	82,450	79,919
Less: Funds placed in non-liquid deposits (note 22)	**(102)**	(318)
	82,348	79,601

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 Corporate information

The Company (Co. Reg. No. 197803023H) is incorporated and domiciled in Singapore and its registered office is at 41 Tampines Street 92, Singapore 528881.

The principal activities of the Company are the manufacture of ice cream, the operation of Swensen's ice cream parlours cum restaurants, operation of pubs and other specialty restaurants and investment holding. The principal activities of the subsidiaries are shown in note 14.

2 Summary of significant accounting policies

2.1 Basis of preparation

The financial statements, expressed in Singapore Dollars which is the Company's functional currency, have been prepared in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

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 and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2014. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group and the Company except as disclosed below:

FRS 112 Disclosure of Interests in Other Entities

The Group adopted FRS 112 on 1 January 2014. The amendment is applicable for annual periods beginning on or after 1 January 2014. It sets out the required disclosures for entities reporting under the new FRS 110 *Consolidated Financial Statements* and FRS 111 *Joint Arrangements*, and replaces the disclosure requirements previously found in FRS 27 (revised 2011) *Separate Financial Statements* and FRS 28 (revised 2011) *Investments in Associates and Joint Ventures*.

The Group has incorporated the additional required disclosures of FRS 112 into the financial statements.

2 Summary of significant accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

At the end of the reporting period, the Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Amendments to FRS 19	Defined Benefit Plans: Employee Contributions
Improvements to FRSs (January 2014)	
Improvements to FRSs (February 2014)	
FRS 114	Regulatory Deferral Accounts
Amendments to FRS 27	Equity Method in Separate Financial Statements
Amendments to FRS 16 and FRS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 16 and FRS 41	Agriculture: Bearer Plants
Amendments to FRS 111	Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 110 and FRS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Improvements to FRSs (November 2014)	
FRS 115	Revenue from Contracts with Customers
FRS 109	Financial Instruments

Except for FRS 115 and FRS 109, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policies on adoption of FRS 115 and FRS 109 are described below.

FRS 115 Revenue from Contracts with Customers

FRS 115 replaces FRS 18 *Revenue*, FRS 11 *Construction Contracts* and other revenue-related interpretations. It applies to all contracts with customers, except for leases, financial instruments and insurance contracts. FRS 115 provides a single, principle-based model to be applied to all contracts with customers. It provides guidance on whether revenue should be recognised at a point in time or over time, replacing the previous distinction between goods and services. The standard introduces new guidance on specific circumstances where cost should be capitalised and new requirements for disclosure of revenue in the financial statements. The standard is effective for annual periods beginning on or after 1 January 2017. The Group will reassess its contracts with customers in accordance with FRS 115.

FRS 109 Financial Instruments

FRS 109 includes guidance on the classification and measurement of financial assets and financial liabilities and de-recognition of financial instruments. FRS 109, when effective will replace FRS 39 *Financial Instruments: Recognition and Measurement*. This standard is effective for annual periods beginning on or after 1 January 2018. The Group will review the requirements of FRS 109 and re-assess the classification and measurement of its financial assets and financial liabilities in accordance with this standard.

2.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivables for the sales of goods and rendering of services, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group. Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the entity, and the amount of revenue and related cost can be reliably measured.

(a) *Sales of food and beverages*

Revenue from sales of food and beverages is recognised when the food and beverages have been served or upon delivery to customers.

2 Summary of significant accounting policies (cont'd)

2.2 Revenue recognition (cont'd)

(b) *Sales of goods*

Revenue from sales of goods is recognised when a Group entity has delivered the products to the customer and significant risks and rewards of ownership of the goods have been passed to the customer.

(c) *Services*

Revenue from rendering of services is recognised when services are performed.

(d) *Interest income*

Interest income is recognised on a time proportion basis using the effective interest method.

(e) *Royalty income*

Royalty income is recognised on a fixed predetermined percentage of revenue from certain restaurants.

(f) *Dividend income*

Dividend income is recognised when the right to receive payment is established.

(g) *Rental income*

Rental income from operating leases are recognised on a straight-line basis over the lease term.

2.3 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 are prepared for the same reporting period as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, 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.

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any 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 fair value of the net identifiable assets acquired is recorded as goodwill. Goodwill is accounted for in accordance with the accounting policy for goodwill stated in note 2.4. In instances where the latter amount exceeds the former, the excess is recognised as gain from bargain purchase in profit or loss on the date of acquisition.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by owners of the Company. They are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interest based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

2 Summary of significant accounting policies (cont'd)

2.3 Basis of consolidation (cont'd)

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other non-controlling interests are measured at acquisition date fair value or, when applicable, on the basis specified in another standard.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

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 (i.e. transactions with owner in their capacity as owners) and therefore, no gain or loss is recognised in profit or loss.

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill, non-controlling interests and other components of equity related to the subsidiary are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to accumulated profits if required by a specific FRS.

Any retained equity interest in the previous subsidiary is remeasured at fair value at the date that control is lost. The difference between the carrying amount of the retained interest at the date control is lost, and its fair value is recognised in profit or loss.

2.4 Goodwill

Goodwill is initially measured at cost and is subsequently measured at cost less any accumulated impairment losses.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combinations. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of a subsidiary, associated company or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associated company is described in note 2.9.

2.5 Property, plant and equipment and depreciation

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment in value, except for freehold land, restaurant supplies, crockery and cutlery that are not subject to depreciation. The cost of property, plant and equipment initially recognised includes its purchase price, and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the assets.

Expenditure incurred after the property, plant and equipment are put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the profit or loss in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, and its cost can be measured reliably, the expenditure is capitalised as an additional cost of property, plant and equipment. When restaurant supplies, crockery and cutlery are replaced, the costs of replacement are expensed off.

2 Summary of significant accounting policies (cont'd)

2.5 Property, plant and equipment and depreciation (cont'd)

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

Depreciation is calculated on a straight-line basis to write off the cost of all property, plant and equipment over their expected useful lives. The estimated useful lives are as follows:

	Years
Leasehold property	50
Building and structural improvements	15 - 50
Leasehold improvements	1 - 10
Furniture, fixtures and fittings	3 - 10
Plant and equipment	2.5 - 12
Motor vehicles	5 - 12

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

2.6 Investment properties

Investment properties comprise buildings that are held for long-term rental yields and/or for capital appreciation. Investment properties comprise completed investment properties.

Investment properties are initially recorded at cost. Subsequent to recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as addition and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvement is charged to profit or loss when incurred.

Depreciation begins when the building is available for use and is calculated on the straight-line method over the shorter of 50 years or the lease term of the building.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its 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.

Transfers are made to or from investment property only when there is a change in use. For a transfer between investment property to owner occupied property, there is no change in the carrying amount of the property transferred and there is also no change to the cost of the property for measurement.

2 Summary of significant accounting policies (cont'd)

2.7 Intangible assets

(i) Goodwill (see note 2.4)

(ii) Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets are not capitalised and the expenditure is charged against profits in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. 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 treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss and other comprehensive income in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Amortisation for intangible assets with finite lives is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

The estimated useful lives are as follows:

- Franchise rights — shorter of respective franchise periods or 20 years
- Trademark — shorter of remaining period of use or 5 years

2.8 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less any accumulated impairment losses. On disposal of the investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.9 Associated companies

An associated company is an entity over which the Group has significant influence but not control or joint control, over the financial and operating policies of the entity. Significant influence is presumed to exist generally when the Group holds 20% or more but not exceeding 50% of the voting power of another entity.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting, less impairment losses, if any.

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

2 Summary of significant accounting policies (cont'd)

2.9 Associated companies (cont'd)

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses is recognised in the profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from associated companies are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associated company recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately as income in the Group's profit or loss.

Where a group entity transacts with an associated company of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associated company.

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

In the Company's financial statements, investments in associated companies are carried at cost less accumulated impairment losses. On disposal of investment in associated companies, the difference between the disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

2.10 Impairment of non-financial assets (other than goodwill)

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is recognised in other comprehensive income up to the amount of any previous revaluation.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A previously recognised impairment for an asset other than goodwill is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2 Summary of significant accounting policies (cont'd)

2.11 Financial assets

(a) Classification

The Group classifies its financial assets according to the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting period. The Group's financial assets are loans and receivables, held-to-maturity financial assets and available-for-sale financial assets.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the reporting period which are classified as non-current assets. Loans and receivables comprise trade and other receivables (excluding prepayments) and cash and cash equivalents.

(ii) Financial assets, held-to-maturity

Financial assets, held-to-maturity are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

(iii) Financial assets, available-for-sale

Financial assets, available-for-sale include equity and debt securities that are non-derivatives and are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose off the assets within 12 months after the statement of financial position date.

(b) Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in profit or loss. Any amount in the fair value reserve relating to that asset is also transferred to profit or loss.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

(d) Subsequent measurement

Financial assets, available-for-sale are subsequently carried at fair value. Available-for-sale investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, are measured at cost less impairment loss. Loans and receivables and held-to-maturity financial assets are carried at amortised cost using the effective interest method, less impairment.

Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in fair value reserve/other comprehensive income. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in fair value reserve/other comprehensive income, together with the related currency translation differences.

Interest and dividend income on available-for-sale financial assets are recognised separately in profit or loss.

2 Summary of significant accounting policies (cont'd)

2.11 Financial assets (cont'd)

(e) Impairment

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

(i) *Loans and receivables*

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account, and the amount of the loss is recognised in profit or loss. The allowance amount is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

If in subsequent periods, the impairment loss decrease, and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversed date.

(ii) *Financial assets, held-to-maturity*

If there is objective evidence that an impairment loss on held-to-maturity financial assets has been incurred, the carrying amount of the asset is reduced by an allowance for impairment and the impairment loss is recognised in profit or loss. This allowance, calculated as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate, is recognised in the profit or loss in the period in which the impairment occurs.

Impairment loss is reversed through the profit or loss if the impairment loss decrease can be related objectively to an event occurring after the impairment loss was recognised. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(iii) *Financial assets, available-for-sale*

In the case of an equity security classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the security is impaired.

When there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that was recognised directly in the fair value reserve is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss on that financial asset previously recognised.

Impairment losses on debt instruments classified as available-for-sale financial assets are reversed through profit or loss when the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised. However, impairment losses recognised in profit or loss on equity instruments classified as available-for-sale financial assets are not reversed through profit or loss.

For available-for-sale financial assets carried at cost, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. The amount of impairment loss is recognised in profit or loss and such losses are not reversed in subsequent periods.

2 Summary of significant accounting policies (cont'd)

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is determined using a first-in first-out basis. Net realisable value represents the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

2.13 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and deposits with financial institutions which are subject to insignificant risk of change in value and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.14 Share capital

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.

2.15 Borrowing costs

Borrowing costs, which comprise interest and other costs incurred in connection with the borrowing of funds, 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 asset is substantially completed for its intended use or sale. All other borrowing costs are recognised in the profit or loss using the effective interest method.

2.16 Financial liabilities

Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, derivatives are measured at fair value. Other financial liabilities (except for the financial guarantees) are measured at amortised cost using the effective interest method.

For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in profit or loss. Net gains or losses on derivatives include exchange differences. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

2.17 Financial guarantees

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.

Financial guarantee contracts are initially recognised at their fair values plus transaction costs. Financial guarantees are classified as financial liabilities.

Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the expected amount payable to the holder. Financial guarantee contracts are amortised in profit or loss over the period of the guarantee.

2 Summary of significant accounting policies (cont'd)

2.18 Leases

(a) When a group company is the lessee

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Finance leases

Leases of property, plant and equipment where the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is taken to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

(b) When a group company is the lessor

Operating leases

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.19 Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit or loss except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable or recoverable on the taxable income for the current year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided using the liability method, on all temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associated companies, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

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 currently enacted or substantively enacted tax rates at the end of the reporting period.

Deferred taxes are charged or credited to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

2 Summary of significant accounting policies (cont'd)

2.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

The Group recognises the estimated costs of dismantlement, removal or restoration items of property, plant and equipment arising from the acquisition or use of assets (note 2.5). This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value of money.

2.21 Employee benefits

(a) *Defined contribution plans*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

Such state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

(b) *Employee leave entitlement*

Employee entitlements to annual leave and long-service leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the end of the reporting period.

(c) *Employee share option plans*

Employees of the Group received remuneration in the form of share options as consideration for services rendered ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which the share options are granted. In valuing the share options, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ("market conditions"), if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in the share option reserve, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied. The share option reserve is transferred to accumulated profits upon expiry of the options.

2 Summary of significant accounting policies (cont'd)

2.22 Foreign currency translation and transactions

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements of the Group and the Company are presented in Singapore Dollars, which is the Company's functional currency.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for currency translation differences on net investment in foreign operations and borrowings and other currency instruments qualifying as net investment hedges for foreign operations, which are included in the foreign currency translation reserve within equity in the consolidated financial statements. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) *Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing rates at the end of the reporting period;
(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
(iii) All resulting exchange differences are recognised in the foreign currency translation reserve within equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

On disposal of a foreign group entity, the cumulative amount of the foreign currency translation reserve relating to that particular foreign entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.

2.23 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker for making decisions about allocating resources and assessing performance of the operating segments.

2.24 Dividends

Interim dividends are recorded during the financial year in which they are declared payable.

Final dividends are recorded in the financial statements in the period in which they are approved by the Company's shareholders.

2 Summary of significant accounting policies (cont'd)

2.25 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Where the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

2.26 Related parties

A related party is an entity or person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common or joint control with, the entity in governing the financial and operating policies, or that has an interest in the entity that gives it significant influence over the entity in financial and operating decisions. It also includes members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. The transactions are entered on terms agreed by the parties concerned.

3 Significant accounting estimates and judgments

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to carrying amount of the asset or liability affected in the future.

3.1 Critical judgment made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgments apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements.

Income taxes

Significant judgment is involved in determining the capital allowance and deductibility of certain expenses during the estimation of the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

The carrying amount of the Group's tax payable and deferred tax liabilities at 31 December 2014 was approximately $1,824,000 (2013: $1,815,000) and $1,299,000 (2013: $1,274,000) respectively.

The carrying amount of the Company's tax payable and deferred tax liabilities at 31 December 2014 was approximately $1,439,000 (2013: $1,500,000) and $520,000 (2013: $600,000) respectively.

Information on unabsorbed tax losses and other temporary differences for which deferred tax assets had not been recognised are stated in note 9.

3 Significant accounting estimates and judgments (cont'd)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) *Impairment of loans and receivables, held-to-maturity financial assets and available-for-sale financial assets*

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is any objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables, held-to-maturity and available-for-sale financial assets at the end of the reporting period are disclosed in note 31(a) to the financial statements.

(b) *Property, plant and equipment and investment properties*

The Group assesses whether there are indicators of impairment for property, plant and equipment and investment properties at the end of each reporting period and at other times when such indicators exist. Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives within 1 to 50 years. Investment properties are depreciated on a straight-line basis over the shorter of 50 years or the lease term of the building. The estimation of useful lives involves significant judgment and the Group reviews the useful lives of property, plant and equipment and investment properties at each reporting period. The carrying amounts of the Group's and the Company's property, plant and equipment and investment properties at 31 December 2014 are disclosed in note 11 and 12 respectively.

4 Revenue

	Group	
	2014	2013
	$'000	$'000
Sales	**94,910**	90,796
Service charges	**7,186**	6,946
Royalty income	**423**	424
	102,519	98,166

5 Other income

	Group	
	2014	2013
	$'000	$'000
Rental income	**359**	374
Interest income	**386**	263
Other income	**250**	338
Wavier of debts by a former shareholder of a subsidiary	**–**	816
Foreign exchange gain, net	**75**	–
Special Employment Credit and Wage Credit Scheme	**579**	184
	1,649	1,975

6 Finance costs

	Group	
	2014	2013
	$'000	$'000
Bank overdraft and term loan interests	**6**	4
Finance lease charges	**–**	1
	6	5

7 Profit before tax

Profit before tax is arrived at after charging/(crediting):

		Group	
		2014	2013
	Note	**$'000**	$'000
Audit fees payable to:			
– auditor of the Company		**107**	111
– other auditors*		**50**	50
Fees for non-audit services payable to:			
– auditor of the Company		**46**	48
Amortisation of franchise rights	13(b)	**146**	137
Cost of inventories included in cost of sales		**26,796**	25,406
Depreciation of property, plant and equipment	11	**2,911**	2,790
Depreciation of investment properties	12	**135**	120
Remuneration of the directors of the Company:	8		
– salaries, fees and benefits-in-kind		**1,275**	1,452
– contribution to defined contribution plans		**33**	37
Remuneration of the directors of the subsidiaries:			
– salaries, fees and benefits-in-kind		**–**	82
– contribution to defined contribution plans		**–**	7
Remuneration of key management personnel (non-directors):			
– salaries and related costs		**1,094**	1,076
– contribution to defined contribution plans		**75**	67
Remuneration of other staff:			
– salaries and related costs		**28,204**	26,266
– contribution to defined contribution plans		**2,007**	1,807
Loss on deemed disposal of interest in a subsidiary	14(iv)	**–**	127
Allowances for doubtful non-trade receivables	19,21	**15**	13
Rental expenses - operating leases (see note below)		**17,606**	16,275
Bad debts written off (trade)		**8**	1
Write-offs:			
– property, plant and equipment		**237**	412
– inventories		**67**	57
Allowances for doubtful trade receivables	21	**–**	6
Net foreign exchange losses		**–**	137
Bad debts written off (non-trade)		**9**	–
Write-back of allowance for inventories obsolescences, net		**–**	(2)
Impairment in value in held-to-maturity financial assets	16	**1**	–
Purchases from related parties		**5**	2

Note - Included in rental expenses are contingent rents of $3,035,000 (2013: $3,131,000).

* Include independent member firms of the Baker Tilly International network.

8 Remuneration bands of directors of the Company

Number of directors of the Company in remuneration bands:

	Group	
	2014	2013
$250,000 to below $500,000	**3**	3
Below $250,000	**4**	4
	7	7

9 Income tax expense

	Group	
	2014 **$'000**	2013 $'000
Tax expense attributable to profits is made up of:		
Current income tax provision	**1,849**	1,818
Deferred tax (note 27)	**31**	(33)
	1,880	1,785
(Over)/under provision in preceding financial year		
– income tax	**(54)**	(172)
– deferred tax (note 27)	**2**	–
	1,828	1,613

The income tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax to profit before tax due to the following factors:

	Group	
	2014 **$'000**	2013 $'000
Profit before tax	**9,351**	9,409
Tax calculated at a tax rate of 17%	**1,590**	1,600
Effect of different tax rates in other countries	**149**	61
Statutory stepped income exemption	**(40)**	(42)
Income not subject to tax	**(440)**	(529)
Expenses not deductible for tax purposes	**611**	575
Effect of tax incentive and tax rebate	**(103)**	(144)
Over provision in preceding financial year	**(52)**	(172)
Deferred tax assets not recognised	**169**	299
Others	**(56)**	(35)
	1,828	1,613

9 Income tax expense (cont'd)

The statutory income tax rate applicable is 17% (2013: 17%) for companies incorporated in Singapore and 25% (2013: 25%) for companies incorporated in Malaysia and People's Republic of China.

The deferred tax assets on the following temporary differences have not been recognised in the financial statements at the end of the reporting period:

	2014	2013
	$'000	$'000
Unabsorbed tax losses	**16,083**	15,389
Unabsorbed capital allowances	**1,826**	1,942
	17,909	17,331

At the end of the reporting period, the Group has potential tax benefits arising from unabsorbed tax losses of approximately $16,161,000 (2013: $15,782,000), and unabsorbed capital allowances of approximately $1,826,000 (2013: $1,942,000), that are available for carry-forward to offset against future taxable income of the companies in which the tax losses and capital allowances arose, subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

10 Earnings per share

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	2014	2013
	$'000	$'000
Profit for the year attributable to owners of the Company	**7,906**	8,451

	2014	2013
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	**200,996**	200,956
Basic earnings per share (cents)	**3.93**	4.21
Diluted earnings per share (cents)	**3.93**	4.21

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

As at 31 December 2014 and 2013, diluted earnings per share is similar to basic earnings per share as there were no dilutive potential ordinary shares.

11 Property, plant and equipment

Group

2014

	Freehold land $'000	Building and structural improvements $'000	Leasehold property $'000	Leasehold improvements $'000	Furniture, fixtures and fittings $'000	Plant and equipment $'000	Motor vehicles $'000	Restaurant supplies, crockery and cutlery $'000	Total $'000
Cost									
At 1.1.2014	428	12,656	2,300	13,806	5,081	13,712	693	789	49,465
Additions	–	54	–	1,290	431	794	84	207	2,860
Disposals/write-off	–	–	–	(809)	(351)	(595)	–	(230)	(1,985)
Reclassification	–	–	–	–	172	(172)	–	–	–
Translation	(8)	(40)	–	(14)	(16)	(87)	(10)	–	(175)
At 31.12.2014	**420**	**12,670**	**2,300**	**14,273**	**5,317**	**13,652**	**767**	**766**	**50,165**
Accumulated depreciation and impairment losses									
At 1.1.2014	–	5,239	1,081	9,176	2,704	9,282	513	–	27,995
Charge for 2014	–	207	46	1,345	421	858	34	–	2,911
Disposals/write-off	–	–	–	(700)	(266)	(560)	–	–	(1,526)
Reclassification	–	–	–	–	6	(6)	–	–	–
Translation	–	(15)	–	(4)	(10)	(65)	(7)	–	(101)
At 31.12.2014	**–**	**5,431**	**1,127**	**9,817**	**2,855**	**9,509**	**540**	**–**	**29,279**
Net carrying value									
At 31.12.2014	**420**	**7,239**	**1,173**	**4,456**	**2,462**	**4,143**	**227**	**766**	**20,886**

11 Property, plant and equipment (cont'd)

Group

2013

	Freehold land $'000	Building and structural improvements $'000	Leasehold property $'000	Leasehold improvements $'000	Furniture, fixtures and fittings $'000	Plant and equipment $'000	Motor vehicles $'000	Restaurant supplies, crockery and cutlery $'000	Total $'000
Cost									
At 1.1.2013	443	12,724	2,300	12,160	4,815	13,549	267	795	47,053
Additions	–	–	–	2,564	584	1,547	–	273	4,968
Disposals/write-off	–	–	–	(692)	(296)	(721)	(14)	(279)	(2,002)
Attributable to deemed disposal	–	–	–	(208)	–	(67)	–	–	(275)
Reclassification	–	–	–	–	–	(441)	441	–	–
Translation	(15)	(68)	–	(18)	(22)	(155)	(1)	–	(279)
At 31.12.2013	428	12,656	2,300	13,806	5,081	13,712	693	789	49,465
Accumulated depreciation and impairment losses									
At 1.1.2013	–	5,056	1,035	8,569	2,490	9,349	237	–	26,736
Charge for 2013	–	207	46	1,230	416	880	11	–	2,790
Disposals/write-off	–	–	–	(577)	(193)	(556)	(1)	–	(1,327)
Attributable to deemed disposal	–	–	–	(49)	–	(12)	–	–	(61)
Reclassification	–	–	–	–	–	(267)	267	–	–
Translation	–	(24)	–	3	(9)	(112)	(1)	–	(143)
At 31.12.2013	–	5,239	1,081	9,176	2,704	9,282	513	–	27,995
Net carrying value									
At 31.12.2013	428	7,417	1,219	4,630	2,377	4,430	180	789	21,470

11 Property, plant and equipment (cont'd)

Company

	Leasehold property $'000	Leasehold improve-ments $'000	Furniture, fixtures and fittings $'000	Plant and equipment $'000	Motor vehicles $'000	Restaurant supplies, crockery and cutlery $'000	Total $'000
2014							
Cost							
At 1.1.2014	2,300	7,952	3,984	8,418	185	790	23,629
Additions	–	967	311	488	–	206	1,972
Disposals/write-off	–	(410)	(214)	(247)	–	(230)	(1,101)
At 31.12.2014	**2,300**	**8,509**	**4,081**	**8,659**	**185**	**766**	**24,500**
Accumulated depreciation and impairment losses							
At 1.1.2014	1,081	4,732	2,188	5,814	163	–	13,978
Charge for 2014	46	947	307	520	9	–	1,829
Disposals/write-off	–	(385)	(173)	(228)	–	–	(786)
At 31.12.2014	**1,127**	**5,294**	**2,322**	**6,106**	**172**	**–**	**15,021**
Net carrying value							
At 31.12.2014	**1,173**	**3,215**	**1,759**	**2,553**	**13**	**766**	**9,479**
2013							
Cost							
At 1.1.2013	2,300	7,008	3,817	8,344	185	794	22,448
Additions	–	1,536	434	696	–	273	2,939
Disposals/write-off	–	(592)	(267)	(622)	–	(277)	(1,758)
At 31.12.2013	2,300	7,952	3,984	8,418	185	790	23,629
Accumulated depreciation and impairment losses							
At 1.1.2013	1,035	4,409	2,055	5,747	154	–	13,400
Charge for 2013	46	844	300	550	9	–	1,749
Disposals/write-off	–	(521)	(167)	(483)	–	–	(1,171)
At 31.12.2013	1,081	4,732	2,188	5,814	163	–	13,978
Net carrying value							
At 31.12.2013	1,219	3,220	1,796	2,604	22	790	9,651

11 Property, plant and equipment (cont'd)

At the end of the reporting period, the following property, plant and equipment with net carrying value set out below were pledged to certain financial institutions for banking facilities (note 26).

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Freehold land	**420**	428	**–**	–
Building and structural improvements	**7,239**	7,417	**–**	–
Leasehold property	**1,173**	1,219	**1,173**	1,219
Leasehold improvements	**69**	82	**–**	–
	8,901	9,146	**1,173**	1,219

Included in the additions of property, plant and equipment of the Group and Company are amounts of $270,000 (2013: $795,000) and $263,000 (2013: $667,000) respectively, representing provision for restoration costs.

12 Investment properties

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Cost				
At beginning of financial year	**5,482**	5,482	**1,863**	1,863
Additions	**115**	–	**–**	–
At end of financial year	**5,597**	5,482	**1,863**	1,863
Accumulated depreciation and impairment losses				
At beginning of financial year	**2,070**	1,950	**713**	676
Charge for the financial year (note 7)	**135**	120	**37**	37
At end of financial year	**2,205**	2,070	**750**	713
Net carrying value				
At end of financial year	**3,392**	3,412	**1,113**	1,150

At the end of the reporting period, the following investment properties with net carrying value set out below were pledged to certain financial institutions for banking facilities.

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Investment properties	**1,113**	1,150	**1,113**	1,150

12 Investment properties (cont'd)

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Consolidated statement of profit or loss and other comprehensive income				
Rental income from investment properties	**358**	374	**86**	82
Direct operating expenses arising from investment properties that generated rental income	**(234)**	(213)	**(57)**	(56)

At 31 December 2014 and 31 December 2013, the fair values of the investment properties were determined based on the properties' highest-and-best-use valuations performed by accredited independent valuers using direct comparison with recent transactions of comparable properties within the vicinity and elsewhere at the end of the reporting period. The values of the investment properties of the Group and Company are $11,194,000 (2013: $9,580,000) and $4,750,000 (2013: $4,100,000) respectively.

Details of investment properties are as follows:

Description	**Location**	**Floor area (Sqm)**	**Tenure of Lease (Use)**
Singapore			
A shop unit located on the first storey of a shopping-cum-residential development known as City Plaza	810 Geylang Road #01-103 City Plaza Singapore 409286	25	Freehold (Rental)
A shop unit located on the second storey of Far East Plaza	14 Scotts Road #02-22 Far East Plaza Singapore 228213	39	Freehold (Rental)
A HDB shop unit with living quarters located within Block 5 Changi Village Road	Block 5 Changi Village Road #01-2001 Singapore 500005	358	85 years from 1 July 1994 (Rental)
Indonesia			
An apartment unit in Ascott Towers Indonesia	Unit 06-23 Jalan Kebon Kacang Raya No.2 Jakarta 10230	159	20 years and is renewable for a further term of 20 years (Rental)

13 Intangible assets

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Composition				
Knowhow and related business goodwill (note (a))	**77**	77	**–**	–
Trademark (note (b))	**51**	109	**–**	–
Franchise rights (note (b))	**354**	434	**140**	174
	482	620	**140**	174

13 Intangible assets (cont'd)

(a) Knowhow and related business goodwill

	Group	
	2014	2013
	$'000	$'000
At cost		
At beginning of financial year	**674**	674
Allowance for impairment loss	**(597)**	(597)
At end of financial year	**77**	77

(b) Franchise rights and trademark

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
At cost				
At beginning of financial year	**1,623**	1,603	**406**	406
Translation difference	**8**	20	**–**	–
	1,631	1,623	**406**	406
Accumulated amortisation	**(1,226)**	(1,080)	**(266)**	(232)
At end of financial year	**405**	543	**140**	174

Movements in accumulated amortisation of franchise rights and trademark during the financial year are as follows:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
At beginning of financial year	**1,080**	943	**232**	198
Amortisation (note 7)	**146**	137	**34**	34
At end of financial year	**1,226**	1,080	**266**	232

The amount of franchise rights and trademark amortised is included in administrative expenses in the consolidated statement of profit or loss and other comprehensive income.

The Group's and Company's franchise rights and trademark consist of:

(i) the amount incurred by ABR (HK) Limited, a subsidiary, for exclusive franchise rights of "Swensen's" in Singapore, Malaysia, Brunei and the People's Republic of China. The franchise rights for Singapore, Malaysia and Brunei are for a period of 20 years from 27 November 1998 to 26 November 2018. The franchise rights for the People's Republic of China is for a period of 20 years from 13 August 2001 to 12 August 2021;

(ii) the amount incurred by ABR (HK) Limited, a subsidiary, for exclusive franchise rights of "Yogen Fruz" in Singapore for a period of 20 years from 28 September 2004 to 27 September 2024;

13 Intangible assets (cont'd)

(b) Franchise rights and trademark (cont'd)

The Group's and Company's franchise rights and trademark consist of: (cont'd)

(iii) the amount incurred by the Company, for exclusive rights of "Brasserie Flo" and "Hippopotamus" in Singapore for a period of 12 years from 6 February 2007 to 5 February 2019;

(iv) the amount incurred by KJ Coffees Singapore Pte Ltd, a subsidiary, for exclusive franchise rights of "Gloria Jean's Coffees" in Singapore for a period of 10 years from 30 June 2006 to 29 June 2016; and

(v) the amount incurred by Kitchen Alchemy Pte Ltd, a subsidiary, for trade name of "Tip Top", registered on 23 November 2005 and expiring on 23 November 2015.

14 Investments in subsidiaries

	Company	
	2014	2013
	$'000	$'000
Investment in unquoted equity shares at cost	**19,000**	19,000
Less: Allowance for impairment in value	**(14,129)**	(13,531)
	4,871	5,469

Movements in allowance for impairment in value during the financial year are as follows:

	Company	
	2014	2013
	$'000	$'000
At beginning of financial year	**13,531**	12,500
Allowance made	**598**	1,031
At end of financial year	**14,129**	13,531

During the financial year, management performed an impairment test for investment in certain subsidiaries as these subsidiaries have been incurring losses in the current and past financial years. An impairment loss of $598,000 (2013: $1,031,000) is recognised for the year ended 31 December 2014 for a subsidiary to its recoverable amount. The estimates of the recoverable amount of investments have been determined by management based on net assets value of the subsidiaries as at 31 December 2014, which approximates the recoverable amount of the investments in the subsidiaries.

14 Investments in subsidiaries (cont'd)

(i) Details of the Company's subsidiaries at 31 December 2014 are as follows:

	Name of subsidiary	Principal activities	Country of incorporation	Group's equity holding 2014	2013
				%	%
	Held by the Company				
(a)	Lawry's (Singapore) Ltd	Investment holding and provision of processing, supply, warehousing and distribution activities	Singapore	**100**	100
(b)	ABR (HK) Limited	Manage, obtain and exploit industrial and intellectual rights with respect to the ice cream, fast food and restaurant business	Hong Kong	**99.99**	99.99
(e)	Swensen's of Singapore (1996) Pte Ltd	Investment holding	Singapore	**100**	100
(a)	Food Creations Pte Ltd	Provision of services for the manufacture and production of ice cream and related products	Singapore	**100**	100
(a)	Europa Lounge and Restaurant Pte Ltd	Investment holding	Singapore	**100**	100
(e)	Hippopotamus Restaurants Pte Ltd	Dormant	Singapore	**100**	100
(e)	Orchard 501 Café Pub Pte Ltd	Dormant	Singapore	**100**	100
(e)	Europa Entertainment Pte Ltd	Investment holding	Singapore	**100**	100
(e)	Pleasuredome Pte Ltd	Dormant	Singapore	**100**	100
(e)	Europa Ridley's (1992) Pte Ltd	Dormant	Singapore	**100**	100
(e)	Cine Art Pictures Pte Ltd	Dormant	Singapore	**55**	55
(b)	Team-Up Investments (HK) Limited	Investment holding	Hong Kong	**100**	100
(e)	Bistro Europa Pte Ltd	Dormant	Singapore	**100**	100

14 Investments in subsidiaries (cont'd)

(i) Details of the Company's subsidiaries at 31 December 2014 are as follows: (cont'd)

	Name of subsidiary	Principal activities	Country of incorporation	Group's equity holding 2014	2013
				%	%
	Held by the Company (cont'd)				
(e)	Europa Specialty Restaurants (S) Pte Ltd	Dormant	Singapore	**100**	100
(e)	Kads Associates Advertising Pte Ltd	Dormant	Singapore	**100**	100
(e)	Team-Up Overseas Investment Pte Ltd	Dormant	Singapore	**70**	70
(a)	Oishi Japanese Pizza Pte Ltd	Pizza delivery business and franchising	Singapore	**84.1**	84.1
(a)	KJ Coffees Singapore Pte Ltd	Franchising	Singapore	**100**	100
(a)	E.Y.F. (S) Pte Ltd	Investment holding	Singapore	**100**	100
(a)	Kitchen Alchemy Pte Ltd	Investment holding	Singapore	**51**	51
(a)	All Best Foods Pte Ltd	Manufacturing, retailing of food products and operator of café and snack bars	Singapore	**51**	51
	Held by the subsidiaries				
	Held by ABR (HK) Limited				
(d)	E.D. Swensen's B.V.	Manage, obtain and exploit industrial and intellectual rights with respect to the ice cream business	The Netherlands	**100**	100
	Held by Europa Entertainment Pte Ltd				
(c)	Europa (Beijing) Food & Beverage Management Co., Ltd	Dormant	People's Republic of China	**100**	100

14 Investments in subsidiaries (cont'd)

(i) Details of the Company's subsidiaries at 31 December 2014 are as follows: (cont'd)

	Name of subsidiary	Principal activities	Country of incorporation	Group's equity holding 2014	Group's equity holding 2013
				%	%
Held by the subsidiaries (cont'd)					
Held by Team-Up Investments (HK) Limited					
(d)	Win Win Food (Shenzhen) Co., Ltd	Dormant	People's Republic of China	**100**	100
(c)	Xuansheng Food & Beverage Management (Chengdu) Co., Ltd	Dormant	People's Republic of China	**100**	100
Held by Lawry's (Singapore) Ltd					
(e)	Lawry's PRC Investment Pte Ltd	Dormant	Singapore	**100**	100
(c)	Season Confectionary & Bakery Sdn. Bhd.	Manufacturing and retailing of bread, cakes and confectionery	Malaysia	**80**	80
(c)	Season's Café Sdn. Bhd.	Operation of a chain of cafeteria	Malaysia	**80**	80
Held by Season Confectionary & Bakery Sdn. Bhd.					
(c)	Season Confectionary & Bakery (KL) Sdn. Bhd.	Dormant	Malaysia	**51**	51
(c)	Swensen's (Malaysia) Sdn. Bhd.	Ice cream manufacturing and franchising	Malaysia	**100**	100
(a)	SSCB Pte Ltd	Commission agents	Singapore	**100**	100
Held by E.Y.F. (S) Pte Ltd					
(d)	EY. Food (SH) Pte Ltd	Dormant	People's Republic of China	**100**	100
(b)	EY. Food (BJ) Pte Ltd	Dormant	People's Republic of China	**100**	100

14 Investments in subsidiaries (cont'd)

(i) Details of the Company's subsidiaries at 31 December 2014 are as follows: (cont'd)

Name of subsidiary	Principal activities	Country of incorporation	Group's equity holding 2014	2013
			%	%
Held by the subsidiaries (cont'd)				
Held by Kitchen Alchemy Pte Ltd				
(a) TT Hara Food Pte Ltd	Dormant	Singapore	**25**	25
Held by All Best Foods Pte Ltd				
(a) TT Hara Food Pte Ltd	Dormant	Singapore	**75**	75

(a) Audited by Baker Tilly TFW LLP.
(b) Audited by overseas independent member firms of Baker Tilly International. These subsidiaries are not significant as defined under Listing Rule 718 of the Singapore Exchange Listing Manual.
(c) Audited by other certified public accountants. These subsidiaries are not significant as defined under Listing Rule 718 of the Singapore Exchange Listing Manual.
(d) Not required to be audited in the country of incorporation.
(e) Exempted from audit in 2014 as company is dormant during the financial year.

(ii) Incorporation of subsidiary

In 2013, the Company incorporated a subsidiary known as All Best Foods Pte Ltd with a registered capital of $8,000,000.

(iii) Changes in ownership in subsidiary

During the financial year ended 31 December 2013, the Company acquired additional equity interest in a subsidiary, E.Y.F. (S) Pte Ltd from the non-controlling interest at a nominal consideration of $1. As a result of this acquisition, E.Y.F. (S) Pte Ltd became a wholly-owned subsidiary of the Company. The effect of the addition is as follows:

	Group 2013 $'000
Carrying amount of non-controlling interest disposed	(3,036)
Consideration paid to a non-controlling interest, net of transaction costs	*
Difference recognised in accumulated profits within equity	(3,036)

* Amount less than $1,000.

(iv) Deemed disposal of a subsidiary

Though the Group held 60% of the shareholding in Chongqing Ding Zhan Can Yin Guan Li You Xian Gong Si, it was unable to exercise control over the company. Accordingly, the Group treated this as deemed disposal in the financial year ended 31 December 2013.

14 Investments in subsidiaries (cont'd)

(iv) Deemed disposal of a subsidiary (cont'd)

(a) The attributable assets and liabilities of the subsidiary deemed disposed off and the cash flows relating to the deemed disposal are set out as follows:

	Group 2013 $'000
Property, plant and equipment	214
Inventories	5
Trade and other receivables	397
Trade and other payables	(402)
Total identifiable net assets at fair value	214
Non-controlling interest measured at the non-controlling interest proportionate share of net identifiable assets	(87)
Carrying value of net assets	127
Loss on deemed disposal of interest in a subsidiary (note 7)	(127)
Total consideration	–

(b) Effect on cash flows of the Group

There is no effect on cash flows of the Group in the financial year ended 31 December 2013 as it was a deemed disposal with no consideration involved.

(v) The management does not consider that the subsidiaries' non-controlling interest to be material to the Group. Accordingly, the summarised financial information of the subsidiaries are not being disclosed.

15 Investments in associated companies

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Unquoted equity shares at cost	**217**	97	**97**	97
Less: Allowance for impairment loss	**–**	–	**(97)**	(97)
	217	97	**–**	–
Group's share of post-acquisition losses	**(160)**	(97)	**–**	–
	57	–	**–**	–

15 Investments in associated companies (cont'd)

The following information relates to associated companies:

Name of associated company	Principal activities	Country of incorporation	Group's equity holding 2014	2013
			%	%
Held by the Company				
Swensen's Ice Cream Company (Australia) Pty Ltd	Dormant	Australia	**50**	50
Chinoiserie Wine Bar and Discotheque Pte Ltd	Dormant	Singapore	**30**	30
Held by Europa Lounge and Restaurant Pte Ltd				
Food Glossary Pte Ltd	Operating and management of food and beverage outlet	Singapore	**30**	–

These associated companies are measured using the equity method. The activities of the associated companies are strategic to the Group.

Management has performed an impairment review as at 31 December 2014 and determined that no additional or reversal of impairment loss is required in 2014. The estimates of the recoverable amount of the investments have been determined by management based on the net assets value of the associated companies as at 31 December 2014, which approximates the recoverable amount of the investments in the associated companies.

The management does not consider any of the associated companies to be individually and in aggregate material to the Group. Accordingly, the summarised financial information about the associated companies are not disclosed.

16 Held-to-maturity financial assets

	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Unquoted non-equity investments, at cost	**1**	1	**1**	1
Less: Allowance for impairment in value	**(1)**	–	**(1)**	–
	–	1	**–**	1

Movements in allowance for impairment in value during the financial year are as follows:

	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Allowance made during the year and balance at end of financial year	**1**	–	**1**	–

17 Available-for-sale financial assets

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Unquoted equity investments, at cost	**35**	35	**35**	35

18 Due from subsidiaries

(i) Due from subsidiaries, current

	Company	
	2014	2013
	$'000	$'000
Trade	**4,456**	4,650
Less: Allowance for doubtful receivables	**(4,411)**	(4,563)
note 21	**45**	87
Non-trade	**3,910**	3,864
Less: Allowance for doubtful receivables	**(3,519)**	(3,422)
note 21	**391**	442
	436	529

Movements in allowance for doubtful receivables during the financial year are as follows:

	Company	
	2014	2013
	$'000	$'000
Trade		
At beginning of financial year	**4,563**	4,470
Allowance made	**–**	94
Receivables written off against allowances	**(150)**	–
Write-back of allowance	**(2)**	(1)
At end of financial year	**4,411**	4,563
Non-trade		
At beginning of financial year	**3,422**	3,463
Allowance made	**149**	326
Write-back of allowance	**–**	(193)
Receivables written off against allowances	**(52)**	(174)
At end of financial year	**3,519**	3,422

The non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

During the financial year, the Company provided allowance of $nil (2013: $94,000) and $149,000 (2013: $326,000) for trade and non-trade amounts due from subsidiaries respectively. These subsidiaries have been incurring losses in the current and past financial years.

18 Due from subsidiaries (cont'd)

(i) Due from subsidiaries, current (cont'd)

Analysis of trade receivables due from subsidiaries at the end of the reporting period:

	Company 2014 $'000	Company 2013 $'000
Not past due and not impaired	**16**	39
Past due and not impaired	**29**	48
	45	87

Trade receivables due from subsidiaries that are past due and not impaired:

	Company 2014 $'000	Company 2013 $'000
Past due 0 - 30 days	**26**	17
Past due 31 - 60 days	**3**	19
Past due 61 - 90 days	**–**	11
Past due more than 90 days	**–**	1
	29	48

Trade receivables due from subsidiaries of approximately $4,411,000 (2013: $4,563,000) are past due and fully impaired.

(ii) Loans to subsidiaries, non-current

	Company 2014 $'000	Company 2013 $'000
Loans to subsidiaries	**15,143**	15,498
Less: Allowance for doubtful receivables	**(7,984)**	(7,859)
	7,159	7,639

Movements in allowance for doubtful receivables during the financial year are as follows:

	Company 2014 $'000	Company 2013 $'000
At beginning of financial year	**7,859**	10,536
Allowance made	**300**	2,145
Receivables written off against allowances	**–**	(2,879)
Write-back of allowance	**(175)**	(220)
Reclassification of allowance made (note 21)	**–**	(1,723)
At end of financial year	**7,984**	7,859

18 Due from subsidiaries (cont'd)

(ii) Loans to subsidiaries, non-current (cont'd)

The non-current loans to subsidiaries of $7,159,000 (2013: $7,639,000) are not expected to be repaid within the next twelve months. It is not practicable to estimate the fair value of the portion of the loans that does not have fixed repayment terms.

During the financial year, the Company provided an allowance of $300,000 (2013: $2,145,000) for impairment of non-current loans to subsidiaries. These subsidiaries have been incurring losses in the current and past financial years.

19 Due from associated companies, current

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Non-trade	**193**	188	**193**	188
Less: Allowance for doubtful receivables	**(193)**	(188)	**(193)**	(188)
note 21	**–**	–	**–**	–

Movements in allowance for doubtful receivables during the financial year are as follows:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
At beginning of financial year	**188**	181	**188**	181
Allowance made (note 7)	**5**	7	**5**	7
At end of financial year	**193**	188	**193**	188

The amounts due from associated companies are unsecured, interest-free and repayable on demand.

20 Inventories

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Ice cream and ingredients	**1,094**	814	**1,067**	747
Confectionery and ingredients	**541**	591	**–**	–
Food and beverages	**656**	663	**511**	500
Merchandise	**204**	193	**181**	161
Wines and liquor	**42**	42	**42**	42
	2,537	2,303	**1,801**	1,450

21 Trade and other receivables

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Trade receivables	**1,313**	1,344	**924**	911
Less: Allowance for doubtful receivables	**–**	(122)	**–**	–
	1,313	1,222	**924**	911
Due from subsidiaries (note 18(i))	**–**	–	**45**	87
	1,313	1,222	**969**	998
Rental and sundry deposits	**4,396**	4,394	**3,709**	3,575
Prepayments	**921**	732	**663**	450
Sundry receivables	**1,862**	2,722	**1,839**	1,890
Tax recoverable	**347**	287	**–**	–
	7,526	8,135	**6,211**	5,915
Less: Allowance for doubtful sundry receivables	**(1,815)**	(2,263)	**(1,768)**	(1,870)
	5,711	5,872	**4,443**	4,045
Due from subsidiaries (note 18 (i))	**–**	–	**391**	442
Due from associated companies (note 19)	**–**	–	**–**	–
	5,711	5,872	**4,834**	4,487
Total	**7,024**	7,094	**5,803**	5,485

Concentrations of credit risk with respect to trade receivables are limited due to the Group's large number of customers. At the end of the reporting period, 33% (2013: 30%) and 37% (2013: 39%) of the Group's and Company's trade receivables were due from 5 major customers. Management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's and Company's trade receivables.

Movements in allowance for doubtful trade receivables during the financial year are as follows:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
At beginning of financial year	**122**	123	**–**	2
Allowance made (note 7)	**–**	6	**–**	–
Receivables written off against allowances	**(122)**	(7)	**–**	(2)
At end of financial year	**–**	122	**–**	–

(i) Analysis of trade receivables at the end of the reporting period:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Not past due and not impaired	**621**	700	**560**	608
Past due and not impaired	**692**	522	**364**	303
	1,313	1,222	**924**	911

21 Trade and other receivables (cont'd)

(ii) Trade receivables that are past due and not impaired:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Past due 0 - 30 days	**454**	354	**289**	201
Past due 31 - 60 days	**124**	108	**55**	74
Past due 61 - 90 days	**54**	29	**20**	18
Past due more than 90 days	**60**	31	**–**	10
	692	522	**364**	303

Movements in allowance for doubtful sundry receivables during the financial year are as follows:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
At beginning of financial year	**2,263**	708	**1,870**	147
Allowance made (note 7)	**10**	6	**–**	–
Reclassification of allowance made (note 18(ii))	**–**	1,723	**–**	1,723
Receivables written off against allowances	**(551)**	(166)	**(102)**	–
Translation	**93**	(8)	**–**	–
At end of financial year	**1,815**	2,263	**1,768**	1,870

Sundry receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

22 Fixed deposits and cash and bank balances

The fixed deposits of the Group and Company are placed with banks and mature on varying dates within 12 months (2013: 12 months) from year end. The interest rates of these deposits at the end of the reporting period range from 0.45% to 3.6% (2013: 0.25% to 3.6%) per annum.

Included in the Group's and Company's fixed deposits and cash and bank balances are amounts of $102,000 (2013: $318,000) and $nil (2013: $217,000) respectively, pledged to banks for banking facilities granted to the Company and certain subsidiaries.

23 Share capital

(a) Share capital, issued and fully paid ordinary shares

	Group and Company		Group and Company	
	2014	2013	**2014**	2013
	Number of shares		**$'000**	$'000
At beginning of financial year	**200,995,734**	200,892,734	**43,299**	43,264
Shares issued upon exercise of options	**–**	103,000	**–**	35
At end of financial year	**200,995,734**	200,995,734	**43,299**	43,299

23 Share capital (cont'd)

(a) Share capital, issued and fully paid ordinary shares (cont'd)

The owners of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

(b) Share options – Company

At 31 December 2013, details of the options to take up unissued ordinary shares of the Company under the Option Scheme were as follows:

		Number of unissued ordinary shares under option				
Date of grant	Exercise period	Balance at 1.1.13	Aggregate exercised	Aggregate forfeited	Aggregate at 31.12.13	Exercise price
30 June 2008	1 July 2009 to 29 June 2013	103,000	(103,000)	–	–	$0.30

The fair value of the Company's share options as at the date of grant was computed using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

The inputs to the model used were shown below:

Date of grant	30 June 2008
Share price	$0.30
Exercise price	$0.30
Expected volatility	28.97%
Expected option life	2
Expected dividend yield	3.33%
Risk-free interest rate	1.625%

The expected volatility reflects the assumption that historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. The expected option life used is based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. No other features of the options were incorporated into the measurement of fair value.

No options to take up unissued shares of the Company or its subsidiaries were granted during the financial year.

24 Other reserves

Other reserves comprise the following:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Foreign currency translation reserve	**(593)**	(636)	**–**	–
Capital reserve	**276**	276	**–**	–
	(317)	(360)	**–**	–

24 Other reserves (cont'd)

Movements in other reserves are as follows:

	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Foreign currency translation reserve				
At beginning of financial year	**(636)**	(572)	**–**	–
Net exchange differences on translation of financial statements of foreign subsidiaries	**43**	(64)	**–**	–
At end of financial year	**(593)**	(636)	**–**	–
Share option reserve				
At beginning of financial year	**–**	5	**–**	5
Recognition of share-based payments	**–**	(1)	**–**	(1)
Exercise of employee share options	**–**	(4)	**–**	(4)
At end of financial year	**–**	–	**–**	–
Capital reserve				
At beginning of financial year	**276**	–	**–**	–
Capitalisation of accumulated profits	**–**	276	**–**	–
At end of financial year	**276**	276	**–**	–

25 Trade and other payables

	Group 2014 $'000	Group 2013 $'000	Company 2014 $'000	Company 2013 $'000
Trade payables	**4,840**	5,280	**3,525**	3,512
Due to subsidiaries	**–**	–	**786**	1,437
	4,840	5,280	**4,311**	4,949
Other payables	**2,591**	3,016	**1,161**	1,388
Accrued operating expenses	**4,939**	5,048	**4,104**	3,996
Deferred income	**249**	181	**228**	154
Due to subsidiaries	**–**	–	**464**	460
Provision for restoration costs	**1,032**	795	**930**	667
Purchase consideration for acquisition of trademark and related knowhow and goodwill	**256**	256	**–**	–
	9,067	9,296	**6,887**	6,665
Total	**13,907**	14,576	**11,198**	11,614

25 Trade and other payables (cont'd)

Movements in provision for restoration costs during the financial year are as follows:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
At beginning of financial year	**795**	–	**667**	–
Provided during the financial year	**270**	795	**263**	667
Utilised during the financial year	**(33)**	–	**–**	–
At end of financial year	**1,032**	795	**930**	667

Included in accrued operating expenses of the Group and Company are amounts of $623,000 (2013: $566,000) and $552,000 (2013: $510,000) respectively, representing unutilised employees' annual leave.

Purchase consideration payable is designated at fair value through profit or loss at initial recognition.

26 Borrowings

	Group	
	2014	2013
	$'000	$'000
Current		
Secured		
Term loan	**116**	–

The term loan of $116,000 (2013: $nil) of a subsidiary is secured by way of legal charges over the subsidiary's properties with net carrying value of $1,661,000 (2013: $1,680,000), pledged on its fixed deposits and joint and several corporate guarantees from its holding company (which is a wholly-owned subsidiary of the Company) and the Company.

The annual interest rates at the end of the reporting period was as follows:

	Group
	2014
	%
Term loan	**4.1**

Short-term bank loan has variable interest rates.

The carrying amount of the term loan approximates its fair value.

27 Deferred tax liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The movements in the deferred tax account are as follows:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
At beginning of financial year	**1,274**	1,320	**600**	650
Tax debit/(credit) to				
– Profit or loss (note 9)	**33**	(33)	**(80)**	(50)
– Translation difference	**(8)**	(13)	**–**	–
At end of financial year	**1,299**	1,274	**520**	600
Representing:				
Non-current				
Deferred tax liabilities	**1,299**	1,274	**520**	600

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Tax effect of temporary differences on excess of capital allowances utilised over accounting depreciation	**1,370**	1,341	**634**	724
Allowances/provisions	**(129)**	(124)	**(114)**	(124)
Others	**58**	57	**–**	–
	1,299	1,274	**520**	600

The Group's and Company's provision for deferred tax has been computed based on the corporate tax rate and tax laws prevailing at the end of the reporting period.

At the end of the reporting period, the Group has undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised. No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

28 Dividends

The directors have proposed a final tax exempt dividend for 2014 of 1.5 cents per share of approximately $3,015,000. These financial statements do not reflect these dividends payable, which if approved at the Annual General Meeting of the Company, will be accounted for in the shareholders' equity as an appropriation of accumulated profits in the financial year ending 31 December 2015.

29 Contingent liabilities

At 31 December 2014, the Company has provided corporate guarantees for the following:

(i) jointly and severally with a wholly-owned subsidiary guaranteed banking facilities granted by a bank to a subsidiary amounting to RM6 million, approximately $2.3 million (2013: RM6 million, approximately $2.3 million); and

(ii) proportionate guarantee for banking facilities granted by a bank to a subsidiary amounting to $1 million (2013: $1 million).

Management has determined that the fair value of the above financial guarantees provided by the Company is not material and is therefore not recognised in the Company's financial statements. No material losses under the guarantees are expected as management is of the opinion that the requirements to reimburse are remote.

30 Commitments for expenditure

Lease commitments

The Group and Company lease warehouses and sales outlets under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. Certain leases also provide for contingent rentals based on certain percentages of sales. Commitments in relation to non-cancellable operating leases contracted for but not recognised as liabilities, are payable as follows:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Not later than one financial year	**13,932**	13,401	**12,945**	12,164
Later than one financial year but not later than five financial years	**13,299**	14,876	**10,378**	13,761
More than five financial years	**752**	916	**–**	–
	27,983	29,193	**23,323**	25,925

Lease terms do not contain restrictions on the Group's and the Company's activities concerning dividends, additional debt or further leasing.

31 Financial instruments

(a) Categories of financial instruments

Financial instruments at the end of the reporting period are as follows:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Loans and receivables	**88,206**	85,994	**79,273**	78,763
Held-to-maturity financial assets	**–**	1	**–**	1
Available-for-sale financial assets	**35**	35	**35**	35
Financial liabilities at amortised cost	**11,765**	12,684	**9,390**	10,190
Financial liabilities at fair value through profit or loss	**256**	256	**–**	–

(b) Financial risks and management

The Group's overall risk management framework is set by the Board of Directors of the Company which sets out the Group's overall business strategies and its risk management philosophy. The Group's overall risk management approach seeks to minimise potential adverse effects on the financial performance of the Group.

There has been no changes to the Group's exposure to these financial risks or the way in which it manages and measures financial risk. Market risk, credit risk and liquidity risk exposures are measured using sensitivity analysis indicated below.

Market risk

Foreign exchange risk

The Group's foreign currency exposure arises mainly from holding cash and short-term deposits denominated in foreign currencies for working capital purposes and purchases that are denominated in currencies other than the respective functional currencies of the Group entities. At the end of the reporting period, such foreign currency balances are mainly in United States Dollars ("USD").

It is not the Group's policy to take speculative positions in foreign currencies.

The Group's foreign currency exposure is as follows:

	USD
	$'000
2014	
Financial assets	
Cash and cash equivalents	6,340
Financial liabilities	
Trade payables	462
Currency exposure – net financial assets	**5,878**
2013	
Financial assets	
Cash and cash equivalents	4,509
Financial liabilities	
Trade payables	464
Currency exposure – net financial assets	4,045

31 Financial instruments (cont'd)

(b) Financial risks and management (cont'd)

Market risk (cont'd)

Foreign exchange risk (cont'd)

The Company has no significant foreign currency exposure.

The sensitivity analysis for foreign exchange risk is not disclosed as the effect on the profit or loss is considered not significant if USD changes against the SGD by 5% (2013: 5%) with all other variables including tax rate being held constant.

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to the Group's debt obligations and fixed deposits placed with financial institutions. The Group maintains its borrowings in either variable or fixed rate instruments depending on which terms are more favourable to the Group. The Group manages its interest rate risk on its interest income by placing the surplus funds in fixed deposits of varying maturities and interest rate terms.

An increase in interest rates by 50 basis points for variable rate borrowings was not expected to have a significant impact on the Group's profit after tax.

Credit risk

The Group's principal financial assets are cash and bank balances, trade and other receivables and investments.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

At the end of the reporting period, the Group's and the Company'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; and
- corporate guarantees provided by the Company as set out in note 29.

See note 18 and 21 for credit risk concentration and trade receivables aging analysis and information on the Group's and Company's trade receivables.

31 Financial instruments (cont'd)

(b) Financial risks and management (cont'd)

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of the financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

In managing its liquidity, management monitors and reviews the Group's and Company's forecasts of liquidity reserves (comprise cash and cash equivalents and available credit facilities) based on expected cash flows of the respective operating companies of the Group.

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

	2014 $'000			2013 $'000		
	Within 1 year	**Within 2 to 5 years**	**Total**	Within 1 year	Within 2 to 5 years	Total
Group						
Trade and other payables	**11,649**	**–**	**11,649**	12,684	–	12,684
Borrowings	**117**	**–**	**117**	–	–	–
Purchase consideration for acquisition of trademark and related knowhow and business goodwill	**256**	**–**	**256**	256	–	256
Company						
Trade and other payables	**9,390**	**–**	**9,390**	10,190	–	10,190
Financial guarantee contracts	**3,300**	**–**	**3,300**	3,300	–	3,300

32 Fair value of assets and liabilities

(a) Fair value hierarchy

The Group classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy have the following levels:

(i) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group's only Level 3 measured financial instruments is the purchase consideration for acquisition of trademark and related knowhow of $256,000 (2013: $256,000) included in other payables (note 25).

The Group and the Company does not have any other Level 1, Level 2 and Level 3 measured financial assets and liabilities.

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

Loans and receivables, available-for-sale financial assets, held-to-maturity financial assets, trade and other payables and borrowings at floating rate (note 26). The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting period.

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

The loans to subsidiaries disclosed in note 18 (ii) do not have fixed repayment terms and as such, it is not practicable to determine the fair value of the amounts and loans with sufficient reliability.

(d) Assets not carried at fair value but for which fair value is disclosed

The fair values of the investment properties are categorised within Level 3.

The fair values of the Group's investment properties were determined based on the properties' highest-and-best-use valuations performed by accredited independent valuers using direct comparison with recent transactions of comparable properties within the vicinity and elsewhere at the end of the reporting period.

Based on the comparison approach, direct comparison was made to recent transactions of comparable properties within the vicinity and elsewhere. Necessary adjustments have been made for differences in location, tenure, size, shape, design and layout, age and condition of buildings, dates of transactions and the prevailing market conditions amongst other factors affecting its value. Any significant changes to the adjustments made to market value for differences in location or condition would result in higher or lower fair value measurement.

33 Segment information

The Group is organised into business units based on its products and services for management purposes. The reportable segments are restaurants and confectionery and others. Management monitors the operating results of its business units separately for making decisions about allocation of resources and assessment of performances of each segment.

The segment information provided to management for the reportable segments are as follows:

	Restaurants and confectionery $'000	Others $'000	Eliminations $'000	Group $'000
2014				
Revenue from external customers	102,466	53	–	**102,519**
Inter-segment revenue	–	2,483	(2,483)	**–**
Total revenue	102,466	2,536	(2,483)	**102,519**
Segment results	10,671	(1,251)	–	**9,420**
Finance costs	(6)	–	–	**(6)**
Share of results of equity-accounted investees	(63)	–	–	**(63)**
Profit before tax				**9,351**
Income tax expense				**(1,828)**
Profit after tax				**7,523**
Non-controlling interests				**383**
Net profit				**7,906**
Assets				
Investment in associated companies	57	–	–	**57**
Segment assets	107,676	18,467	(9,337)	**116,806**
Total assets				**116,863**
Liabilities				
Segment liabilities	17,122	11,823	(14,922)	**14,023**
Unallocated tax payable				**3,123**
Total liabilities				**17,146**
Capital expenditure	2,589	116	–	**2,705**
Depreciation and amortisation	2,849	343	–	**3,192**
Other non-cash expenses	237	(202)	–	**35**

33 Segment information (cont'd)

	Restaurants and confectionery $'000	Others $'000	Eliminations $'000	Group $'000
2013				
Revenue from external customers	98,106	60	–	98,166
Inter-segment revenue	–	2,460	(2,460)	–
Total revenue	98,106	2,520	(2,460)	98,166
Segment results	9,954	(540)	–	9,414
Finance costs	(5)	–	–	(5)
Profit before tax				9,409
Income tax expense				(1,613)
Profit after tax				7,796
Non-controlling interests				655
Net profit				8,451
Assets				
Segment assets	107,214	17,489	(9,849)	114,854
Total assets				114,854
Liabilities				
Segment liabilities	17,312	12,441	(15,177)	14,576
Unallocated tax payable				3,089
Total liabilities				17,665
Capital expenditure	4,173	–	–	4,173
Depreciation and amortisation	2,721	326	–	3,047
Other non-cash expenses	538	(139)	–	399

Note: Inter-segment revenues are eliminated on consolidation.

Inter-segment assets and liabilities are eliminated to arrive at the total assets and liabilities reported in the consolidated statement of financial position.

Other segment included unallocated Group-level corporate services cost, income from investment holding and franchising.

Segment results

Performance of each segment is evaluated based on segment profit or loss which is measured in a manner that is consistent with the net profit or loss before tax in the consolidated statement of profit or loss and other comprehensive income. Sales between operating segments are on terms agreed by Group companies concerned.

33 Segment information (cont'd)

Segment assets

The amounts provided to management with respect to total assets are measured in a manner consistent with that of the financial statements. Management monitors the assets attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments. All assets are allocated to reportable segments.

Segment liabilities

The amounts provided to management with respect to total liabilities are measured in a manner consistent with that of the financial statements. All liabilities are allocated to the reportable segments based on the operations of the segments other than deferred income tax liabilities and current tax payable which are classified as unallocated liabilities.

Geographical information

Revenue and non-current assets information based on the entity's country of domicile are as follows:

	Sales to external customers		Non-current assets	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Singapore	**88,246**	83,795	**20,307**	20,974
Malaysia	**13,865**	13,156	**4,327**	4,250
Rest of Asia	**408**	1,215	**183**	278
	102,519	98,166	**24,817**	25,502

Information about major customer

The Group did not have any single customer contributing 10% or more to its revenue for the financial years ended 31 December 2014 and 31 December 2013.

34 Capital management

The Group manages its capital to ensure it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The directors of the Group review the capital structure on a periodic basis. As part of the review, the directors consider the cost of capital and other sources of funds, including borrowings from banks and third parties.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents.

The capital structure of the Group consists of equity attributable to owners of the Company comprising share capital, reserves and accumulated profits. The Group's overall strategy remains unchanged from 2013.

34 Capital management (cont'd)

	Group 2014 $'000	Group 2013 $'000
Borrowings (note 26)	**(116)**	–
Less: Cash and cash equivalents	**82,348**	79,601
Net cash	**82,232**	79,601
Equity attributable to owners of the Company	**96,532**	93,608
Total capital	**96,532**	93,608

The Group is currently in a net cash position. The Group will continue to be guided by prudent financial policies of which gearing is monitored.

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2014 and 2013.

35 Authorisation of financial statements

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2014 were authorised for issue in accordance with a resolution of the directors on 30 March 2015.

Risk Management

The Group's overall risk management framework is set by the Board of Directors of the Company which sets out the Group's overall business strategies and its risk management philosophy. The Group's overall risk management approach seeks to minimise potential adverse effects on the financial performance of the Group.

The Group, with the assistance of the internal auditors, had embarked on an enterprise risk assessment study to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks within the Group's policies and strategies.

Management had reviewed the results of the enterprise risk assessment study and considered controls to mitigate any significant risk exposure to the Group. The control effectiveness would be assessed through an internal audit of each business unit.

Operational Risk Management

The restaurants and confectionery businesses are subject to operating risks such as competition, shortage of labour, availability of suitable retail sites, increase in operating costs such as food cost, rental, labour and energy costs, the recurring need for renovation and upgrading of outlets, government regulations and adverse effects of economic and market conditions.

It is recognised that these risks are inherent in all businesses. The Group's strategy of operational risk management is to balance cost and risk; and stay focused in risk and incident management.

Competition Risk Management

The Group's businesses operate under a highly competitive environment. Demand for the Group's products and services is susceptible to changes in consumer preferences and economic conditions.

For the restaurants and confectionery businesses, the Group recognises that it has to continually improve its products and services and develop its brand presence, and has put in place a comprehensive marketing and promotion programme.

Financial Risk Management

The Group's activities expose it to a variety of financial risks, namely foreign exchange, interest rate, credit and liquidity risks.

(i) Foreign exchange risk

The Group's foreign currency exposure arises mainly from holding of cash and short-term deposits denominated in foreign currencies for working capital purposes and purchases that are denominated in currencies other than the respective functional currencies of the Group entities. The main currency that gives rise to this risk at the end of the reporting period is primarily United States Dollars.

It is not the Group's policy to take speculative positions in foreign currencies.

(ii) Interest rate risk

The Group's exposure to changes in interest rates relates primarily to the Group's debt obligations and fixed deposits placed with financial institutions. The Group maintains its borrowings in either variable or fixed rate instruments depending on which terms are more favourable to the Group.

The Group manages its interest rate risk on its interest income by placing the surplus funds in fixed deposits of varying maturities and interest rate terms.

Financial Risk Management (cont'd)

(iii) Credit risk

The Group's principal financial assets are cash and bank balances, trade and other receivables and investments.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. Concentrations of credit risk with respect to trade receivables are limited due to the Group's large number of customers.

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

In managing its liquidity, management monitors and reviews the Group's forecasts of liquidity reserves (comprise cash and cash equivalents, and available credit facilities) based on expected cash flows of the respective operating companies of the Group.

Investment Risk Management

The Group has in place processes and procedures to consider and approve all capital investment proposals. All capital investment proposals are subject to thorough review to ensure that they meet the internal investment criteria and all the relevant risk factors are considered before submitting to the Board for approval.

Compliance & Legal Risk Management

The Group's operations are subject to regulations and possible changes in regulations could affect the Group's operations. The Group has in place processes to ensure compliance with applicable laws and regulations.

List of Properties

As at 31 December 2014

Description	Location	Floor Area (Sqm)	Tenure of Lease (Use)
Singapore			
A shop unit located on the first storey of a shopping-cum-residential development known as City Plaza	810 Geylang Road #01-103 City Plaza Singapore 409286	25	Freehold (Rental)
A shop unit located on the second storey of Far East Plaza	14 Scotts Road #02-22 Far East Plaza Singapore 228213	39	Freehold (Rental)
A shop unit located on the third storey of Thomson Plaza	301 Upper Thomson Road #03-23 & 23A Thomson Plaza Singapore 574408	349	Leasehold 99 years less one day from 15 October 1976 (Food and Beverage outlet)
A HDB shop unit with living quarters located within Block 5 Changi Village Road	Block 5 Changi Village Road #01-2001 Singapore 500005	358	85 years from 1 July 1994 (Rental)
A 4-storey factory building with a basement carpark	41 Tampines Street 92 Singapore 528881	9,780	30 years from 1 July 1993, with a further term of 30 years (Factory, warehouse and office)
Malaysia			
A double storey factory building	No.1 Jalan Dewani Satu Off Jalan Tampoi Kawasan Perindustrian Temenggong 81100 Johor Bahru	3,420	Freehold (Factory)
A 3-storey terrace shop	No.82 Jalan Serampang Taman Pelangi 86400 Johor Bahru	178	Freehold (Food and Beverage outlet)
Indonesia			
An apartment unit in Ascott Towers Indonesia	Unit 06-23 Jalan Kebon Kacang Raya No.2 Jakarta 10230	159	20 years and is renewable for a further term of 20 years (Rental)

Shareholders' Information

As at 18 March 2015

Class of Shares	:	Ordinary Shares
Voting Rights	:	One Vote per Share
No. of Issued Shares	:	200,995,734 Ordinary Shares
Treasury Shares	:	NIL

Distribution of Shareholdings as at 18 March 2015

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	6	0.53	283	0.00
100 – 1,000	165	14.47	156,137	0.08
1,001 – 10,000	715	62.72	3,678,101	1.83
10,001 – 1,000,000	243	21.32	13,888,319	6.91
1,000,001 and above	11	0.96	183,272,894	91.18
Total	**1,140**	**100.00**	**200,995,734**	**100.00**

Substantial Shareholders as at 18 March 2015

	Direct Interest		Indirect Interest	
Name of Substantial Shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**
Ang Yee Lim	89,827,901[1]	44.69	–	–
Kechapi Pte Ltd	56,925,858[2]	28.32	–	–
Alby (Private) Limited	–	–	56,925,858[3]	28.32
Chua Tiang Choon, Keith	300,000	0.15	56,925,858[3]	28.32
Allan Chua Tiang Kwang	300,000	0.15	56,925,858[3]	28.32
Chua Tiang Chuan	–	–	56,925,858[3]	28.32
Kestrel Capital Pte Ltd	13,403,000[4]	6.67	–	–
Lim Eng Hock	–	–	18,587,000[5]	9.25

Notes:
1. *43,000,000 ordinary shares are held through nominees*
2. *20,000,000 ordinary shares are held through nominees*
3. *Deemed to have interest in 56,925,858 ordinary shares held by Kechapi Pte Ltd*
4. *13,403,000 ordinary shares are held through nominees*
5. *Deemed to have interest in 13,403,000 ordinary shares held by Kestrel Capital Pte Ltd and 5,184,000 ordinary shares held through nominees.*

Twenty Two Largest Shareholders as at 18 March 2015

No.	Name of Shareholders	No. of shares	%
1	Ang Yee Lim	46,827,901	23.30
2	Kechapi Pte Ltd	36,925,858	18.37
3	Raffles Nominees (Pte) Ltd	32,037,000	15.94
4	UOB Kay Hian Pte Ltd	29,081,600	14.47
5	Hong Leong Finance Nominees Private Limited	20,000,000	9.95
6	Maybank Nominees (Singapore) Pte Ltd	10,000,000	4.98
7	Yap Boh Sim	2,310,000	1.15
8	Ang Lian Seng	2,300,000	1.14
9	Yit Teng Yuet	1,435,000	0.71
10	DBS Nominees Pte Ltd	1,332,535	0.66
11	So Meng Seng	1,023,000	0.51
12	United Overseas Bank Nominees Private Limited	741,000	0.37
13	Ong Kheng Ho	495,000	0.25
14	So Tai Lai	470,000	0.23
15	Chua Chor Heah	370,000	0.18
16	Ronald Lim Cheng Aun	305,000	0.15
17	Allan Chua Tiang Kwang	300,000	0.15
18	Bank Of Singapore Nominees Pte Ltd	300,000	0.15
19	Chua Tiang Choon, Keith	300,000	0.15
20	Leck Kim Seng	300,000	0.15
21	Ong Kok Foo	300,000	0.15
22	Quek Mong Hua	300,000	0.15
Total:		**187,453,894**	**93.26**

Based on Shareholders' Information as at 18 March 2015, approximately 15.83% of the total number of issued shares of the Company are held by the public and therefore, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited is complied with.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 36th Annual General Meeting of the Company will be held at 41 Tampines Street 92, #03-00 ABR Building, Singapore 528881 on Tuesday, 28 April 2015 at 10.00 a.m. to transact the following businesses:

AS ORDINARY BUSINESSES:

1. To receive and adopt the Directors' Report and Audited Financial Statements for the financial year ended 31 December 2014 together with the Independent Auditor's Report thereon. ***Resolution 1***

2. To approve the payment of a tax exempt Final Dividend of 1.50 cents per ordinary share for the financial year ended 31 December 2014. ***Resolution 2***

3. To approve the payment of the Directors' fees of S$205,000 for the financial year ended 31 December 2014 (2013: S$205,000). ***Resolution 3***

4. To re-elect Mr Allan Chua Tiang Kwang, the director retiring by rotation pursuant to Article 98 of the Company's Articles of Association. ***Resolution 4***

   [See Explanatory Note (i)]

5. To re-elect Mr Ang Lian Seng, the director retiring by rotation pursuant to Article 98 of the Company's Articles of Association. ***Resolution 5***

   [See Explanatory Note (ii)]

6. To re-appoint Messrs Baker Tilly TFW LLP as Auditor of the Company and to authorise the Directors to fix the Auditor's remuneration. ***Resolution 6***

AS SPECIAL BUSINESSES:

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

7. **Authority to Allot and Issue Shares** ***Resolution 7***

   "THAT pursuant to Section 161 of the Companies Act, Chapter 50, and the Listing Rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given for the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

   (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

   (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;

   (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues;

   and (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuant to any Instrument made or granted by the Directors while the authority was in force, provided always that:

(a) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per centum (50%) of the Company's total number of issued shares excluding treasury shares, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued other than on a pro-rata basis to shareholders of the Company does not exceed twenty per centum (20%) of the total number of issued shares excluding treasury shares, and for the purpose of this Resolution, the total number of issued shares excluding treasury shares shall be the Company's total number of issued shares excluding treasury shares at the time this Resolution is passed, after adjusting for:

i. new shares arising from the conversion or exercise of convertible securities, or

ii. new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this Resolution is passed, and

iii. any subsequent bonus issue, consolidation or subdivision of the Company's shares;

(b) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier."

[See Explanatory Note (iii)]

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

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATE

NOTICE IS HEREBY GIVEN that subject to approval being obtained at the 36th Annual General Meeting to be held at 41 Tampines Street 92, #03-00 ABR Building, Singapore 528881 on Tuesday, 28 April 2015 at 10.00 a.m.:

1. A tax exempt Final Dividend of 1.50 cents per ordinary share for the financial year ended 31 December 2014 will be paid on 28 May 2015.

2. The Share Transfer Books and Register of Members of the Company will be closed on 11 May 2015 for the purpose of determining the shareholders' entitlements to the proposed dividend. Duly completed and stamped transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #02-00, Singapore 068898, up to 5.00 p.m. on 8 May 2015 will be registered to determine shareholders' entitlements to the proposed dividend. Shareholders (being depositors) whose securities account with The Central Depository (Pte) Limited are credited with shares as at 5.00 p.m. on 8 May 2015 will be entitled to the payment of the proposed dividend.

FOR AND ON BEHALF OF THE BOARD

Chua Tiang Choon, Keith
Executive Chairman

13 April 2015

Notice of Annual General Meeting

Explanatory Notes:

(i) Key information on Mr Allan Chua Tiang Kwang can be found on page 17 of the Annual Report 2014. Mr Allan Chua is the brother of Mr Chua Tiang Choon, Keith, the Executive Chairman and Substantial Shareholder and Mr Chua Tiang Chuan, a Substantial Shareholder.

(ii) Key information on Mr Ang Lian Seng can be found on page 17 of the Annual Report 2014. Mr Ang is the nephew of Mr Ang Yee Lim, the Managing Director and Substantial Shareholder and nephew of Mr Leck Kim Seng, the Executive Director.

(iii) Ordinary Resolution No. 7 proposed in item no. 7 is to empower the Directors, from the date of the passing of Ordinary Resolution No. 7 to the date of the next Annual General Meeting, to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to an amount not exceeding in total 50% of the issued shares (excluding treasury shares) in the capital of the Company, with a sub-limit of 20% of the issued shares (excluding treasury shares) for issues other than on a pro-rata basis to shareholders.

Notes:

a) *A member entitled to attend and vote at the Annual General Meeting of the Company shall be entitled to appoint not more than two proxies to attend and vote instead of him.*

b) *In any case where the Proxy Form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Proxy Form.*

c) *A proxy need not be a member of the Company.*

d) *The Proxy Form shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.*

e) *The Proxy Form and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited with the registered office of the Company at 41 Tampines Street 92, ABR Building, Singapore 528881, not less than forty-eight (48) hours before the time appointed for holding the Meeting.*

ABR HOLDINGS LIMITED
(Company Registration No.: 197803023H)
(Incorporated in the Republic of Singapore)

Annual General Meeting Proxy Form

IMPORTANT
1. For investors who have used their CPF monies to buy ABR Holdings Limited's shares, the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We ______________________________ (Name) NRIC/Passport no. ______________

of ______________________________

being *a member/members of ABR Holdings Limited (the "Company"), hereby appoint

Name	NRIC/Passport No.	Proportion of Shareholdings to be represented by proxy	
		No. of Shares	%
Address:			

*and/or

Name	NRIC/Passport No.	Proportion of Shareholdings to be represented by proxy	
		No. of Shares	%
Address:			

or failing him/her, the Chairman of the Meeting as *my/our *proxy/proxies to vote for *me/us on *my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting of the Company to be held at 41 Tampines Street 92, #03-00 ABR Building, Singapore 528881 on Tuesday, 28 April 2015 at 10.00 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specified directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/their discretion.

No.	Ordinary Resolutions	For#	Against#
1.	Adoption of the Directors' Report and Audited Financial Statements for the financial year ended 31 December 2014 together with the Independent Auditor's Report thereon.		
2.	Approval of payment of a tax exempt Final Dividend of 1.50 cents per ordinary share for the financial year ended 31 December 2014.		
3.	Approval of payment of Directors' fees of S$205,000 for the financial year ended 31 December 2014.		
4.	Re-election of Mr Allan Chua Tiang Kwang as Director.		
5.	Re-election of Mr Ang Lian Seng as Director.		
6.	Re-appointment of Messrs Baker Tilly TFW LLP as Auditor.		
7.	Authority to allot and issue shares.		

* *Delete accordingly*
\# If you wish to use all your votes "For" or "Against", please indicate with an "X" within the box provided. Otherwise, please indicate number of votes "For" or "Against" for each resolution within the box provided.

Dated this ____________ day of ____________ 2015

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

____
Signature(s) of Member(s)/Common Seal

IMPORTANT. Please read notes overleaf

Notes:

i) A member entitled to attend and vote at the Annual General Meeting of the Company shall be entitled to appoint not more than two proxies to attend and vote instead of him.

ii) In any case where the Proxy Form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Proxy Form.

iii) A proxy need not be a member of the Company.

iv) The Proxy Form shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.

v) The Proxy Form and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited with the registered office of the Company at 41 Tampines Street 92, ABR Building, Singapore 528881, not less than forty-eight (48) hours before the time appointed for holding the Meeting.

vi) A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this Proxy Form will be deemed to relate to all the shares held by the member of the Company.

vii) The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register as at forty-eight (48) hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

viii) A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register as at forty-eight (48) hours before the time set for holding the Annual General Meeting.

AFFIX
STAMP

The Company Secretary

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Singapore 528881

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